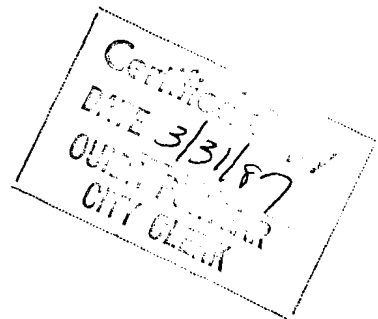




March 31, 1987



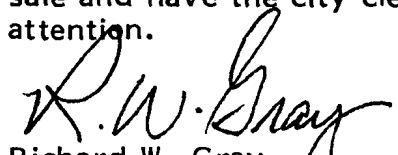
The Honorable Hubert Brodell  
Mayor, City of Jonesboro  
314 West Washington  
Jonesboro, AR 72401

RE: JONESBORO, ARKANSAS INDUSTRIAL DEVELOPMENT  
REVENUE BONDS (GILBERT PROJECT), SERIES A, B,  
& C, "FLINTROL, INC."

Mercantile Bank serves in the capacity of Trustee and Paying Agent for the above-styled bond issue. As you know, these bonds have been in default since July 1, 1986, due to the inability of Flintrol, Inc. to make the necessary lease payments.

Flintrol, Inc. has abandoned its lease and we have assumed control in our capacity as Trustee. It is our intention to dispose of some of the equipment which was purchased with the bondholders' money. Flintrol, Inc. has indicated an interest in purchasing six items of that equipment. Therefore, towards that end we have had those six pieces of equipment appraised and have obtained the consent of the Arkansas Industrial Development Commission regarding the sale to Flintrol, Inc. at the appraisal values.

I enclose a copy of the consent letter from AIDC and also a copy of the appraisal of the equipment. Also, enclosed is a bill of sale from the city of Jonesboro to Gettle Resources, Inc. for those six pieces of equipment for a total consideration of \$17,675. Please sign the bill of sale and have the city clerk attest the document and return to my attention.

  
Richard W. Gray  
Sr. Vice President-Trust

njc

Enclosures

**Mercantile Bank**

P.O. DRAWER 6018 • JONESBORO, ARKANSAS 72403-6018 • (501) 935-5521

BILL OF SALE

STATE OF ARKANSAS     )  
                                  ) ss.  
COUNTY OF CRAIGHEAD )

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the City of Jonesboro, Arkansas, issued industrial development revenue bonds in series A, B and C to acquire and lease certain property to Gilbert International, Inc.; and

WHEREAS, Gilbert International, Inc. subsequently changed its name to Flintrol, Inc., and Flintrol, Inc. subsequently defaulted on its lease payments, but now desires to purchase some of the leased equipment; and

WHEREAS, the City has determined the fair market value of such property and has decided such sale is in the best interest of the holders of the bonds;

NOW, THEREFORE, the City of Jonesboro, acting by and through its City Council, for and in consideration of the sum of Seventeen Thousand Six Hundred Seventy-Five Dollars (\$17,675.00), to it cash in hand paid by Gettle Resources, Inc. the receipt of which is hereby acknowledged, does hereby bargain, sell, convey, assign, transfer and deliver unto the said Gettle Resources, Inc., its successors and assigns the following described personal property:

ROUSSELLE MODEL 6B60 OBI GAP                   \$6,950.00  
BED PRESS S/N 19820 DOUBLE  
CRANK, AIR CLUTCH, AIR  
COUNTERBALANCE

ROUSSELLE MODEL 3 OBI PUNCH PRESS S/N DASA 9562 AIR CLUTCH WITH ROCKFORD SAFETY KIT	\$3,250.00
WYSONG MODEL H-52 HYDRAULIC SHEAR S/N H52-518 WITH PARALLEL DRIVE BACK GAUGE AND 6 SQUARING ARM	\$2,850.00
ARO GUN TYPE SPOT WELDER KVA23 MODEL TG3231 S/N 6052083 440 VOLTS	\$ 950.00
AMERICAN COMPACT CUB SCISSOR LIFT MODEL M500 S/N 54704 CAPACITY 500 LBS	\$ 225.00
UNINOTCH POWERED NOTCHER FIXED ANGLE 9 X 9 S/N 3458	\$3,450.00

TO HAVE AND TO HOLD the same unto the said Gettle Resources, Inc., its successors and assigns forever.

And the undersigned hereby warrants the title to said property, and that it is free of any and all encumbrances, against the lawful claims of any and all persons.

IN WITNESS WHEREOF the City of Jonesboro has caused this Bill of Sale to be executed by its mayor, being duly authorized to so do, and attested by its city clerk this 31st day of march, 1987.

ATTEST:

CITY OF JONESBORO, ARKANSAS