



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Wednesday, September 14, 2016

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

3. Approval of minutes

MIN-16:113 Minutes for the Finance Committee meeting on August 30, 2016

Attachments: [Minutes](#)

MIN-16:115 Minutes for the special called Finance Committee meeting on September 6, 2016

Attachments: [Minutes](#)

4. New Business

Ordinances To Be Introduced

ORD-16:064 AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENTS IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE AND PRESCRIBE CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; TO AUTHORIZE THE EXECUTION AND DELIVERY OF LEASE AGREEMENTS RELATING TO THE PROJECT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Attachments: [PILOT Agreement \(FMH Conveyors\) \(2\)](#)

[PILOT Agreement \(HMD Jonesboro\)](#)

[Recognition Nondisturbance and Attornment Agreement - FMH](#)

[Recognition Nondisturbance and Attornment Agreement - HMD](#)

[Trust Indenture -- FMH_HMD](#)

[Bond Purchase Agreement - FMH_HMD](#)

[Lease Agreement \(FMH\)](#)

[Lease Agreement \(HMD\)](#)

Resolutions To Be Introduced

- RES-16:120** A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE EAST ARKANSAS PLANNING AND DEVELOPMENT DISTRICT FOR THE 2015 GENERAL IMPROVEMENT FUNDS (GIF) FOR THE MIRACLE LEAGUE PROJECT
- Sponsors:** Grants
- Attachments:** [Grant 20155906 - Miracle League - 08162016](#)
-
- RES-16:124** A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH MID-SOUTH HEALTH SYSTEMS TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR RESIDENTIAL FACILITIES FOR THE 2016 CDBG ACTION PLAN
- Sponsors:** Grants
- Attachments:** [MOU for MidSouth Health](#)
-
- RES-16:125** A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH FOUNDATION CARE, LLC (DAVID E. PURYEAR CENTER) TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR THE FACILITY IMPROVEMENTS FOR THE 2016 CDBG ACTION PLAN
- Sponsors:** Grants
- Attachments:** [MOU for Foundation Care, LLC.](#)
-
- RES-16:127** A RESOLUTION AUTHORIZING THE ENTRY INTO AN AGREEMENT TO ISSUE BONDS FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRIAL FACILITIES WITHIN THE CITY OF JONESBORO, ARKANSAS, TO BE LEASED TO FRITO-LAY, INC., PURSUANT TO THE AUTHORITY OF THE LAWS OF THE STATE OF ARKANSAS, INCLUDING PARTICULARLY AMENDMENT 65 TO THE ARKANSAS CONSTITUTION AND THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW.
- Attachments:** [Notice of Public Hearing \(Frito-Lay\)](#)
[PILOT Agreement \(Frito-Lay\)](#)
[Agreement to Issue Bonds \(Frito-Lay\)](#)

5. Pending Items

6. Other Business

7. Public Comments

8. Adjournment



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-16:113 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 8/31/2016 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the Finance Committee meeting on August 30, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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Minutes for the Finance Committee meeting on August 30, 2016



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, August 30, 2016

4:00 PM

Municipal Center

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Mayor Perrin was also in attendance.

Present 6 - Ann Williams; John Street; Darrel Dover; Charles Coleman; Todd Burton and Rennell Woods

3. Approval of minutes

[MIN-16:104](#)

Finance & Administration Committee Meeting Minutes for August 9, 2016

Attachments: [Minutes.pdf](#)

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Passed . The motion PASSED with the following vote.

Aye: 5 - Ann Williams; John Street; Charles Coleman; Todd Burton and Rennell Woods

4. New Business

[COM-16:068](#)

Proposed Police Pay Plan

Attachments: [Proposed Police Pay Plan.pdf](#)

Police Chief Rick Elliott explained the Public Safety Committee formed a subcommittee to look at the plan. The plan was then approved by the Public Safety Committee and was forwarded to the Finance Committee tonight. He explained they used the numbers Johanson had in place as a starting point. He noted they are not reinventing what Johanson put together; rather, they are just enhancing it. There are increases to the plan itself as well as a step raise system. The Johanson plan has a starting point, midpoint and maximum with no clear path defined as to how to get to the midpoint and maximum. With a step plan in place, that will give a path for the salaries. The first part of the plan would be to approve the step plan towards the salary plan.

The second part of the adjustment to the plan addresses market value. Johnson indicated Jonesboro is 3% behind market value. Bringing the salaries up 3% is a start. But, Jonesboro also has a problem with recruiting and retention. The city needs

to make the market more appealing to interested parties. So, they added 3% more to the plan above Johanson's market. It will be the buffer for recruitment and retention.

The work they did will help with lingering compression problems once everyone is placed in the scale. Police Chief Elliott explained the city had a step plan in the salary plan, but it was removed in the mid-90's, which started the beginning of the problem. If the steps had been left in place, then the city wouldn't be where it is now. The step plan will be costly, but they are at the point where they need to get things lined out. They think the plan is fair across the board and will sustain the Police Department for many years. But, he cautioned the plan will only be good if the city re-evaluates the salary plan periodically, every three or four years as was also agreed to by the Salary Committee. This will help keep the cost of catching up down in years to come. He also noted cost of living adjustments also have to be kept up with in years to come.

He reiterated they did not scrap any work that had been previously done. They just enhanced the pay scale and aligned the salaries, including the starting salary for a patrolman which was bumped up. They also created a difference between patrolmen and the rank structure.

He discussed the proposed plan (see attached handout). He noted they bumped up the starting salary of a patrolman to \$34,500. The midpoint for Johanson is at the 10-year mark. Typically they lose a lot of officers at the one-year to seven-year mark, so they included extra steps in that area to help retain what they have. The ranks have salaries that are also spread out, but they do not go out to 20-years like the patrolman salary scale. The theory behind that once you make rank, typically you won't be at that rank quite as long. He noted there may be cases where a sergeant could be at that rank their whole career.

Chairman Dover asked for a breakdown of attrition by rank. He asked what ranks the city is losing officers at over the last five years. Police Chief Elliott answered 77 patrolmen have left the city in the last five years, but some were from terminations. He wasn't sure of the numbers for sergeant or lieutenant. He noted the city has not lost any captain or assistant police chiefs and only one police chief over the past five years. Chairman Dover stated the attrition is at the patrolman level. Police Chief Elliott agreed.

Chairman Dover then questioned how they got the minimum salary levels. He noted Chief Elliott had indicated they increased the salaries by 6%, but he is seeing increases at 20.95%, 23.24%, 19.84%, 18.845, and 12.61%. Chief Financial Officer Suzanne Allen explained that during the committee meetings they discussed starting at 6% with the police officers, but then there was discussion about not overlapping the salaries between ranks. The Johanson plan includes overlap, but the Police and Fire Department do not feel like there should be overlap between the ranks. So, the beginning salaries of each rank were set to be a little higher than the maximum of the immediately lower rank. There was no scientific method for figuring out the salaries and no formulas used. They used the 6% on the starting salary on the police officers and moved on from there. Police Chief Elliott added they also used comparisons from other cities. Chairman Dover asked what cities they compared Jonesboro to. Police Chief Elliott answered they used the cities that Johanson used in their comparisons. He explained they didn't want the overlapping of salaries because there was nothing to entice officers to take the sergeants test since there was such a small percentage increase to make sergeant.

Chairman Dover expressed concern about raising some of the ranking officer's salaries by more than 6% when the attrition problem is at the patrolman level, not the

ranking officer levels. Police Chief Elliott stated if the scale isn't changed completely, then another compression problem is made as well as creating a scale that won't work down the road. There must be separation. Chairman Dover noted the maximum of the ranks could also be lowered. He stated, for instance, Johanson recommended a patrol officer max out at \$48,644 but the proposed plan is recommending maxing officers out at \$51,600. Police Chief Elliott stated that was based on the 6% increase. He further explained there are some anomalies in the plan whereby officers or ranking officers will not benefit much from the increases because they have already maxed out according to the salary points.

Chairman Dover questioned what will happen in three years when the plan is re-surveyed as they have indicated they will do for the other employees. He asked how that re-evaluation will be translated into this proposed plan. Police Chief Elliott explained part of the process is the committee finalizing the proposal and then they'll put it in ordinance form. If any percentage is added to the plan in the future, the plan will adjust itself.

Chairman Dover asked what the starting salaries would be if 6% was added to the current Johanson figures. Ms. Allen stated sergeant would be \$45,573, which would still lead to an overlapping issue since the maximum salary for a police officer is \$51,600. She added the importance of the overlapping will have to be decided by the City Council. She noted if they just add 6% to the starting salary of lieutenant it would be \$52,464. Chairman Dover questioned how long it takes for someone to go from sergeant to lieutenant. Police Chief Elliott explained it varies. They have had some officers who become lieutenant early on, but then have been there for many years. It also depends on who is testing. He has senior patrol officers who have been in their position for 15, 20 years who haven't taken the sergeant's test because there's not enough incentive to take the test. The 5% pay raise they would be getting isn't worth it to them to lose preference on shift and days off. There must be an incentive to get the officers take the test and make rank. That's why they tried to cut out the overlap and bump up the salaries.

Chairman Dover then asked how the incentive plan will play into these figures. Police Chief Elliott stated these figures are just base figures. Any incentive, including education, would be on top of the base salary. He stated it would also depend on the cap because there has been some talk of a \$4,000 cap, but the committee hasn't decided that yet.

Councilman Burton asked how the steps in the plan were obtained at years 1, 3, 5, 7, etc. He asked if those are just percentage based. Police Chief Elliott explained they set the starting, midpoint and maximum and just worked on the numbers in between those points.

Councilman Burton then noted incentives would help get employees from the starting to the midpoint faster. Police Chief Elliott stated they are just dealing with base salary, not incentives. Yes, if someone had more educational incentive their base pay would be the same, but the incentives would make their salary more. He added there have been questions about whether incentive should be rolled into base salary. But, in this proposal they are trying to keep base as a true base salary.

Chairman Dover asked if the comparisons collected by Johanson included incentives in the salary surveys. Ms. Allen explained she received an email from Bruce Johanson that indicated the Police Department salaries with their incentives rolled in where compared to other Police Departments with their incentives rolled in, with the exception of the City of Rogers. The amounts would not have changed the overall percentages.

Councilman Burton questioned why the city went away from the step plan in the past. City Clerk Donna Jackson stated it was the Modified Plan B, where the city went from Condrey to Johanson, but then the Johanson plan was modified. Chairman Dover agreed, adding the city had three choices of plans at that time. City Clerk Jackson noted there was a recommendation and the city didn't take that recommendation. Police Chief Elliott explained there have been numerous groups make proposals and the city adopted them, but then didn't follow through years with re-evaluations years down the road. The city is now on its third group.

Chairman Dover noted the Johanson plan sets out a midpoint at 10-years of service and max at 20-years of service. He asked how they arrived at the maximum years for the ranking officers. Police Chief Elliott stated the theory is there won't be a 20-year or 25-year captain. There won't be someone who jumps up to captain in 5 years, then spends 20 years there.

Chairman Dover then asked about the long-term costs of the plan. He noted the long-terms costs aren't sure due to other factors such as re-evaluating the plan every few years and the incentive plan. Police Chief Elliott explained the starting, midpoint and max are set out as proposed today. By adding the 3% as they have proposed the plan will be more doable and sustain itself for a longer period of time. Ms. Allen added each employee was looked at, so they know that at this time the numbers are correct except for the attrition factor. Chairman Dover stated that new police officers will be starting at a lower salary than those retiring at sergeant, lieutenant, captain, etc. Ms. Allen further explained that they also have some people who are retiring and getting \$25,000 for accumulated time, so that also needs to be considered since the pay out for accumulated time is larger than the savings in hiring an officer at a lower salary.

Mayor Perrin asked Ms. Allen to discuss the recent events concerning LOPFI. Ms. Allen explained the 2017 costs to the city for retirement benefits will be 40% for the Fire Department and 23.8% for the Police Department. Mayor Perrin added that doesn't include other benefits such as health insurance. Councilman Street noted that the State requires the LOPFI amounts, so the city has to pay it. He explained the legislature is even looking at allowing cities to charge 1 mill in taxes as opposed to the current .5 mill because a lot of cities in the State are delinquent in their LOPFI payments. Discussion was held concerning LOPFI. Ms. Allen stated she would email the Council tomorrow to let them know how much of an increase that would be.

Councilman Street questioned incentives. Police Chief Elliott explained every officer should be afforded the opportunity to receive education and incentives. Everyone has the opportunity for basic incentives. There has been talk of offering incentives for specialized classes, but that opportunity has to be offered to everyone or it will create a problem. Councilman Street asked if incentives would be removed if they aren't equal opportunity. Police Chief Elliott stated they don't have anything like that right now. Before this year, the incentives were based on a percentage of pay which caused a problem since as your salary increased the incentive pay also increased. This is why the Salary Committee decided to go to flat fees for incentives instead of percentages.

Chairman Dover asked about the salary spread for each of the ranks. He noted the midpoint for a sergeant is only \$3,000 more than the starting salary. He explained it looks like the money is being spent on the front end and not on the back end. Police Chief Elliott explained the sergeant position maxes out at 10 years, not at 20. The 5 year mark is about halfway between the starting salary and the maximum. He said that goes back to an officer moving up to sergeant already has some years of service as a patrolman and could already be halfway through their career.

Chairman Dover stated he thinks the money should be concentrated on patrolmen because that is where the city is losing personnel. He added when the incentive plan was proposed to them in 2008 it was supposed to be a way to keep patrolmen, yet the majority of the money went to the ranking officers. He thinks the same thing is happening here. Police Chief Elliott explained it is up to each individual whether or not they want to participate in the incentive plan. Some ranking officers may have more education or other incentives than others.

Chairman Dover explained he doesn't have a problem with a step plan; he thinks it's great. His concern is where the money is allocated. He thinks it needs to be looked at and should go to fix the problem, which is keeping patrolmen. Councilman Street disagreed, stating he thinks it does. He stated there's only one chief and assistant chief, six or seven lieutenants, quite a few sergeants. But, there are 117 patrolmen. Chairman Dover noted the greater raises are going to the ranking officers. He reiterated he is all for a step plan, but would like more study done on the numbers.

Councilman Mitch Johnson, also a member of the Police Compensation Committee, explained the Police Compensation Committee was charged with finding a solution to the problem they are facing. He said it's a sad situation that the city has lost 70-something officers in five years considering Jonesboro's size and growth. They can discuss the numbers if needed, but the committee was charged with coming up with a plan. They came up with a plan that can be used to bring in officers and show them what their salaries will be in the future. Right now, there's nothing to entice an officer to come to Jonesboro. This will help bring in people that are ready to go to work. The department is over-extended and needs help. He stated if the proposal is killed, then the morale will be worse and who knows what the city will lose from there. He further added the city can pave the streets in gold and put an aquatics center on every corner, but if there's no one to protect the citizens then they won't stay here and they won't come here. He then questioned what that will do to tax revenue when the city needs every dollar it can get. Councilman Johnson encouraged the committee to implement the plan in order to keep the city from regressing any further.

Councilman Coleman motioned, seconded by Councilman Street, to recommend the plan to the full Council.

Aye: 5 - Ann Williams; John Street; Charles Coleman; Todd Burton and Rennell Woods

Ordinances To Be Introduced

ORD-16:060

AN ORDINANCE APPROVING THE PURCHASE OF A JOHN DEERE EXCAVATOR FOR THE STREET DEPARTMENT, APPROPRIATING FUNDS, AND DECLARING AN EMERGENCY

Sponsors: Finance and Streets

Mayor Perrin explained the Council had asked him to look into purchasing another excavator. They received bids and this purchase is with the lowest bidder meeting specifications. Councilman Street asked if this was another one that will go into ditches. Mayor Perrin answered yes.

A motion was made by Councilman John Street, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams; John Street; Charles Coleman; Todd Burton and Rennell Woods

Resolutions To Be Introduced

RES-16:105

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR THE EXECUTION OF THE FY2016 CDBG ACTION PLAN

Sponsors: Grants

Attachments: [HUD Letter for Approval](#)
[Authority to Use Grant Funds FY2016](#)
[HUD-COJ FY2016 Agreement](#)

Mayor Perrin stated this is the annual CDBG plan.

A motion was made by Councilwoman Ann Williams, seconded by Councilman Charles Coleman, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:106

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH HISPANIC COMMUNITY SERVICES, INC.

Sponsors: Grants

Attachments: [HCSI_2016Contract.pdf](#)

Mayor Perrin explained RES-16:106 through RES-16:111 are all contracts that go along with the CDBG plan the committee just approved, RES-16:105. Each agency is broken down as to how much funding they will get.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:107

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH NEW LIFE EMPOWERMENT DEVELOPMENT CENTERS, INC.

Sponsors: Grants

Attachments: [NLEDC_2016Contract.pdf](#)

Councilman Burton asked what the Empowerment Development Center is. Grants Administrator Kimberly Marshall explained that is actually a computer program in north Jonesboro for the underprivileged that don't have WiFi access. The program will set up a mobile truck to go around and help students and will assist with resumes as well as homework.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion

PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:108

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH NEA COMMUNITY ATHLETICS

Sponsors: Grants

Attachments: [NEAAthletics_2016Contract.pdf](#)

Chairman Dover asked if this was an athletic program. Ms. Marshall stated this is a community athletic organization that is largely in north Jonesboro. It will fund uniforms, equipment and will help the kids get to games across the state.

A motion was made by Councilman John Street, seconded by Councilman Todd Burton, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:109

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH THE LEARNING CENTER OF NORTHEAST ARKANSAS, INC.

Sponsors: Grants

Attachments: [TLC_2016Contract.pdf](#)

Ms. Marshall explained the funding will be used to purchase playground equipment for The Learning Center. Their current equipment is not in good shape and needs to be replaced. The Learning Center is for individuals with physical and learning disabilities.

A motion was made by Councilman Todd Burton, seconded by Councilman John Street, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:110

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH WEST END NEIGHBORHOOD ASSOCIATION

Sponsors: Grants

Attachments: [WENA_2016Contract.pdf](#)

Councilman Street asked if this is for lights at the park. Ms. Marshall stated the funding is for lights in the West End area. They hope that by lighting up the streets they will see a reduction in crime.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:111

A RESOLUTION APPROVING THE IMPLEMENTATION OF THE 2016 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC SERVICE PROGRAM AGREEMENT WITH CITY YOUTH MINISTRIES

Sponsors: Grants

Attachments: [CYM_2016Contract.pdf](#)

Ms. Marshall stated City Youth is doing a program for individuals with learning disabilities such as dyslexia. The programs will be for those with reading disabilities.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:116

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH SG360 JANITORIAL SERVICES

Sponsors: Mayor's Office

Attachments: [SG3060 Municipal Building Janitorial Agreement 8.23.16](#)

Mayor Perrin explained this is the city's cleaning service. This is an annual agreement.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

RES-16:117

A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH HABITAT OF HUMANITY OF GREATER JONESBORO TO COLLABORATE IN REHABILITATION AND DEMOLITION ACTIVITIES OF CERTAIN PROPERTIES FOR THE 2016 CDBG ACTION PLAN

Sponsors: Grants

Attachments: [MOU for CDBG & Habitat for Humanity](#)

Ms. Marshall explained they have to have a memorandum of understanding when they are doing projects as opposed to public services. They will be helping to rehab houses for individuals to purchase through Habitat for Humanity. It is for two projects.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

5. Pending Items

6. Other Business

Councilman Street explained they were asked by the Mayor to walk RES-16:121 and RES-16:119 on to the agenda for today. RES-16:119 is to allow the city to enter into an agreement with State Police for the 2017 Step Grant. It is an annual grant the city receives every year to enforce off-duty officers to come in and work overtime. Police Chief Elliott indicated to him this resolution needed to be walked on to the committee agenda so it can be taken to Council. They have to have it back to the State Police within the next two weeks.

Councilman Street motioned, seconded by Councilwoman Williams, to suspend the rules and place RES-16:119 and RES-16:121 on the agenda. No vote was taken.

RES-16:119

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AGREEMENT WITH THE ARKANSAS STATE POLICE AND ACCEPT THE 2017 STEP GRANT

Sponsors: Grants and Police Department

Attachments: [STEP 2017 Sub-agreement](#)
[Sub-agreement provisions and terms](#)

A motion was made by Councilman John Street, seconded by Councilman Todd Burton, that this matter be Recommended to Council . The motion PASSED with the following vote:

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

Councilman Street motioned, seconded by Councilwoman Williams, to suspend the rules and place RES-16:121 on the agenda. No vote was taken.

RES-16:121

A RESOLUTION OF THE CITY OF JONESBORO, ARKANSAS AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH INTERIORS BY DESIGN, LLC TO WORK WITH LEADERSHIP JONESBORO TO RENOVATE WINTER WONDERLAND

Sponsors: Mayor's Office

Attachments: [Interior Design Contract.pdf](#)

Mayor Perrin explained the Leadership Jonesboro class, through the Chamber of Commerce, picks a project each year. This year they chose to renovate Winter Wonderland. The city will use \$10,000 of its own money to help with the rehab, but Leadership Jonesboro is also raising money for the project. MG Meyering is going to design the redesign.

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this matter be Recommended to Council . The motion PASSED with the following vote:

Aye: 5 - Ann Williams;John Street;Charles Coleman;Todd Burton and Rennell Woods

COM-16:066

Federal Grants Independent Auditor's Report and Financial Statements for the City of

Jonesboro ending as of December 31, 2015.

Sponsors: Finance and Grants

Attachments: [City of Jonesboro Federal Grant Funds 2015](#)
[Management Letter - Federal Grant Funds - 2015](#)

Mayor Perrin explained this year's grant audit was completely clean with no write-ups. The city has \$18 million to \$22 million in grants every year to keep up with. He commended the Finance Department and Grants Department for their work.

This item was Filed.

7. Public Comments

8. Adjournment

A motion was made by Councilman John Street, seconded by Councilwoman Ann Williams, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 5 - Ann Williams; John Street; Charles Coleman; Todd Burton and Rennell Woods



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Legislation Details (With Text)

File #: MIN-16:115 **Version:** 1 **Name:**
Type: Minutes **Status:** To Be Introduced
File created: 9/7/2016 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**
Title: Minutes for the special called Finance Committee meeting on September 6, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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Minutes for the special called Finance Committee meeting on September 6, 2016



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, September 6, 2016

5:20 PM

Municipal Center

Special Called Meeting

1. Call To Order

2. Roll Call by City Clerk Donna Jackson

Present 5 - Ann Williams; John Street; Darrel Dover; Todd Burton and Rennell Woods

Absent 1 - Charles Coleman

3. New Business

Resolutions To Be Introduced

RES-16:123

A RESOLUTION AUTHORIZING THE ACCEPTANCE OF AN AIRPORT IMPROVEMENT PROGRAM (AIP) PROJECT NO. 3-05-0033-021-2016 FROM THE FEDERAL AVIATION ADMINISTRATION (FAA)

Sponsors: Municipal Airport Commission and Grants

Attachments: [3-05-0033-021-2016 \(AIP\)](#)

Mayor Perrin explained this grant has to be back to the FAA by September 13th, which is before the next City Council meeting. This is for the airport's master plan. 95% of the funding will come from the FAA with the other 5% coming from the airport's general fund.

A motion was made by Councilman John Street, seconded by Councilman Rennell Woods, that this matter be Recommended to Council . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Todd Burton and Rennell Woods

Absent: 1 - Charles Coleman

4. Adjournment

A motion was made by Councilman Rennell Woods, seconded by Councilman John Street, that this meeting be Adjourned . The motion PASSED with the following vote.

Aye: 4 - Ann Williams; John Street; Todd Burton and Rennell Woods

Absent: 1 - Charles Coleman



Legislation Details (With Text)

File #:	ORD-16:064	Version:	1	Name:	Issuance of industrial revenue bonds for FMH Conveyors
Type:	Ordinance	Status:		Status:	To Be Introduced
File created:	9/8/2016	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	

Title: AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENTS IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE AND PRESCRIBE CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; TO AUTHORIZE THE EXECUTION AND DELIVERY OF LEASE AGREEMENTS RELATING TO THE PROJECT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

- Attachments:**
- [PILOT Agreement \(FMH Conveyors\) \(2\)](#)
 - [PILOT Agreement \(HMD Jonesboro\)](#)
 - [Recognition Nondisturbance and Attornment Agreement - FMH](#)
 - [Recognition Nondisturbance and Attornment Agreement - HMD](#)
 - [Trust Indenture -- FMH HMD](#)
 - [Bond Purchase Agreement - FMH HMD](#)
 - [Lease Agreement \(FMH\)](#)
 - [Lease Agreement \(HMD\)](#)

Date	Ver.	Action By	Action	Result
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AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENTS IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; TO AUTHORIZE AND PRESCRIBE CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; TO AUTHORIZE THE EXECUTION AND DELIVERY OF LEASE AGREEMENTS RELATING TO THE PROJECT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the City of Jonesboro, Arkansas (the “City”) is authorized under the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 to -224 (collectively, the “Act”), to own, acquire, construct, equip, and lease facilities to secure and develop industry and to assist in the financing thereof by the issuance of bonds payable

from the revenues derived from such facilities; and

WHEREAS, FMH Conveyors LLC (“FMH”) and HMD Jonesboro, LLC (“HMD”, and collectively with FMH, the “Companies”) have evidenced their interest in acquiring, constructing, and equipping an industrial facility in the City if permanent financing can be provided through the issuance of bonds under the authority of the Act; and

WHEREAS, the City has agreed to cooperate with the Companies in the acquisition, construction, and equipping of an industrial facility in the City and to finance the acquisition of land and/or leasehold rights, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas (the “Project”) relating to the operations of FMH; and

WHEREAS, to provide permanent financing of the Project costs, necessary costs and expenditures incidental thereto, and the cost of the issuance of bonds, the City will issue multiple series of its taxable industrial development revenue bonds under the provisions of the Act designated “City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016,” in the principal amount of not to exceed \$2,000,000.00 (the “FMH Bonds”) and “City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016,” in the principal amount of not to exceed \$12,000,000.00 (the “HMD Bonds,” and collectively with the FMH Bonds, the “Bonds”); and

WHEREAS, the Bonds will be issued pursuant to the provisions of a Trust Indenture (the “Trust Indenture”) to be entered into between the City and a trustee to be selected upon the mutual agreement of the City and the Companies (the “Trustee”); and

WHEREAS, the City and FMH intend to enter into a Lease Agreement (the “FMH Lease Agreement”) relating to the real property, infrastructure and improvements constituting a portion of the Project, which contemplates that a portion of the Project will be leased to FMH, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the FMH Bonds and all related costs; and

WHEREAS, the City and HMD intend to enter into a Lease Agreement (the “HMD Lease Agreement”) relating to the personal property and infrastructure and improvements to real property constituting a portion of the Project, which contemplates that a portion of the Project will be leased to HMD, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the HMD Bonds and all related costs; and

WHEREAS, to induce the City to proceed with the issuance of the FMH Bonds for the purpose indicated, which will inure to the benefit of FMH, the City and FMH will enter into a Payment in Lieu of Taxes Agreement (“FMH PILOT Agreement”) in substantially the form presented at this meeting; and

WHEREAS, to induce the City to proceed with the issuance of the HMD Bonds for the purpose indicated, which will inure to the benefit of HMD, the City and HMD will enter into a Payment in Lieu of Taxes Agreement (“HMD PILOT Agreement”) in substantially the form presented at this meeting; and

WHEREAS, the City caused a form of a notice of public hearing to be published on June 10, 2016, and the City hereby ratifies the form of notice published; and

WHEREAS, an open public hearing on the question of the issuance of the Bonds was held before the City Council on June 21, 2016 following publication of notice of the hearing and that having heard all persons desiring to be heard in the matter, the City has taken under advisement the comments and statements of such persons, and declared the public hearing duly closed; and

WHEREAS, the City proposes to sell the HMD Bonds and the FMH Bonds to affiliates of the respective Companies (collectively, the "Purchasers") pursuant to Bond Purchase Agreement by and between the City and the Purchasers; and

WHEREAS, FMH and HMD, respectively, have obtained independent loans from one or more lenders secured by liens on, or security interests in, title to all or part of the Project granted pursuant to various agreements, instruments and documents;

WHEREAS, the City acknowledges and consents to all liens and encumbrances on, security interests in and rights to, the title to the Project granted by FMH or HMD, respectively, and acknowledges that FMH's and HMD's respective interests in the Project will be transferred to City subject to the such liens, encumbrances and security interests and such acknowledgement and consent may be evidenced through the execution of a Recognition of Prior Interests, Nondisturbance and Attornment Agreement between the City, FMH, and the lenders of FMH (or such lenders' agents) benefitting from such lien, encumbrance or security interest (the "FMH RNA Agreement") and a Recognition of Prior Interests, Nondisturbance and Attornment Agreement between the City, HMD, and the lenders of HMD (or such lenders' agents) benefitting from such lien, encumbrance or security interest (the "HMD RNA Agreement");

WHEREAS, the completion of the Project will furnish additional employment and other benefits to and be in the best interest of the City and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

Section 1. There be, and there is hereby, authorized and directed the following:

(a) The Bonds shall be issued in one or more series in an aggregate principal amount of not to exceed \$14,000,000.00, and the Bonds shall be sold to the Purchasers for a price of par plus the costs of issuance upon the terms and conditions set forth in the Bond Purchase Agreement.

(b) The execution and delivery of the FMH PILOT Agreement and the HMD PILOT Agreement by the Mayor and City Clerk on behalf of the City, in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the documents, their execution to constitute conclusive evidence of such approval, is hereby authorized and directed. Executed copies of the FMH PILOT Agreement and the HMD PILOT Agreement shall be filed in the City Clerk's office.

(c) The acquisition, construction, and equipping of the Project, and, in connection therewith, the execution of any necessary architectural, engineering, or construction contracts or the acceptance of an assignment of any such contracts previously executed by the Companies for the construction and equipping of the Project on behalf of the City is hereby authorized and directed.

Section 2. The issuance of the Bonds in the total principal amount of not to exceed \$14,000,000.00 is hereby

authorized. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall bear interest (at a rate or rates) and shall be subject to redemption prior to maturity, all upon the terms and conditions to be set forth in the Trust Indenture. That to further prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed (when requested to do so by the Companies) to execute and acknowledge the Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting (and a copy of such Trust Indenture is on file with the City Clerk and available for inspection by any interested person), and the Mayor is hereby authorized to confer with the Trustee and the Company in order to complete the Trust Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 3. There be, and there is hereby, authorized and directed the execution and delivery of the FMH Lease Agreement and the HMD Lease Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the FMH Lease Agreement and the HMD Lease Agreement for and on behalf of the City. The FMH Lease Agreement and the HMD Lease Agreement are hereby approved in substantially the form submitted to this meeting (and a copy of such FMH Lease Agreement and HMD Lease Agreement are on file with the City Clerk and available for inspection by any interested person), and the Mayor is hereby authorized to confer with FMH and HMD, respectively, in order to complete the FMH Lease Agreement and the HMD Lease Agreement in substantially the forms submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 4. There be, and there is hereby, authorized and directed the execution and delivery of the Bond Purchase Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Bond Purchase Agreement for and on behalf of the City. The Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting (and a copy of such Bond Purchase Agreement is on file with the City Clerk and available for inspection by any interested person), and the Mayor is hereby authorized to confer with the Purchasers in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 5. There be, and there is hereby, authorized and directed the execution and delivery of the FMH RNA Agreement and the HMD RNA Agreement if either or both Companies determine that such agreements are required by its lenders. The Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the FMH RNA Agreement and the HMD RNA Agreement for and on behalf of the City. The FMH RNA Agreement and the HMD RNA Agreement are hereby approved in substantially the forms submitted to this meeting (and a copy of such FMH RNA Agreement and the HMD RNA Agreement are on file with the City Clerk and available for inspection by any interested person), and the Mayor is hereby authorized to confer with FMH, HMD and lenders of FMH and HMD (or such lenders' agents) in order to complete the FMH RNA Agreement and the HMD RNA Agreement in substantially the forms submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

Section 6. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect (i) the execution of the FMH Lease Agreement, (ii) the performance of the City's obligations under the FMH Lease Agreement, (iii) the execution of the HMD Lease Agreement, (iv)

the performance of the City's obligations under the HMD Lease Agreement, (v) the execution and delivery of the Trust Indenture, (vi) the performance of all obligations of the City under and pursuant to the Trust Indenture, (vii) the execution and delivery of the Bonds, (viii) the execution and delivery of the FMH PILOT Agreement, (ix) the performance of the City's obligations under the FMH PILOT Agreement, (x) the execution and delivery of the HMD PILOT Agreement, (xi) the performance of the City's obligations under the HMD PILOT Agreement, (xii) the execution and delivery of the Bond Purchase Agreement, (xiii) the performance of the City's obligations under the Bond Purchase Agreement, (xvi) the execution and delivery of the FMH RNA Agreement, (xv) the performance of the City's obligations under the FMH RNA Agreement, (xvi) the execution and delivery of the HMD RNA Agreement, (xvii) the performance of the City's obligations under the HMD RNA Agreement, and (xviii) the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk are further authorized and directed, for and on behalf of the City, in connection with the issuance of the Bonds and in connection with on-going rights and obligations that arise after issuance and prior to maturity of the Bonds, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof, including, but not limited to, the execution of one or more Home Office Payment Agreements, Memorandums of Lease, Delivery Instructions and other closing certificates.

Section 7. The Project involves the acquisition, constructing, and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment. In compliance with Ark. Code. Ann. § 14-164-204, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived as to this particular industrial project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly the Act.

Section 8. All actions heretofore taken by the City, the Companies, and the Purchasers in connection with the issuance, offer and sale of the Bonds and the development and completion of the Project are hereby in all respects ratified and approved.

Section 9. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this ordinance.

Section 10. Repealer. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. There is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to provide additional employment, alleviate unemployment, and otherwise benefit the public health, safety, and welfare of the City and the inhabitants thereof, and the issuance of the Bonds authorized hereby and the taking of the other action authorized herein are immediately necessary in connection with the securing and developing of substantial industrial operations and deriving the public benefits referred to above. It is therefore, declared that an emergency exists and this Ordinance, being necessary for the immediate preservation of the public health, safety, and welfare, shall be in force and take effect immediately upon and after its passage.

PAYMENT IN LIEU OF TAXES AGREEMENT

City of Jonesboro, Arkansas
300 South Church Street
Jonesboro, Arkansas 72401

Dated: _____, 2016

Attention: Mayor

Re: Not to exceed \$2,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors Project), Series 2016 (the "Bonds")

Ladies and Gentlemen:

The City of Jonesboro, Arkansas (the "City") proposes to issue the Bonds identified above in one or more series under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* (the "Act") for the purpose of financing a substantial industrial project consisting of acquiring, constructing, and equipping certain industrial facilities, infrastructure and improvements, for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas relating to the operations of FMH Conveyors (the "Project"). The Project will be leased by the City to FMH Conveyors LLC (the "Company") pursuant to a Lease Agreement (the "Lease Agreement") for a period of 20 years for rentals sufficient to pay debt service on the Bonds. The Company will use the Project as facilities for the manufacture, fabrication or processing of custom-engineered conveyors. The Project, as defined herein, is the "Leased Premises" as defined in the Lease Agreement.

Article IV of the Lease Agreement provides that the Company is obligated to pay all taxes and assessments levied and assessed on the Project during the term of the Lease Agreement. The Company is informed and understands that, notwithstanding the provision of Article IV of the Lease Agreement, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998), and Ark. Code Ann. §§ 14-164-701 *et seq.*, the Project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption.

Thus, the Company understands that it, as Lessee of the Project owned by the City, will, in fact, pay no ad valorem taxes on the Project under the provisions of Article IV of the Lease Agreement. The taxing authorities (defined below) have indicated a reluctance to lose all tax revenues which would otherwise be received by it if the property involved was privately owned.

Therefore, to induce the City to proceed with the issuance of the Bonds for the purpose indicated, which will inure to the benefit of the Company, and for other valuable

consideration, the receipt and sufficiency of which is hereby acknowledged, the Company agrees with the City pursuant to this Payment in Lieu of Taxes Agreement (the "Agreement") as follows:

1. In lieu of ad valorem property taxes, the Company will pay to the City an annual sum equal to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the Project to the State of Arkansas, Craighead County, the Nettleton School District, and/or other political subdivisions of the State of Arkansas (the "taxing authorities") if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.* Payments are due not later than October 10 each year commencing after completion of construction. Payments not paid when due shall bear interest at 5% per annum until paid.

The payment is based on the land, buildings, improvements and equipment comprising the Leased Premises, excluding licensed vehicles. Any expansion or improvement of the Project will become subject to this Agreement using the same formula for the term of the Bonds.

2. The payments to be made pursuant to paragraph 1 are intended to be in lieu of all ad valorem taxes that would have to be paid on the Project to the taxing authorities if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.*, but are not intended to be in lieu of (i) any licenses, occupation or privilege tax, or fee imposed upon the Company for or with respect to its right to carry on its business in the State of Arkansas, (ii) any special benefit or local improvement tax or assessment, or (iii) fees or charges for utility services rendered, such as for water or sewer services.

3. The City agrees to distribute each payment under paragraph 1 among the taxing authorities in the proportion that the millage collected bears to the total millage collected by all during the year of distribution, unless all such taxing authorities, including without limitation the school district, shall otherwise agree and document the alternate basis upon which the payments shall be distributed.

4. The City and the Company agree to cooperate in sustaining the enforceability of this Agreement. However, if by reason of a change in the Constitution of the State of Arkansas, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, a change by the General Assembly of the State of Arkansas, or otherwise, the Company is required to pay any tax for which the payments specified in paragraph 1 are intended to be in lieu, the Company may deduct the aggregate of any such payments made by it from any amount herein agreed to be paid under paragraph 1. Furthermore, inasmuch as the payments in paragraph 1 herein agreed to be made are intended to be in lieu of taxes, it is agreed that said payments

shall not as to any year be in an amount greater than would otherwise be payable for such year in ad valorem taxes, in the aggregate, on account of its ownership of the Project.

5. Representatives of the Company will confer at least annually with the Craighead County Assessor and determine the assessed valuation of the real and personal properties comprising the Project. The determination shall be made by mutual agreement if possible, and if not, shall be made by the Craighead County Assessor as though the Project were privately owned. Because the valuation of such property is a key factor in calculating payments due, the City agrees to cooperate with the Company in any reasonable challenge to the valuation assigned to such property by the Craighead County Assessor to the fullest extent permitted by Arkansas law.

It is recognized by the City and the Company that the payments described in paragraph 1 hereof are to be calculated on the basis of annual amounts that would otherwise be payable as ad valorem taxes under Arkansas law on the Leased Premises if such property were on the tax rolls. The amount to be paid each year shall be determined by applying the millage that would be applicable to the Project for that year if the Project were privately owned. The Company shall be entitled to any refund occasioned by overpayment or a reduction in millage which requires a refund by the taxing authorities.

6. This Agreement shall terminate and be of no further force and effect from and after the date that the Lease Agreement shall terminate for any purpose other than a default on the part of the Company, including, but not limited to, the transfer of ownership of the Leased Premises to the Company. If such termination shall be at a point constituting a portion of a year, the Company shall pay for the year in which termination occurred that portion of the specified annual payment that the number of days in such year that the Project was exempt prior to the terminations bears to 365 days (366 days in a leap year).

7. This Agreement shall be binding upon the successors and assigns of the Company, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and approved in writing by the City.

8. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original.

9. This Agreement shall be governed by, and interpreted in accordance with, the laws of the state of Arkansas.

When executed, this Agreement shall constitute a valid and binding contract between the Company and the City.

Very truly yours,

FMH CONVEYORS LLC

By: _____
_____, _____

ACCEPTED:

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ATTEST:

Donna Jackson, City Clerk

PAYMENT IN LIEU OF TAXES AGREEMENT

City of Jonesboro, Arkansas
300 South Church Street
Jonesboro, Arkansas 72401

Dated: _____, 2016

Attention: Mayor

Re: Not to exceed \$12,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro Project), Series 2016 (the "Bonds")

Ladies and Gentlemen:

The City of Jonesboro, Arkansas (the "City") proposes to issue the Bonds identified above in one or more series under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* (the "Act") for the purpose of financing a substantial industrial project consisting of acquiring, constructing, and equipping certain industrial facilities, infrastructure and improvements, for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas relating to the operations of FMH Conveyors (the "Project"). The Project will be leased by the City to HMD Jonesboro, LLC (the "Company") pursuant to a Lease Agreement (the "Lease Agreement") for a period of 20 years for rentals sufficient to pay debt service on the Bonds. The Company will use the Project as facilities for the manufacture, fabrication or processing of custom-engineered conveyors. The Project, as defined herein, is the "Leased Premises" as defined in the Lease Agreement.

Article IV of the Lease Agreement provides that the Company is obligated to pay all taxes and assessments levied and assessed on the Project during the term of the Lease Agreement. The Company is informed and understands that, notwithstanding the provision of Article IV of the Lease Agreement, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998), and Ark. Code Ann. §§ 14-164-701 *et seq.*, the Project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption.

Thus, the Company understands that it, as Lessee of the Project owned by the City, will, in fact, pay no ad valorem taxes on the Project under the provisions of Article IV of the Lease Agreement. The taxing authorities (defined below) have indicated a reluctance to lose all tax revenues which would otherwise be received by it if the property involved was privately owned.

Therefore, to induce the City to proceed with the issuance of the Bonds for the purpose indicated, which will inure to the benefit of the Company, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company agrees with the City pursuant to this Payment in Lieu of Taxes Agreement (the "Agreement") as follows:

1. In lieu of ad valorem property taxes, the Company will pay to the City an annual sum equal to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the Project to the State of Arkansas, Craighead County, the Nettleton School District, and/or other political subdivisions of the State of Arkansas (the "taxing authorities") if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.* Payments are due not later than October 10 each year commencing after completion of construction. Payments not paid when due shall bear interest at 5% per annum until paid.

The payment is based on the land, buildings, improvements and equipment comprising the Leased Premises, excluding licensed vehicles. Any expansion or improvement of the Project will become subject to this Agreement using the same formula for the term of the Bonds.

2. The payments to be made pursuant to paragraph 1 are intended to be in lieu of all ad valorem taxes that would have to be paid on the Project to the taxing authorities if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.*, but are not intended to be in lieu of (i) any licenses, occupation or privilege tax, or fee imposed upon the Company for or with respect to its right to carry on its business in the State of Arkansas, (ii) any special benefit or local improvement tax or assessment, or (iii) fees or charges for utility services rendered, such as for water or sewer services.

3. The City agrees to distribute each payment under paragraph 1 among the taxing authorities in the proportion that the millage collected bears to the total millage collected by all during the year of distribution, unless all such taxing authorities, including without limitation the school district, shall otherwise agree and document the alternate basis upon which the payments shall be distributed.

4. The City and the Company agree to cooperate in sustaining the enforceability of this Agreement. However, if by reason of a change in the Constitution of the State of Arkansas, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, a change by the General Assembly of the State of Arkansas, or otherwise, the Company is required to pay any tax for which the payments specified in paragraph 1 are intended to be in lieu, the Company may deduct the aggregate of any such payments made by it from any amount herein agreed to be paid

under paragraph 1. Furthermore, inasmuch as the payments in paragraph 1 herein agreed to be made are intended to be in lieu of taxes, it is agreed that said payments shall not as to any year be in an amount greater than would otherwise be payable for such year in ad valorem taxes, in the aggregate, on account of its ownership of the Project.

5. Representatives of the Company will confer at least annually with the Craighead County Assessor and determine the assessed valuation of the real and personal properties comprising the Project. The determination shall be made by mutual agreement if possible, and if not, shall be made by the Craighead County Assessor as though the Project were privately owned. Because the valuation of such property is a key factor in calculating payments due, the City agrees to cooperate with the Company in any reasonable challenge to the valuation assigned to such property by the Craighead County Assessor to the fullest extent permitted by Arkansas law.

It is recognized by the City and the Company that the payments described in paragraph 1 hereof are to be calculated on the basis of annual amounts that would otherwise be payable as ad valorem taxes under Arkansas law on the Leased Premises if such property were on the tax rolls. The amount to be paid each year shall be determined by applying the millage that would be applicable to the Project for that year if the Project were privately owned. The Company shall be entitled to any refund occasioned by overpayment or a reduction in millage which requires a refund by the taxing authorities.

6. This Agreement shall terminate and be of no further force and effect from and after the date that the Lease Agreement shall terminate for any purpose other than a default on the part of the Company, including, but not limited to, the transfer of ownership of the Leased Premises to the Company. If such termination shall be at a point constituting a portion of a year, the Company shall pay for the year in which termination occurred that portion of the specified annual payment that the number of days in such year that the Project was exempt prior to the terminations bears to 365 days (366 days in a leap year).

7. This Agreement shall be binding upon the successors and assigns of the Company, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and approved in writing by the City.

8. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original.

9. This Agreement shall be governed by, and interpreted in accordance with, the laws of the state of Arkansas.

When executed, this Agreement shall constitute a valid and binding contract between the Company and the City.

Very truly yours,

HMD JONESBORO, LLC

By: _____
_____, _____

ACCEPTED:

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ATTEST:

Donna Jackson, City Clerk

**This instrument was prepared by,
and after recording, return to:**

Michele Simmons Allgood
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 W. Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201

**RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2016, among FMH CONVEYORS LLC, a Delaware limited liability company (“Lessee”), the CITY OF JONESBORO, ARKANSAS, a political subdivision of the State of Arkansas (“Lessor”), and _____, an [insert state of formation] [insert type of entity] (“Lender”).

RECITALS

A. Lessor has issued industrial revenue bonds (the “Bonds”) for the purpose of financing a portion of the costs of the acquisition of land and/or leasehold rights, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas (the “Project”).

B. In connection with the issuance of the Bonds, (i) Lessee has transferred or will transfer to Lessor title to certain personal property, including all machinery and equipment, and certain real property described on **Exhibit A**, attached hereto and incorporated by reference, acquired or constructed in furtherance of the Project (herein called the “Leased Premises”) and (ii) Lessor and Lessee have entered into a Lease Agreement, dated on or about the date hereof (the “Lease”), pursuant to which Lessor demised to Lessee a leasehold interest in the Leased Premises (“Lessee’s Leasehold Interest”), in each case subject to the Pre-Transfer Liens (as defined in Recital C, below).

C. Lessee has obtained loans (the “Loans”) from Lender secured by liens on, or security interests in, title to all or part of the Leased Premises granted pursuant to the following documents:

1. [Insert title and filing information for any mortgage documents]; and
2. [Insert title and information relating to security agreements affecting personal property].

Items 1 and 2 above are collectively referred to as the “Pre-Transfer Liens” or, as appropriate, the “Security Documents.”

D. By this Agreement, the parties desire to establish and acknowledge certain rights, obligations, protections and priorities with regard to their respective interests in the Leased Premises.

AGREEMENT

In consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual benefits to accrue to the parties hereto, the parties hereto agree as follows:

1. **Recognition of Prior Liens and Interests.** Lessor hereby acknowledges and consents to all liens and encumbrances on, security interests in and rights to, the title to the Leased Premises and Lessee’s Leasehold Interest created by or pursuant to the Security Documents, and acknowledges that Lessor’s interest in the title to the Leased Premises has been, or will be, transferred to Lessor subject to the Pre-Transfer Liens and subordinate to the Lender’s interest created under the Pre-Transfer Liens. In the event that the Lender attempts to obtain title to the Leased Premises by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of the Pre-Transfer Liens, the Lessor shall, upon receipt of written notice thereof, cooperate with such Lender in executing a deed in lieu of foreclosure or such other conveyance or consent to such foreclosure, replevin, sale, transaction or other action or proceeding as such Lender may request. Such action shall include and not be limited to execution of a deed in lieu of foreclosure, consent to any decree regarding a foreclosure or replevin action with respect to the Leased Premises, and any other action that will assist or effectuate the transfer of title to any Lender.

2. **Notice and Opportunity to Cure; Nondisturbance.** If any default or breach under the Lease occurs (a “Lessee Default”), then Lessor shall promptly provide Lender a notice describing in reasonable details such Lessee Default and the potential remedies to be pursued in connection therewith (a “Lessee Default Notice”). Lessor shall accept the Lender’s cure of any Lessee Default at any time until the later of (i) 30 days after provision of the Lessee Default Notice (or if the Lender reasonably cannot cure the Lessee Default within such 30-day period, then the period to cure shall be extended to the period reasonably required to effect the cure), or (ii) the expiration of any applicable cure period provided under the Lease. At any time after the occurrence of a Lessee Default and before expiration of the applicable cure period set forth herein or in the Lease, (a) Lessor shall not terminate the Lease, accelerate rent, or otherwise interfere with Lessee’s or the Lender’s possession or quiet enjoyment as long as the Lender

otherwise complies with its obligations under this Agreement and (b) the Lender may enter or use the Leased Premises to seek to cure a Lessee Default. Notwithstanding the foregoing, the Lender has no obligation to cure a Lessee Default.

3. **Recognition, Non-Disturbance and Attornment.** If any transfer of the Lessee's Leasehold Interest by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of the Security Documents or deed or assignment in lieu thereof (a "Transfer") occurs, upon receipt of written notice setting forth in reasonable detail the terms of the Transfer, Lessor shall recognize the transferee(s), including the Lender ("Successor"), as the lessee under the Lease upon the same terms, provisions and conditions as are set forth in the Lease. If Lessor shall have received written notice from Successor that Successor has succeeded to the interest of Lessee under the Lease or otherwise has the right to use or occupy the Leased Premises or to require Lessor to perform its obligations under the Lease, Lessor shall perform all of the obligations of Lessor pursuant to the Lease for the benefit of Successor and shall not disturb the possession of Successor so long as no Lessee Default exists beyond any applicable notice and cure period. Successor shall attorn to Lessor and recognize all of the rights of Lessor under the Lease, and the Lease shall continue in full force as a direct lease between Lessor and Successor, and the respective executory rights and obligations of Lessor and Successor, to the extent of the then-remaining balance of the term of the Lease, shall be and are the same as set forth therein. This recognition, non-disturbance and attornment shall be effective and self-operative, without the execution of any further instrument on the part of any of the parties hereto, immediately upon Successor succeeding to Lessee's Leasehold Interest.

4. **Amendments to Lease.** Without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed, Lessor shall not (a) enter into any agreement amending, modifying or terminating the Lease or (b) request a waiver by Lessee of Lessee's rights or remedies under the Lease.

5. **Limitation on Lender's Performance and Liability.** Lessor acknowledges that (a) Lender shall have no duty, liability or obligation whatsoever under the Lease unless and until Lender, as Successor, succeeds to Lessee's Leasehold Interest or obtains possession of the Leased Premises under the terms of the Security Documents and (b) Successor shall have no duty, liability or obligation whatsoever under the Lease unless such duty, liability or obligation accrues during the period after Successor succeeds to Lessee's Leasehold Interest or obtains possession of the Leased Premises under the terms of the Security Documents.

6. **Lessor Bankruptcy.** Upon the filing by or against the Lessor of a petition pursuant to applicable provisions of the United States Code relating to bankruptcy as now constituted or hereafter amended or under any other applicable Federal or State Bankruptcy law or other similar law (hereinafter referred to as the Bankruptcy Code), and the subsequent rejection of the Lease by Lessor, Lessee shall not, without the prior written consent of the Lender (i) elect to treat the Lease as terminated pursuant to Section 365(h)(i) of the Bankruptcy Code, or (ii) pursuant to Section 365(h)(2) of the Bankruptcy Code, offset against the rents reserved under the Lease the amount of any damages caused by the Lessor's rejection of the Lease. Lessee shall promptly, and so as to be received prior to all hearing dates, return dates or other deadlines, send to Lender copies of all notices, summonses, pleadings, applications and other documents received by Lessee in connection with such petition or proceeding by Lessor.

7. **Notices under Lease.** Pursuant to the terms hereof, Lessor shall give Lender, concurrently with giving any material notice to Lessee, a copy of any such notice given to Lessee by Lessor under the Lease, in the manner set forth below. No such notice given to Lessee by Lessor which is not concurrently given to Lender shall be valid or effective for any purpose with respect to Lender.

8. **Miscellaneous.**

(a) **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or e-mail (with .pdf copy attached and confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (iv) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses set forth on **Exhibit B**, or such other address for a party as specified in a notice given in accordance with this Section.

(b) **Interpretation.** For purposes of this Agreement, (i) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (ii) the word "or" is not exclusive; and (iii) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

(c) **Entire Agreement.** This Agreement and the Lease contain all of the terms and conditions of the parties' agreement regarding the subject matter set forth herein. If there is any conflict between the provisions of this Agreement and those of the Lease, the provisions of this Agreement shall prevail.

(d) **Amendments and Modifications; Release.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. Upon full payment of any Loan, the Lender shall promptly execute and deliver to Lessee upon request a release of this instrument in recordable form, if this Agreement has been recorded.

(e) **Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not

expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(f) **Governing Law.** This Agreement shall be governed by the law of the State of Arkansas, without regard to the choice of law rules of that State.

(g) **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(i) **Counterparts and Original Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other form of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Notwithstanding the foregoing, each party hereto shall deliver original counterpart signatures to the Lessee promptly after execution.

9. **Waiver of Jury Trial.** EACH OF THE LENDER, LESSOR, TO THE EXTENT PERMITTED BY LAW, AND LESSEE SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF THE LENDER, LESSOR AND LESSEE AND ANY EMERGENCY STATUTE OR ANY OTHER STATUTORY REMEDY.

10. **Subordination in Bankruptcy.** If the Lease is at any time determined to be a secured financing by a court of competent jurisdiction, then the Lessor agrees: (a) any and all liens determined to exist or be created or arise in favor of the Lessor securing the obligations of the Lessee under the Lease, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all liens on the Leased Premises existing or hereafter created or arising in favor of Lender, notwithstanding (i) anything to the contrary contained in any agreement or filing to which Lessor or Lessee may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any financing document or security document between Lessee and Lender or any other circumstance whatsoever and (iii) the fact that any such liens in favor of the Lender are otherwise subordinated, voided, avoided, invalidated or lapsed. Notwithstanding any

failure by Lender to perfect its security interests in the Project or the Leased Premises or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Project or the Leased Premises granted to the Lender, the priority and rights as between the Lender and the Lessor with respect to the Project or the Leased Premises shall be as set forth herein.

11. **Validity of Lender's Liens.** To the extent permitted by law, the Lessor shall not object to or contest, or support any other person in contesting or objecting to, in any proceeding (including any bankruptcy proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Project or the Leased Premises granted to Lender.

[Signature Pages Follow]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed on its behalf on the date and year first above written and appropriate seals to be hereunto affixed pursuant to the proper authorities which have been duly delegated to them.

LESSOR:

CITY OF JONESBORO, ARKANSAS,
an Arkansas municipality

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

STATE OF ARKANSAS)
)ss. ACKNOWLEDGMENT
COUNTY OF CRAIGHEAD)

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **HAROLD PERRIN** and **DONNA JACKSON**, being the persons authorized by said municipality to execute such instrument stating their respective capacities in that behalf, to me well known, who stated that they are the Mayor and City Clerk, respectively, of **CITY OF JONESBORO, ARKANSAS**, an Arkansas municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said municipality, and further stated and acknowledged they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

LESSEE:

FMH CONVEYORS LLC,
A Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named _____, to me well known, who stated that s/he was the _____ of **FMH CONVEYORS LLC**, a Delaware limited liability company, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of said limited liability company, and further stated and acknowledged s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

LENDER:

[INSERT NAME OF LENDER],
[insert state of formation and type of entity]

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named _____, to me well known, who stated that s/he was the _____ of _____, an _____, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of said limited liability company, and further stated and acknowledged s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

Exhibit A

Description of Leased Premises

The Leased Premises is located in Craighead County, Arkansas and described as follows:

[Insert Property Description]

Exhibit B

Notices

If to Lessor: City of Jonesboro, Arkansas
P.O. Box 1845
Jonesboro, Arkansas 72403
Attn: Mayor

with a copy to: Carol M. Duncan
Attorney at Law
410 W. Washington Ave
Jonesboro, AR 72401

If to Lessee: FMH Conveyors LLC

with a copy to: _____
Attention: Member
[insert contact information for Company Counsel]

If to Lender: [insert contact information for Lender]

with a copy to: [insert contact information for Lender's Counsel]

**This instrument was prepared by,
and after recording, return to:**

Michele Simmons Allgood
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
425 W. Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201

**RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2016, among HMD JONESBORO, LLC, a Tennessee limited liability company (“Lessee”), the CITY OF JONESBORO, ARKANSAS, a political subdivision of the State of Arkansas (“Lessor”), and _____, an [insert state of formation] [insert type of entity] (“Lender”).

RECITALS

A. Lessor has issued industrial revenue bonds (the “Bonds”) for the purpose of financing a portion of the costs of the acquisition of land and/or leasehold rights, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas (the “Project”).

B. In connection with the issuance of the Bonds, (i) Lessee has transferred or will transfer to Lessor title to certain personal property, including all machinery and equipment, and certain real property described on **Exhibit A**, attached hereto and incorporated by reference, acquired or constructed in furtherance of the Project (herein called the “Leased Premises”) and (ii) Lessor and Lessee have entered into a Lease Agreement, dated on or about the date hereof (the “Lease”), pursuant to which Lessor demised to Lessee a leasehold interest in the Leased Premises (“Lessee’s Leasehold Interest”), in each case subject to the Pre-Transfer Liens (as defined in Recital C, below).

C. Lessee has obtained loans (the “Loans”) from Lender secured by liens on, or security interests in, title to all or part of the Leased Premises granted pursuant to the following documents:

1. [Insert title and filing information for any mortgage documents]; and
2. [Insert title and information relating to security agreements affecting personal property].

Items 1 and 2 above are collectively referred to as the “Pre-Transfer Liens” or, as appropriate, the “Security Documents.”

D. By this Agreement, the parties desire to establish and acknowledge certain rights, obligations, protections and priorities with regard to their respective interests in the Leased Premises.

AGREEMENT

In consideration of the premises and other good and valuable consideration, receipt of which is hereby acknowledged, and the mutual benefits to accrue to the parties hereto, the parties hereto agree as follows:

1. **Recognition of Prior Liens and Interests.** Lessor hereby acknowledges and consents to all liens and encumbrances on, security interests in and rights to, the title to the Leased Premises and Lessee’s Leasehold Interest created by or pursuant to the Security Documents, and acknowledges that Lessor’s interest in the title to the Leased Premises has been, or will be, transferred to Lessor subject to the Pre-Transfer Liens and subordinate to the Lender’s interest created under the Pre-Transfer Liens. In the event that the Lender attempts to obtain title to the Leased Premises by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of the Pre-Transfer Liens, the Lessor shall, upon receipt of written notice thereof, cooperate with such Lender in executing a deed in lieu of foreclosure or such other conveyance or consent to such foreclosure, replevin, sale, transaction or other action or proceeding as such Lender may request. Such action shall include and not be limited to execution of a deed in lieu of foreclosure, consent to any decree regarding a foreclosure or replevin action with respect to the Leased Premises, and any other action that will assist or effectuate the transfer of title to any Lender.

2. **Notice and Opportunity to Cure; Nondisturbance.** If any default or breach under the Lease occurs (a “Lessee Default”), then Lessor shall promptly provide Lender a notice describing in reasonable details such Lessee Default and the potential remedies to be pursued in connection therewith (a “Lessee Default Notice”). Lessor shall accept the Lender’s cure of any Lessee Default at any time until the later of (i) 30 days after provision of the Lessee Default Notice (or if the Lender reasonably cannot cure the Lessee Default within such 30-day period, then the period to cure shall be extended to the period reasonably required to effect the cure), or (ii) the expiration of any applicable cure period provided under the Lease. At any time after the occurrence of a Lessee Default and before expiration of the applicable cure period set forth herein or in the Lease, (a) Lessor shall not terminate the Lease, accelerate rent, or otherwise interfere with Lessee’s or the Lender’s possession or quiet enjoyment as long as the Lender

otherwise complies with its obligations under this Agreement and (b) the Lender may enter or use the Leased Premises to seek to cure a Lessee Default. Notwithstanding the foregoing, the Lender has no obligation to cure a Lessee Default.

3. **Recognition, Non-Disturbance and Attornment.** If any transfer of the Lessee's Leasehold Interest by foreclosure, replevin, sale, transaction or other action or proceeding for the enforcement of the Security Documents or deed or assignment in lieu thereof (a "Transfer") occurs, upon receipt of written notice setting forth in reasonable detail the terms of the Transfer, Lessor shall recognize the transferee(s), including the Lender ("Successor"), as the lessee under the Lease upon the same terms, provisions and conditions as are set forth in the Lease. If Lessor shall have received written notice from Successor that Successor has succeeded to the interest of Lessee under the Lease or otherwise has the right to use or occupy the Leased Premises or to require Lessor to perform its obligations under the Lease, Lessor shall perform all of the obligations of Lessor pursuant to the Lease for the benefit of Successor and shall not disturb the possession of Successor so long as no Lessee Default exists beyond any applicable notice and cure period. Successor shall attorn to Lessor and recognize all of the rights of Lessor under the Lease, and the Lease shall continue in full force as a direct lease between Lessor and Successor, and the respective executory rights and obligations of Lessor and Successor, to the extent of the then-remaining balance of the term of the Lease, shall be and are the same as set forth therein. This recognition, non-disturbance and attornment shall be effective and self-operative, without the execution of any further instrument on the part of any of the parties hereto, immediately upon Successor succeeding to Lessee's Leasehold Interest.

4. **Amendments to Lease.** Without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed, Lessor shall not (a) enter into any agreement amending, modifying or terminating the Lease or (b) request a waiver by Lessee of Lessee's rights or remedies under the Lease.

5. **Limitation on Lender's Performance and Liability.** Lessor acknowledges that (a) Lender shall have no duty, liability or obligation whatsoever under the Lease unless and until Lender, as Successor, succeeds to Lessee's Leasehold Interest or obtains possession of the Leased Premises under the terms of the Security Documents and (b) Successor shall have no duty, liability or obligation whatsoever under the Lease unless such duty, liability or obligation accrues during the period after Successor succeeds to Lessee's Leasehold Interest or obtains possession of the Leased Premises under the terms of the Security Documents.

6. **Lessor Bankruptcy.** Upon the filing by or against the Lessor of a petition pursuant to applicable provisions of the United States Code relating to bankruptcy as now constituted or hereafter amended or under any other applicable Federal or State Bankruptcy law or other similar law (hereinafter referred to as the Bankruptcy Code), and the subsequent rejection of the Lease by Lessor, Lessee shall not, without the prior written consent of the Lender (i) elect to treat the Lease as terminated pursuant to Section 365(h)(i) of the Bankruptcy Code, or (ii) pursuant to Section 365(h)(2) of the Bankruptcy Code, offset against the rents reserved under the Lease the amount of any damages caused by the Lessor's rejection of the Lease. Lessee shall promptly, and so as to be received prior to all hearing dates, return dates or other deadlines, send to Lender copies of all notices, summonses, pleadings, applications and other documents received by Lessee in connection with such petition or proceeding by Lessor.

7. **Notices under Lease.** Pursuant to the terms hereof, Lessor shall give Lender, concurrently with giving any material notice to Lessee, a copy of any such notice given to Lessee by Lessor under the Lease, in the manner set forth below. No such notice given to Lessee by Lessor which is not concurrently given to Lender shall be valid or effective for any purpose with respect to Lender.

8. **Miscellaneous.**

(a) **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or e-mail (with .pdf copy attached and confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (iv) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses set forth on **Exhibit B**, or such other address for a party as specified in a notice given in accordance with this Section.

(b) **Interpretation.** For purposes of this Agreement, (i) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (ii) the word "or" is not exclusive; and (iii) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (i) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

(c) **Entire Agreement.** This Agreement and the Lease contain all of the terms and conditions of the parties' agreement regarding the subject matter set forth herein. If there is any conflict between the provisions of this Agreement and those of the Lease, the provisions of this Agreement shall prevail.

(d) **Amendments and Modifications; Release.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. Upon full payment of any Loan, the Lender shall promptly execute and deliver to Lessee upon request a release of this instrument in recordable form, if this Agreement has been recorded.

(e) **Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not

expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(f) **Governing Law.** This Agreement shall be governed by the law of the State of Arkansas, without regard to the choice of law rules of that State.

(g) **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(i) **Counterparts and Original Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other form of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Notwithstanding the foregoing, each party hereto shall deliver original counterpart signatures to the Lessee promptly after execution.

9. **Waiver of Jury Trial.** EACH OF THE LENDER, LESSOR, TO THE EXTENT PERMITTED BY LAW, AND LESSEE SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES HERETO AGAINST ANY OTHER PARTY ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE RELATIONSHIP OF THE LENDER, LESSOR AND LESSEE AND ANY EMERGENCY STATUTE OR ANY OTHER STATUTORY REMEDY.

10. **Subordination in Bankruptcy.** If the Lease is at any time determined to be a secured financing by a court of competent jurisdiction, then the Lessor agrees: (a) any and all liens determined to exist or be created or arise in favor of the Lessor securing the obligations of the Lessee under the Lease, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all liens on the Leased Premises existing or hereafter created or arising in favor of Lender, notwithstanding (i) anything to the contrary contained in any agreement or filing to which Lessor or Lessee may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any financing document or security document between Lessee and Lender or any other circumstance whatsoever and (iii) the fact that any such liens in favor of the Lender are otherwise subordinated, voided, avoided, invalidated or lapsed. Notwithstanding any

failure by Lender to perfect its security interests in the Project or the Leased Premises or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Project or the Leased Premises granted to the Lender, the priority and rights as between the Lender and the Lessor with respect to the Project or the Leased Premises shall be as set forth herein.

11. **Validity of Lender's Liens.** To the extent permitted by law, the Lessor shall not object to or contest, or support any other person in contesting or objecting to, in any proceeding (including any bankruptcy proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Project or the Leased Premises granted to Lender.

[Signature Pages Follow]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed on its behalf on the date and year first above written and appropriate seals to be hereunto affixed pursuant to the proper authorities which have been duly delegated to them.

LESSOR:

CITY OF JONESBORO, ARKANSAS,
an Arkansas municipality

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

STATE OF ARKANSAS)
)ss. ACKNOWLEDGMENT
COUNTY OF CRAIGHEAD)

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **HAROLD PERRIN** and **DONNA JACKSON**, being the persons authorized by said municipality to execute such instrument stating their respective capacities in that behalf, to me well known, who stated that they are the Mayor and City Clerk, respectively, of **CITY OF JONESBORO, ARKANSAS**, an Arkansas municipality, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and on behalf of said municipality, and further stated and acknowledged they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

LESSEE:

HMD JONESBORO, LLC,
A Tennessee limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named _____, to me well known, who stated that s/he was the _____ of **HMD JONESBORO, LLC**, a Tennessee limited liability company, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of said limited liability company, and further stated and acknowledged s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

LENDER:

[INSERT NAME OF LENDER],
[insert state of formation and type of entity]

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named _____, to me well known, who stated that s/he was the _____ of _____, an _____, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of said limited liability company, and further stated and acknowledged s/he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

(SEAL)

Notary Public
My commission expires: _____

Exhibit A

Description of Leased Premises

The Leased Premises is located in Craighead County, Arkansas and described as follows:

[Insert Property Description]

Exhibit B

Notices

If to Lessor: City of Jonesboro, Arkansas
P.O. Box 1845
Jonesboro, Arkansas 72403
Attn: Mayor

with a copy to: Carol M. Duncan
Attorney at Law
410 W. Washington Ave
Jonesboro, AR 72401

If to Lessee: HMD Jonesboro, LLC

with a copy to: _____
Attention: Member
[insert contact information for Company Counsel]

If to Lender: [insert contact information for Lender]

with a copy to: [insert contact information for Lender's Counsel]

TRUST INDENTURE

between

CITY OF JONESBORO, ARKANSAS

as Issuer

and

[TO BE DETERMINED]

as Trustee

for

\$2,000,000

City of Jonesboro, Arkansas

Taxable Industrial Development Revenue Bonds

(FMH Conveyors LLC Project)

Series 2016

and

\$12,000,000

City of Jonesboro, Arkansas

Taxable Industrial Development Revenue Bonds

(HMD Jonesboro, LLC Project)

Series 2016

Dated: _____, 2016

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.

425 WEST CAPITOL AVENUE, SUITE 1800

LITTLE ROCK, AR 72201

TABLE OF CONTENTS

	<u>Page</u>
Parties.....	1
Recitals.....	1
Bond Form	3
Granting Clauses.....	11

ARTICLE I. DEFINITIONS

Section 1.01.	Definitions.....	3
Section 1.02.	Use of Words.....	6

ARTICLE II. THE BONDS

Section 2.01.	Authorization.....	6
Section 2.02.	Details of Bonds.....	6
Section 2.03.	Maturity.....	7
Section 2.04.	Execution of Bonds.....	8
Section 2.05.	Authentication.....	8
Section 2.06.	Form of Bond.....	8
Section 2.07.	Delivery of Bonds.....	8
Section 2.08.	Mutilated, Destroyed or Lost Bonds.....	9
Section 2.09.	Registration and Transfer of Bonds.....	9
Section 2.10.	Payment on Saturday, Sunday or Holiday.....	9
Section 2.11.	Interest Commencement Date.....	10
Section 2.12.	Cancellation.....	10
Section 2.13.	Temporary Bonds.....	10
Section 2.14.	Additional Bonds.....	10
Section 2.15.	Conversion of Bonds upon Completion Date.....	10
Section 2.16.	Home Office Payment Agreement.....	10

ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01.	Redemption.....	11
Section 3.02.	Notice of Redemption.....	11
Section 3.03.	Redemption Payments.....	11
Section 3.04.	Cancellation.....	11

**ARTICLE IV.
GENERAL COVENANTS**

Section 4.01.	Payment of Principal and Interest.....	11
Section 4.02.	Performance of Covenants	12
Section 4.03.	Instruments of Further Assurance	12
Section 4.04.	Payment of Taxes, Charges, etc	12
Section 4.05.	Obligation to Maintain and Repair.....	12
Section 4.06.	Recordation of Trust Indenture	12
Section 4.07.	Rights under Lease Agreements.....	13
Section 4.08.	List of Bondowners	13
Section 4.09.	Lien of Trust Indenture; Enforcement of Obligations and Rights.....	13
Section 4.10.	Obligation to Insure.....	13
Section 4.11.	RESERVED	13
Section 4.12.	RESERVED	13

**ARTICLE V.
REVENUE AND FUNDS**

Section 5.01.	Creation of Funds.....	13
Section 5.02.	Deposit of Bond Proceeds	14
Section 5.03.	Use of Moneys in Bond Funds.....	15
Section 5.04.	Non-presentment of Bonds.....	15
Section 5.05.	Costs of Issuance Fund.....	16
Section 5.06.	RESERVED	16
Section 5.07.	RESERVED	16
Section 5.08.	Loan Fund.....	16
Section 5.09.	Any Fees, Charges and Expenses of Trustee and Paying Agent.....	17
Section 5.10.	Moneys and Documents to be Held in Trust.....	17
Section 5.11.	RESERVED	17
Section 5.12.	Refunds to Borrower	17

**ARTICLE VI.
CUSTODY AND APPLICATION OF PROCEEDS OF BONDS**

Section 6.01.	Disbursement of Issuance Costs.....	18
Section 6.02.	Deposit in the Loan Fund	18
Section 6.03.	Disbursements from the Loan Fund	18
Section 6.04.	Transfer to Bond Fund	18

**ARTICLE VII.
INVESTMENTS**

Section 7.01.	Investment of Moneys in Funds	19
---------------	-------------------------------------	----

**ARTICLE VIII.
DISCHARGE OF LIEN**

Section 8.01.	Discharge of Lien.....	19
---------------	------------------------	----

**ARTICLE IX.
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS**

Section 9.01.	Events of Default.....	19
Section 9.02.	Acceleration	20
Section 9.03.	Trustee’s Right to Enter and Take Possession	20
Section 9.04.	Other Remedies; Rights and Obligations with Reference to Remedies.....	21
Section 9.05.	Right of Majority of Bondowners to Take Charge.....	21
Section 9.06.	Appointment of Receiver	22
Section 9.07.	Waiver by Issuer of Benefit of Laws and Rights of Appraisalment and Redemption	22
Section 9.08.	Application of Available Moneys	22
Section 9.09.	Remedies Vested in Trustee.....	23
Section 9.10.	Rights and Remedies of Bondowners	23
Section 9.11.	Termination of Proceedings	24
Section 9.12.	Waivers of Events of Default.....	24

**ARTICLE X.
THE TRUSTEE**

Section 10.01.	Acceptance of Trusts.....	25
Section 10.02.	Fees, Charges and Expenses of Trustee	27
Section 10.03.	Notice to Bondowners of Default.....	27
Section 10.04.	Intervention by Trustee.....	27
Section 10.05.	Successor Trustee.....	27
Section 10.06.	Resignation by Trustee.....	28
Section 10.07.	Removal of Trustee; Sale of Trust Business	28
Section 10.08.	Appointment of Successor Trustee	28
Section 10.09.	Successor Trustee Qualifications	28
Section 10.10.	Right of Trustee to Pay Taxes and Other Charges	29
Section 10.11.	Trustee Protected in Relying Upon Resolutions, etc.....	29
Section 10.12.	Trustee Which Has Resigned or Been Removed Ceases to be Paying Agent.....	29
Section 10.13.	Paying Agent’s Fees and Charges	29
Section 10.14.	Appointment of Co-Trustee or Separate Trustee	29

**ARTICLE XI.
SUPPLEMENTAL INDENTURES AND AMENDMENTS
TO THE LEASE AGREEMENTS**

Section 11.01.	Supplemental Indentures Not Requiring Consent of Bondowners.....	30
----------------	------------------------------------------------------------------	----

Section 11.02.	Supplemental Indentures Requiring Consent of Bondowners.....	30
Section 11.03.	Amendments to the Lease Agreement.....	31
Section 11.04.	Procedure for Amendments.....	31

**ARTICLE XII.
MISCELLANEOUS**

Section 12.01.	Consents, etc., of Bondowners.....	32
Section 12.02.	Limitation of Rights	32
Section 12.03.	Severability.....	32
Section 12.04.	Notice	32
Section 12.05.	Arkansas Substantive Law Governs.....	33
Section 12.06.	Uniform Commercial Code.....	33
Section 12.07.	Counterparts	33
Section 12.08.	Limitation on Liability	33
Section 12.09.	No Personal Liability; No Recourse.....	34

TRUST INDENTURE

THIS TRUST INDENTURE (the "Indenture") executed as of the ___ day of _____, 2016, by and between the **CITY OF JONESBORO, ARKANSAS**, a city of the first class and political subdivision of the State of Arkansas (the "Issuer"), duly existing under the laws of the State of Arkansas, as party of the first part, and **[TO BE DETERMINED]**, _____ banking corporation with a corporate trust office in _____, Arkansas (the "Trustee"), as party of the second part;

WITNESSETH:

WHEREAS, the City is authorized by Title 14, Chapter 164, Subchapter 2 of the Arkansas Code Annotated (the "Act") to issue the bonds herein authorized for the purpose of financing the costs of acquiring, constructing and equipping lands, buildings or facilities for industrial enterprises as defined in the Act; and

WHEREAS, pursuant to and in accordance with the Act, the Issuer proposes to issue its industrial development revenue bonds under the Act and to loan the proceeds thereof to FMH Conveyors LLC, a Delaware limited liability company ("FMH"), and HMD Jonesboro, LLC, a Tennessee limited liability company ("HMD," collectively with FMH, the "Borrowers"), for the purposes of financing the costs of acquiring, constructing, and equipping certain industrial facilities located in Jonesboro, Arkansas, such loans to be upon the terms and conditions set forth in the Lease Agreement dated as of _____, 2016, by and between the Issuer and FMH (the "FMH Lease Agreement") and the Lease Agreement dated as of _____, 2016, by and between the Issuer and HMD (the "HMD Lease Agreement," and collectively with the FMH Lease Agreement, the "Lease Agreements"); and

WHEREAS, a portion of the permanent financing of the Project costs, necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer issuing its Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016 under the provisions of the Act in a principal amount not to exceed Two Million and No/100 Dollars (\$2,000,000) (the "FMH Bonds") and its Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016 under the provisions of the Act in a principal amount not to exceed Twelve Million and No/100 Dollars (\$12,000,000) (the "HMD Bonds," and collectively with the FMH Bonds, the "Bonds"); and

WHEREAS, the Bonds are to be sold and issued in the principal amount, dated, bearing interest, maturing and subject to redemption as hereinafter in this Indenture set forth in detail; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bonds have been in all respects duly and validly authorized by Ordinance _____ of the City Council of the Issuer, adopted and approved on the 20th day of September, 2016; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer

according to the import thereof, and to constitute this Indenture a valid pledge of revenues to the payment of the principal of and interest on the Bonds, in accordance with the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS INDENTURE

WITNESSETH:

That the Issuer in consideration of the premises and the acceptance by the Trustee of the Trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and the sum of One Dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, subject to all of the provisions hereof, does hereby grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

I.

All rights of the Issuer under the terms of the Lease Agreements between the Issuer and the Borrowers (except the rights of the Issuer to indemnification and the payment of certain fees) and all Revenues (as herein defined) and the proceeds thereof;

II.

All the rights and interest of the Issuer in and to the Bond Fund and the Loan Fund (as hereinafter defined) and all moneys and investments therein, but subject to the provisions of this Indenture pertaining thereto, including the making of disbursements therefrom.

III.

Any other property hereinafter pledged to or coming into the possession of the Trustee.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all owners of the Bonds issued under and secured by this Indenture with the privileges, priority or distinction as to lien of the Bonds as provided in the Bond form for the Bonds; provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest

due thereon, at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required under Article V or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all property hereby assigned and pledged and the income, revenues and receipts and other sums of money payable or receivable under the Lease Agreements, hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreement, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant, with the Trustee and the respective holders from time to time of the Bonds, as follows:

ARTICLE I. DEFINITIONS

Section 1.01. Definitions. In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

“Act” - Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated, as amended, which authorizes the issuance of bonds by the Issuer for the purposes provided in this Indenture.

“Advance” – The advancement from time to time of the proceeds of the FMH Bonds or the HMD Bonds, respectively, to the respective Borrowers pursuant to requisitions submitted in accordance with Section 6.03 hereof.

“Agreements” or “Lease Agreements” – The FMH Lease Agreement and the HMD Lease Agreement.

“FMH Lease Agreement” -- The Lease Agreement dated as of _____, 2016, by and between the Issuer and FMH providing for a loan to FMH for payment of a portion of the Project costs.

“HMD Lease Agreement” -- The Lease Agreement dated as of _____, 2016, by and between the Issuer and FMH providing for a loan to HMD for payment of a portion of the Project costs.

“FMH Loan” - The loan from the Issuer to the FMH evidenced and governed by the FMH Lease Agreement.

“HMD Loan” - The loan from the Issuer to the HMD evidenced and governed by the HMD Lease Agreement.

“Bond Fund” -- The fund of the Issuer created by Section 5.01 of the Indenture into which the funds specified in Article V are to be deposited and out of which disbursements are to be made as expressly authorized and directed by this Indenture.

“Bonds” or “bonds” - City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016 issued under and secured by the Indenture, in the principal amount of not to exceed \$2,000,000 and City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016 issued under and secured by the Indenture, in the principal amount of not to exceed \$12,000,000,000.

“Borrowers” - FMH Conveyors LLC, a Delaware limited liability company, and HMD Jonesboro, LLC, a Tennessee limited liability company

“Borrower Representative” – The person or persons at the time designated to act on behalf of the respective Borrower as evidenced by written certificate furnished to the Trustee containing the specimen signature of such person signed on behalf of the Borrower by its appropriate officer or officers.

“City Clerk” - The person holding the office and performing the duties of City Clerk of the Issuer.

“Closing Date” -- The date on which the Bonds are issued and delivered to Purchasers.

“Code” - The Internal Revenue Code of 1986, as amended, of the United States of America.

“Completion Date” – The date of completion of the acquisition, construction and equipping of the Project, as applicable, as that date shall be determined by the Borrower, as applicable, and certified in writing to the Trustee.

“Costs of Issuance Fund” -- The Costs of Issuance Fund created pursuant to Section 5.01 of this Indenture.

“Delivery Instructions” -- The written request and authorization given by the Issuer on the Closing Date directing the use and deposit of the proceeds of the Bonds or other funds deposited with the Trustee by the Borrower.

“Government Securities” – Direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America).

“Home Office Payment Agreement” – The Home Office Payment Agreements among the Issuer, the Borrowers, the Trustee, the Purchasers and any Bondholder evidencing the intent of

the parties with respect to payment obligations under this Indenture, the Bond Purchase Agreement, and the Lease Agreements.

“Indenture” - This Trust Indenture with all indentures supplemental hereto.

“Issuance Costs” -- All costs and expenses of issuance of the Bonds, including, but not limited to: (i) counsel fees, including bond counsel and Issuer’s counsel, as well as any other specialized counsel fees; (ii) trustee fees and trustee counsel fees; (iii) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (vi) accountant fees; (vii) printing costs of the Bonds; (viii) publication costs associated with the financing proceedings; and (ix) recording fees.

“Issuer” - The City of Jonesboro, Arkansas, a city of the first class and a political subdivision of the State of Arkansas.

“Loan Fund” - The fund created by Section 5.08 into which the portion of the proceeds of the sale of the Bonds specified in Section 6.02 is to be deposited and out of which disbursements are to be made in the manner and for the purposes specified in Article VI of the Indenture.

“Mayor” - The Mayor of the Issuer.

“Outstanding hereunder” - “Bonds outstanding hereunder” - All Bonds which have been authenticated and delivered under the Indenture, except:

(a) Bonds canceled because of payment or redemption prior to maturity;

(b) Bonds, for the payment or redemption of which, cash or investment securities in the amount required by Section 8.01 of the Indenture shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or satisfactory provision shall have been made therefor, or a waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 2.08.

“Owner” or “Bondowner” or “owner of the bonds” or “Bondholder”- The registered owner of any bond.

“Paying Agent” - The bank or trust company named by the Issuer as the place at which the principal of and interest on the Bonds is payable. The original Paying Agent is the Trustee. References to Paying Agent include any alternate Paying Agent.

“person” - Includes natural persons, firms, associations, corporations, other legal entities and public bodies.

“Pledged Property” - The properties, interests and rights set forth in the granting clauses of this Indenture.

“Project” - The improvements, infrastructure, equipment and facilities being financed out of the proceeds of the Bonds, together with other expenses in connection therewith, including architectural and engineering fees, and the costs of the issuance of the Bonds.

“Purchasers” – With respect to the FMH Bonds, [FMH Sub LLC], [an Arkansas] limited liability company. With respect to the HMD Bonds, [HMD Sub LLC], [an Arkansas] limited liability company. The Purchasers are the original purchasers of the Bonds.

“Record Date” - The fifteenth calendar day of the month preceding the month in which the interest payment date occurs.

“Revenues” - The income, including penalties and interest, derived by the Issuer under the Lease Agreements.

“State” - The State of Arkansas.

“Temporary Bonds” - Bonds issued pursuant to Section 2.13 of the Indenture if definitive bonds are not available upon the initial delivery of the Bonds to the Purchasers.

“Trust Estate” - Property herein conveyed, also called the Pledged Property.

“Trustee” - The Trustee for the time being, whether original or successor, with the original Trustee being [To Be Determined], _____ banking corporation organized and operating under the laws of _____ and authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts hereby created, and having a corporate trust office located in _____, Arkansas. The Trustee is also a Paying Agent and Registrar.

“Written Request” - With reference to Issuer, a request in writing signed by the Mayor and City Clerk, and, with reference to a Borrower, a request in writing signed by a Borrower Representative.

Section 1.02. Use of Words. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the word “bond,” “owner,” “holder,” and “person” shall include the plural, as well as the singular, number.

ARTICLE II. THE BONDS

Section 2.01. Authorization. In accordance with and subject to the terms, conditions and limitations established in this Indenture, two series of industrial development revenue bonds are hereby authorized in the aggregate principal amount of \$2,000,000 and \$12,000,000,

respectively. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

Section 2.02. Details of Bonds. The Bonds shall be designated “City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016,” in the principal amount of not to exceed \$2,000,000 and “City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016,” in the principal amount of not to exceed \$12,000,000,000. The Bonds will be dated _____, 2016, and interest thereon shall be payable as set forth in the forms of Bond attached hereto as collective Exhibit A and collective Exhibit B. The Bonds shall be registered bonds, without coupons, in denominations of \$100,000 each or any integral multiple of \$5,000 in excess of \$100,000 and the principal amount shall be payable, unless sooner redeemed in the manner provided in this Indenture, as set forth in the form of Bond heretofore set forth in this Indenture.

The Bonds shall be initially issued in the form of one fully registered bond in the principal amount of \$2,000,000 and \$12,000,000, respectively, and may not be submitted in exchange for more than one fully registered bond until the Completion Date, at which time the Bond initially issued may, but shall not be required to, be submitted to the Trustee pursuant to the provisions of Section 2.09 hereof in exchange for more than one fully registered bond. The proceeds of the Bonds shall be advanced from time to time upon the submission of draw requests or requisitions by FMH or HMD, respectively, to the Trustee pursuant to the provisions of Section 6.03 hereof and Article II of the respective Lease Agreements. Upon receipt of each requisition by the Trustee, the Trustee shall telephonically notify the Bondholder of the principal amount of the Bonds which the Bondholder must purchase, which shall be the amount set forth in such draw request or requisition. Promptly upon receipt of such notice, the Bondholder shall pay to the Trustee the principal amount requisitioned by the Borrower, and the Trustee shall make a notation of such principal amount purchased on the Record of Advances and Principal Payments attached to the Bond. The amount shown on the Record of Advances and Principal Payments attached to the Bond shall be deemed to be conclusive evidence of the principal amount of the Bonds purchased by the Bondholder, absent manifest error. The principal amount of the Bonds so purchased shall be submitted by the Purchaser to the Trustee, and such amount shall be deposited by the Trustee into the Loan Fund. Any portion of the respective Bonds not sold to the Bondholder and any portion of the corresponding proceeds not delivered to the Borrowers by the Completion Date shall not be issued or delivered thereafter. Notwithstanding anything herein to the contrary, until the Completion Date, upon the request of the Bondholder, the Trustee may maintain custody of the Bond as agent of the Bondholder.

The FMH Bond and HMD Bond initially issued shall bear interest from its date; provided, that the date of each Advance under such Bond shall be the interest commencement date from which the principal amount of such Advance bears interest. Bonds issued on the Completion Date and prior to the next Interest Payment Date shall bear interest from the Completion Date, and the Bonds issued thereafter shall bear interest from the Interest Payment Date next preceding the date of authentication and delivery thereof by the Trustee, unless such date of authentication and delivery shall be an Interest Payment Date, in which case they shall bear interest from such date of authentication and delivery or unless such date of authentication

and delivery shall be during the period from the Record Date to the next Interest Payment Date, in which case they shall bear interest from such Interest Payment Date; provided, however, that if, as shown by the records of the Trustee, interest on any Bonds surrendered for transfer or exchange shall be in default, the Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds surrendered. Interest shall be computed on the basis of a year of three hundred (360) days consisting of twelve 30-day months.

Section 2.03. Maturity. The Bonds shall mature on _____, 20__ and bear interest payable annually on each _____ (each an "Interest Payment Date"), commencing _____, 2017 and continuing through _____, 20__ with the final principal payment due on maturity, _____, 20__, at the rate per annum of _____ and __/100 percent (_____%).

Section 2.04. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the Mayor (by his original or facsimile signature) and the City Clerk (by her original or facsimile signature) thereof and shall have impressed thereon the seal of the Issuer. The Mayor and the City Clerk shall file the certificates required by the Uniform Facsimile Signature Public Officials Act (Arkansas Code of 1987 Annotated, Title 21, Chapter 10) and otherwise comply with the provisions of that Act, and the Mayor and the City Clerk's facsimile signatures shall have the same force and effect as if they had personally signed. The Bonds, together with interest thereon, shall be payable from the Bond Fund, as hereinafter set forth, and shall be a valid claim of the owners thereof only against such fund and the revenues pledged to such fund, which revenues are hereby pledged and mortgaged for the payment of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, and the Trustee's, the Paying Agent's and Bond Registrar's fees, except as may be otherwise expressly authorized in this Indenture. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 2.05. Authentication. Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form included in the bond forms attached hereto as Exhibit A and Exhibit B duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid and obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee, and such Certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 2.06. Form of Bond. The FMH Bond originally issued and delivered shall be substantially in the form set forth in Exhibit A-1 attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture. The HMD Bond originally issued and delivered shall be substantially in the form set forth in Exhibit A-2 attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture.

The FMH Bonds issued and delivered on and after the Completion Date shall be substantially in the form set forth in Exhibit B-1 attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture. The HMD Bonds issued and delivered on and after the Completion Date shall be substantially in the form set forth in Exhibit B-2 attached hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the Purchasers upon payment of the purchase price, and the Trustee shall be entitled to rely upon any certificate, ordinance or resolution as to the purchase price and the Purchaser. Prior to the Trustee's delivery of the Bonds to the Purchaser, the Trustee shall make appropriate notation on Schedule A attached to the Bond certificate of the amount and date of the initial draw thereunder.

Section 2.08. Mutilated, Destroyed or Lost Bonds. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for any such mutilated, destroyed or lost Bond, upon the owners paying the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and, in case of a Bond destroyed or lost, his filing with the Trustee of evidence satisfactory to it that such Bond was destroyed or lost, and of his ownership thereof and furnishing the Issuer and the Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond. In the event any such Bonds shall have matured, instead of issuing a new Bond, the Issuer may pay the same without the surrender thereof.

Section 2.09. Registration and Transfer of Bonds. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee as Bond Registrar. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his, her or its attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed on the Bond by the Bond Registrar. The principal of any Bond shall be payable only to or upon the order of the registered owner or his legal representative. Interest shall be paid by check or draft by said Bond Registrar at the times provided therein to the registered owner by mail to the address shown on the registration books.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, or his, her or its legal representative, and neither the Issuer, the Trustee, nor the Bond Registrar shall be affected by any such notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Bonds issued and delivered on and after the Completion Date may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Bonds

of any other authorized denomination or denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the Issuer of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

Section 2.10. Payment on Saturday, Sunday or Holiday. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday or Sunday or shall be in the State of Arkansas a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday or Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after the date of maturity or date fixed for redemption.

Section 2.11. Interest Commencement Date. The Bonds initially issued shall bear interest from their date; provided, that the date of each Advance under such Bond shall be the interest commencement date from which the principal amount of such Advance bears interest. Otherwise, each Bond, upon subsequent transfer, shall be dated as of the Interest Payment Date to which interest has been paid. Payment of each installment of interest shall be made to the person in whose name the Bond is registered on the registration books of the Trustee as Bond Registrar at the close of business on the fifteenth calendar day of the month (whether or not a business day) next preceding each Interest Payment Date, irrespective of any transfer or change of any such Bond subsequent to such date.

Section 2.12. Cancellation. To the extent held by the Trustee, all Bonds which are paid, either at maturity or by redemption prior to maturity, shall be canceled and, at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer an appropriate certificate describing the Bonds involved and the manner of disposition.

Section 2.13. Temporary Bonds. The Issuer shall have the right to execute and deliver Temporary Bonds reflecting the indebtedness secured hereby, which Temporary Bonds, if issued and delivered, shall be entitled to the same security, rights and protection provided under this Indenture for Bonds in definitive form. Temporary Bonds of the Issuer, if executed, authenticated and delivered shall be replaced by Bonds in definitive form by the Trustee when the Temporary Bonds are returned to the Trustee for exchange. To the extent held by the Trustee, all Temporary Bonds, when returned to the Trustee and when exchanged for Bonds in definitive form shall then be canceled and at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of and/or (ii) returned to the Issuer. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the Issuer an appropriate certificate reflecting the Temporary Bonds involved and the manner of disposition.

Section 2.14. Additional Bonds. No additional bonds shall be issued under this Indenture.

Section 2.15. Conversion of Bonds upon Completion Date. Upon receipt of notice of the Completion Date as provided in Section 2.03 of the Lease Agreements, the Trustee shall give notice thereof to the registered owner of the Bonds. Such notice shall be given by mail or by other acceptable standard, including facsimile, and shall state that such registered owner must deliver his, her or its Bond to the Trustee for conversion. The Trustee shall cancel the Bond so delivered and issue a form of Bond in lieu thereof pursuant to the provisions hereof.

Section 2.16. Home Office Payment Agreement. Notwithstanding any provision of this Indenture or of any Bond to the contrary, the Trustee may enter into or accept the terms of a home office payment agreement with the Issuer, the Borrowers and the owner of any Bond in a principal amount of at least \$1,000,000 providing for the making to such owner of all payments of principal, redemption premium (if any) and interest on such Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Indenture and in the Bonds without presentation or surrender of such Bonds, upon such conditions as shall be satisfactory to the Trustee. The Trustee agrees to make payments of principal, and interest on the Bonds in accordance with the provisions thereof. Upon the transfer of any Bond being paid in accordance with the provisions of a home office payment agreement permitted by this Section, the Trustee, prior to the delivery of such Bond to the transferee, shall make a notation on such Bond of the date to which interest has been paid thereon and the amount of any prepayments made on account of the principal thereof. Contemporaneous with the delivery of the Bonds and this Indenture, the appropriate parties will enter into the Home Office Payment Agreement.

ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01. Redemption. The Bonds shall be callable for redemption prior to maturity in accordance with the provisions pertaining thereto appearing in the form of Bond heretofore set forth in this Indenture.

Section 3.02. Notice of Redemption. Notice of the call for redemption shall be by first class mail or by other acceptable standard, including facsimile, to the owner or owners of the Bonds not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, and published notice of the call for redemption need not be given. Each notice shall specify the numbers and the maturities of the Bonds being called, and the date on which they shall be presented for payment. For so long as the Bonds are registered in book entry form, notice of redemption may be made by facsimile transmission to the securities depository.

Failure to give notice by mailing to the Owner of any Bond designated for redemption or to any depository of information service shall not affect the validity of the proceedings for the redemption of any other Bond.

Section 3.03. Redemption Payments. Prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds called, together with accrued interest thereon to the redemption date and any required premium. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds thus called shall cease to accrue after the date fixed for redemption until such Bond shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.08 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section 3.04. Cancellation. All Bonds which have been redeemed shall be canceled by the Trustee pursuant to Section 2.12.

ARTICLE IV. GENERAL COVENANTS

Section 4.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of, premiums, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal, premiums and interest (except interest, if any, paid from accrued interest) are payable solely from the Revenues, which Revenues are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture should be considered as pledging any other funds or assets of the Issuer (except the securing of the indebtedness evidenced by the Bonds by the provisions of the Lease Agreement). Anything in this Indenture to the contrary notwithstanding, it is understood that whenever the Issuer makes any covenants involving financial commitments, including, without limitation, those in the various sections of this Article IV, it pledges no funds or revenues other than the Revenues and the right, title and interest of the Issuer in the Lease Agreements (except for the obligations of the Borrower to pay Issuer's expenses and to indemnify the Issuer) and the revenues derived from the avails of the Pledged Property, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues.

Section 4.02. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all ordinances pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture and to make the pledge and covenants in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 4.03. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Indenture or Indentures supplemental hereto and such further acts, instruments and transfers

as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming to the Trustee the Trust Estate.

Section 4.04. Payment of Taxes, Charges, etc. The Issuer covenants that it will promptly cause to be paid all lawful taxes, charges, assessments, imposts and governmental charges at any time levied or assessed upon or against the Trust Estate, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the Issuer to cause to be paid any such taxes, assessments, imposts or charges so long as the validity thereof is being contested in good faith and by appropriate legal proceedings.

Section 4.05. Obligation to Maintain and Repair. The Issuer covenants that it will at all times cause the Project to be maintained, preserved and kept in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs so that the operation and business pertaining to the Project shall at all times be conducted properly and so that the Project shall be fully maintained, to the extent permitted by available funds. It is understood that the Issuer has made provisions in the Lease Agreements for such maintenance, pursuant to the terms of which the Borrowers are obligated to maintain the Project as set forth in the Lease Agreements, and so long as the Lease Agreements are in force and effect the Issuer shall be deemed to be in compliance with its obligations under this Section 4.05.

Section 4.06. Recordation of Trust Indenture. The Issuer covenants that it will cause this Indenture, and all instruments supplemental thereto, to be kept, recorded and filed in such manner and in such places (if any) as may be required by law in order fully to preserve and protect the security of the bondowners and the rights of the Trustee hereunder.

Section 4.07. Rights under Lease Agreements. The Lease Agreements, duly executed counterparts of which have been filed with the Trustee, sets forth covenants and obligations of the Issuer and the Borrowers. Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrowers under and pursuant to the respective Lease Agreements, for and on behalf of the bondholders, whether or not the Issuer is in default hereunder.

Section 4.08. List of Bondowners. If the Trustee is directed in writing by the Issuer to so provide, the list of the names and addresses of the registered owners of the Bonds may be inspected and copied by owners (or a designated representative thereof) of ten percent (10%) or more in principal amount of Bonds outstanding hereunder, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 4.09. Lien of Trust Indenture; Enforcement of Obligations and Rights. The Issuer covenants that so long as any Bonds authorized by and issued under this Indenture are outstanding, it will not convey or otherwise dispose of its interest in the Pledged Property, and that it will not encumber the same, or any part thereof, or its interest therein, or create or permit to be created any charge or lien on the Revenues derived therefrom, except as provided in this Indenture. Nothing contained herein shall prohibit the Issuer from issuing bonds the payment for which specified revenues of a particular project is pledged as provided in the Act, it being the

purpose of this covenant to limit only a subsequent pledge of the Pledged Property and Revenues as defined in this Indenture.

Section 4.10. Obligation to Insure. The Issuer covenants that at all times while any Bonds are outstanding, it will keep or cause to be kept the Project insured against the perils and to the extent set forth in the Lease Agreements. It is understood that the Issuer has made provisions in the Lease Agreements for such insurance, pursuant to the terms of which the Borrowers are obligated to keep the property insured as set forth in the Lease Agreements, and so long as the Lease Agreements are in force and effect, the Issuer shall be deemed to be in compliance with its obligations under this Section 4.10.

Section 4.11. RESERVED.

Section 4.12. RESERVED.

ARTICLE V. REVENUE AND FUNDS

Section 5.01. Creation of Funds. There are hereby created and established with the Trustee as trust funds and trust accounts the following:

- (a) Costs of Issuance Fund;
- (b) City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bond (FMH Conveyors LLC Project) Fund, Series 2016 (the “FMH Bond Fund”); and
- (c) City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bond (HMD Jonesboro, LLC Project) Fund, Series 2016 (the “HMD Bond Fund”).

Trustee may also create such other Funds or Accounts as it deems necessary or desirable in the administration of this Indenture.

Section 5.02. Deposit of Bond Proceeds.

There shall be deposited into the FMH Bond Fund and the HMD Bond Fund as and when received:

- (a) That portion of the proceeds of the sale of the FMH Bonds and the HMD Bonds as set forth in the Delivery Instructions;
- (b) The payments and other moneys paid by the Borrowers, pursuant to the Lease Agreements;
- (c) Amounts transferred to the FMH Bond Fund and the HMD Bond Fund, respectively, pursuant to the provisions of Sections 3.03 and 6.04 hereof; and

(d) All other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture which are not directed to be paid in a fund other than the FMH Bond Fund and the HMD Bond Fund.

Money in the FMH Bond Fund and the HMD Bond Fund shall be kept separate and apart from other funds or accounts and shall be pledged, appropriated, used and transferred to other funds for the purposes specified in this Article. Furthermore, the Issuer covenants and agrees that so long as any of the Bonds secured by this Indenture are outstanding, it will at all times deposit, or cause to be deposited, in the FMH Bond Fund and the HMD Bond Fund sufficient moneys from payments and other moneys paid by the Borrowers pursuant to the Lease Agreements to promptly meet and pay the principal of and interest on the Bonds as the same become due and payable. Nothing herein shall be construed as requiring the Issuer to use any funds or revenues from any source other than funds and revenues derived from the Lease Agreements for the payment of the principal of and interest on the Bonds and discharging other obligations of the Issuer under this Trust Indenture, but nothing herein shall be construed as prohibiting the Issuer from doing so.

Trustee may also hold such other documents or assets in the FMH Bond Fund and HMD Bond Fund, including, but not limited to, documents held pursuant to an Option Agreement (as defined in the Lease Agreements).

Section 5.03. Use of Moneys in Bond Funds.

(a) The FMH Bond Fund shall be in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw from the FMH Bond Fund sufficient funds to pay the principal of, premium, if any, and interest on the FMH Bonds at maturity and redemption or prepayment prior to maturity, and the Trustee's and Paying Agent's fees in connection therewith, and to remit the funds to the Paying Agent for the purpose of paying the principal and interest in accordance with the provisions hereof pertaining to payment, which authorization and direction the Trustee hereby accepts.

If a surplus shall exist in the FMH Bond Fund over and above the amount necessary (together with reasonably projected revenue receipts in the event no default has occurred) to ensure the prompt payment of the principal of, and premium if any, in connection with the FMH Bonds as the same become due, such surplus shall be applied to investments as permitted under Article VII herein.

The Trustee shall cause to be transferred from the FMH Bond Fund an amount sufficient to pay the interest on the bonds as the same become due at least one (1) day prior to the interest payment date for the FMH Bonds and see to the deposit with the Paying Agent. It shall be the duty of the Trustee to see to the withdrawal from the FMH Bond Fund at least one (1) day before the maturity or redemption date of any FMH Bond issued hereunder and then outstanding and see to the deposit with the Paying Agent, whether or not a different institution, of an amount equal to the amount due for such FMH Bonds for the sole purpose of paying the same.

(b) The HMD Bond Fund shall be in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw from the HMD Bond Fund sufficient funds to pay the principal of, premium, if any, and interest on the HMD Bonds at maturity and redemption or prepayment prior to maturity, and the Trustee's and Paying Agent's fees in connection therewith, and to remit the funds to the Paying Agent for the purpose of paying the principal and interest in accordance with the provisions hereof pertaining to payment, which authorization and direction the Trustee hereby accepts.

If a surplus shall exist in the HMD Bond Fund over and above the amount necessary (together with reasonably projected revenue receipts in the event no default has occurred) to ensure the prompt payment of the principal of, and premium if any, in connection with the HMD Bonds as the same become due, such surplus shall be applied to investments as permitted under Article VII herein.

The Trustee shall cause to be transferred from the HMD Bond Fund an amount sufficient to pay the interest on the bonds as the same become due at least one (1) day prior to the interest payment date for the HMD Bonds and see to the deposit with the Paying Agent. It shall be the duty of the Trustee to see to the withdrawal from the HMD Bond Fund at least one (1) day before the maturity or redemption date of any FMH Bond issued hereunder and then outstanding and see to the deposit with the Paying Agent, whether or not a different institution, of an amount equal to the amount due for such HMD Bonds for the sole purpose of paying the same.

Section 5.04. Non-presentment of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if there shall have been deposited with the Paying Agent for that purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the date of maturity thereof, for the benefit of the owner, all liability of the Issuer to the owner thereof for the payment of the principal thereof and interest thereon shall forthwith cease, terminate and be completely discharged, and thereon it shall be the duty of the Paying Agent to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, the Bond.

Section 5.05. Costs of Issuance Fund.

(a) Trustee shall deposit into the Costs of Issuance Fund (i) that portion of the proceeds of the Bonds required to be deposited therein pursuant to this Indenture or directed to be deposited therein pursuant to the Delivery Instructions or (ii) such moneys as are delivered to the Trustee by the Borrower. Moneys deposited into the Costs of Issuance Fund pursuant to this Indenture shall be expended to pay the Issuance Costs of said Bonds: (i) upon receipt by Trustee of requisitions signed by a Borrower Representative for any Issuance Costs not set forth in the Delivery Instructions or (ii) in accordance with the directions contained in the Delivery Instructions. Any funds remaining in the Costs of Issuance Fund two (2) months after having been deposited therein shall be returned to the Borrower. At such time as there is a \$0 balance in the Costs of Issuance Fund, it may be closed.

(b) The Trustee shall use moneys in the Cost of Issuance Fund to pay Issuance Costs for the Bonds or to reimburse the Issuer to the extent of payments made for such Issuance Costs previously paid. Before any payment shall be made for Issuance Expenses, there shall be filed with the Trustee a Written Request of the Issuer, stating:

- (i) The name of the person, firm or corporation to whom the payment is due;
- (ii) The amount to be paid;
- (iii) The purpose for which the Issuance Costs was incurred; and
- (iv) That such person, firm or corporation has not previously been paid for such Issuance Costs.

The Delivery Instructions executed contemporaneously with this Indenture shall constitute a “Written Request” of the Issuer in compliance with this section.

Section 5.06. RESERVED.

Section 5.07. RESERVED.

Section 5.08. Loan Fund. There is hereby created with the Trustee a special fund to be designated “City of Jonesboro, Arkansas Taxable Industrial Development Loan Fund” or “Loan Fund,” which fund and account shall be issued and applied as specified in Sections 6.01 through 6.04. Issuer and Trustee agree that deposits to and withdrawals from the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement.

Section 5.09. Any Fees, Charges and Expenses of Trustee and Paying Agent. It is understood and agreed that pursuant to the provisions of the Lease Agreements, the Borrowers agree to pay the reasonable fees, expenses and charges of the Trustee and Paying Agent as authorized and provided by this Indenture. The Borrowers are to make payments on statements rendered by the Trustee. All such additional payments under the Lease Agreements which are received by the Trustee shall be paid into the Bond Fund to make payment therefrom for said purposes.

Section 5.10. Moneys and Documents to be Held in Trust. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which redemption has been duly given, shall, while held by the Trustee, constitute part of the trust estate and be subject to the lien hereof. Moneys received by or paid to the Trustee pursuant to any provisions of the Lease Agreements calling for the Trustee to hold, administer and disburse the same in accordance with the specific provisions of the Lease Agreements shall be held, administered and disbursed pursuant to the provisions, and where required by the provisions of the Lease Agreements, the Trustee shall set the same aside in a separate account. If the Issuer shall receive any moneys pursuant to applicable provisions of the Lease Agreements, it will forthwith upon receipt thereof pay the same over to the Trustee to be held, administered and disbursed by the Trustee in accordance with the provisions of the Lease

Agreement, pursuant to which the Issuer may have received the same. Furthermore, if for any reason the Lease Agreements cease to be in force and effect while any Bonds are outstanding, and if the Issuer shall receive any moneys derived from the Pledged Property, it will forthwith upon receipt thereof pay the same over the Trustee to be held, administered and disbursed by the Trustee in accordance with provisions of the Lease Agreements that would be applicable if the Lease Agreements were then in force and effect, and if there be no such provisions which would be so applicable, then the Trustee shall hold, administer and disburse such moneys solely for the discharge of the Issuer's obligations under this Indenture. In addition, any documents or securities tendered to the Trustee to be held in trust or escrow shall be received by Trustee only upon receipt of written instructions from the Issuer or bondholder, as applicable, directing the Trustee as to the documents' or securities' custody and the mechanism for releasing any such documents and securities from escrow or Trustee's custody.

Section 5.11. RESERVED.

Section 5.12. Refunds to Borrower. Anything herein to the contrary notwithstanding, so long as an event of default has not occurred and is continuing under this Indenture or under the Lease Agreements, the Trustee is authorized to refund to the Borrowers within two weeks after the principal payment date annually all excess amounts remaining in the FMH Bond Fund and HMD Bond Fund, respectively, after payment of all amounts due in the previous twelve months including the Trustee's and Issuer's fees. Such refund may be made as a credit on a loan payment. The foregoing notwithstanding, moneys in either the FMH Bond Fund or HMD Bond Fund being held pending redemption of either FMH Bonds or HMD Bonds shall not be refunded to a Borrower.

**ARTICLE VI.
CUSTODY AND APPLICATION OF PROCEEDS OF BONDS**

Section 6.01. Disbursement of Issuance Costs. When the Bonds have been executed as provided in this Indenture, they shall be delivered to the Trustee which shall authenticate them and deliver them to the Purchaser as specified in the Delivery Instructions of the Issuer. On the Closing Date, the Trustee shall disburse the moneys received as proceeds of the Bonds in accordance with instructions as specified in the Delivery Instructions of the Issuer. Subsequent to the Closing Date and prior to the Completion Date, the Trustee shall disburse the moneys received as proceeds of the Bonds in accordance with Written Requests received by the Trustee in a manner consistent with Section 2.02 hereof.

Section 6.02. Deposit in the Loan Fund. After making the necessary use of funds as provided in Section 6.01 above, the Trustee shall then deposit the remainder of the proceeds in the Loan Fund. Issuer and Trustee agree that deposits to the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement.

Section 6.03. Disbursements from the Loan Fund. Moneys in the Loan Fund shall be disbursed to the respective Borrower as a reimbursement of or paid directly to vendors to pay Project costs which shall include costs of acquisition, costs of construction, architect's and engineer's fees, payment of interim indebtedness of the respective Borrower incurred for Project

costs, and all other necessary expenses incidental to the completion of the Project. Such expenditures shall be paid in accordance with and pursuant to written draw requests which shall be signed by one or more duly designated representatives of the respective Borrower (which designation shall be in writing and filed with the Trustee). In addition to the requirements of the Lease Agreements, draw requests shall specify:

- (1) The number of the request for payment;
- (2) The name of the person, firm or corporation to whom payment is to be made;
- (3) The amount of the payment; and
- (4) That the disbursement is for a proper expense of or pertaining to the Project.

Upon receipt of each draw request the Trustee may issue its check upon the Loan Fund payable to the person, firm or corporation designated in the draw request. Issuer and Trustee agree that withdrawals from the Loan Fund shall be evidenced in a manner consistent with the Home Office Payment Agreement.

Section 6.04. Transfer to Bond Fund. Whenever the Issuer shall notify the Trustee in writing that any balance remaining in the Loan Fund will not be needed for completion of the Project, the remaining balance (if the balance is at least \$5,000) shall be deposited into the FMH Bond Fund or the HMD Bond Fund, as appropriate, and used to redeem either the FMH Bonds or the HMD Bonds, as appropriate, on the first Interest Payment Date following notification. If the balance is less than \$5,000, it shall be transferred to either the FMH Bond Fund or the HMD Bond Fund, as appropriate, and applied as a credit against a subsequent payment.

ARTICLE VII. INVESTMENTS

Section 7.01. Investment of Moneys in Funds. Moneys on deposit with the Trustee shall be invested at the direction of the Borrowers.

ARTICLE VIII. DISCHARGE OF LIEN

Section 8.01. Discharge of Lien. If the Issuer shall pay or cause to be paid to the owners of the Bonds the principal and interest to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien thereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer and property at the time subject to the lien of this Indenture which may then be in its possession,

including trust funds, except funds held by it for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid when payment of the principal of and premium, if any, and interest on such Bond (whether at maturity or upon redemption or otherwise), either (i) shall have been made or caused to be made in accordance with the terms of the Indenture, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) moneys sufficient to make such payment or (2) Government Securities, maturing as to principal and interest in such amount and at such times as will provide sufficient moneys to make such payments, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Borrowers under the Lease Agreements shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

The Issuer may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the Issuer may have acquired in any manner whatsoever, and such Bonds upon such surrender and cancellation, shall be deemed to be paid and retired.

ARTICLE IX. DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 9.01. Events of Default. If any of the following events occur, subject to the provisions of Section 9.12 hereof, it is hereby defined as and declared to be and to constitute an “event of default”;

(a) Default in the due and punctual payment of any interest on any Bond hereby secured and outstanding;

(b) Default in the due and punctual payment of the principal of, and premium, if any, on any Bond hereof secured and outstanding, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default in the performance or observance of covenants, agreements or conditions on the Issuer’s part to be performed in this Indenture, or in the Bonds contained, and the continuance thereof for a period of thirty (30) days after written notice to the Issuer by the Trustee or by the owners of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder; or

(d) The occurrence of an “Event of Default” under the Lease Agreement.

The term “default” shall mean default by the Issuer in the performance or observance of any of the covenants, agreement or conditions on its part contained in this Indenture, or in the Bonds outstanding hereunder, exclusive of any period of grace required to constitute a default an “event of default” as hereinabove provided.

Section 9.02. Acceleration.

Upon the occurrence of an event of default, the Trustee may, and upon the written request of the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder, shall, by notice in writing delivered to the Issuer and the Borrowers declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

Section 9.03. Trustee's Right to Enter and Take Possession. Upon the occurrence of an event of default, the Issuer, upon demand of the Trustee, shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the Pledged Property with the books, papers and accounts of the Issuer pertaining thereto and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as the Trustee shall deem wise; and the Trustee, with or without such permission, may collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom (exclusive of any of the foregoing which may have been pledged to secure other obligations of the Issuer) and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder and any taxes, assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received by the Trustee in accordance with the provisions of Section 9.08 hereof. Whenever all that is due upon such Bonds and installments of interest under the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Issuer, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property the Trustee shall render annually to the owners of the Bonds, at their addresses as set forth on the bond registration book maintained by the Trustee, a summarized statement of income and expenditures in connection therewith.

Section 9.04. Other Remedies; Rights and Obligations with Reference to Remedies. Upon the occurrence of an event of default, the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder or to enforce compliance with any other covenant or obligation of the Issuer, including without limitation, foreclosure and mandamus.

Upon the occurrence of an event of default, the Trustee shall, if so requested in writing by sixty-six and two-thirds percent (66-2/3%) in value of the registered owners of the Bonds, assign to the registered owners of the Bonds all its right, title and interest in the Lease Agreements in exchange for the Bonds, which assignment shall be full and complete satisfaction and discharge of all liabilities and obligations of the Issuer on the Bonds and of the Trustee under this Indenture.

If an event of default shall have occurred, and if it shall have been requested in writing so to do by the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 10.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and power conferred upon it by this Section and by Section 9.03 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the bondowners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondowners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the bondowners, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 9.05. Right of Majority of Bondowners to Take Charge. Anything in this Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds outstanding hereunder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceeding hereunder; provided that such direction shall not be otherwise than in accordance with the provision of law and of this Trust Indenture. Anything in this Indenture to the contrary notwithstanding, so long as a single person or entity owns 100% of the outstanding Bonds, the Trustee shall not exercise any remedies except those that the Trustee is specifically directed to take in a writing by the sole Bondholder.

Section 9.06. Appointment of Receiver. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Pledged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

Section 9.07. Waiver by Issuer of Benefit of Laws and Rights of Appraisal and Redemption. In case of an event of default on its part, as aforesaid to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through it or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption as now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the Issuer, for itself and all who may claim through or under it, hereby waives, to

the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State of Arkansas.

Section 9.08. Application of Available Moneys. Issuer and Trustee agree and anticipate that amounts due and payable pursuant to this Indenture (other than the annual Trustee's fees, any expenses of the Trustee, and other amounts due and payable to independent third parties) shall be evidenced in a manner consistent with the Home Office Payment Agreement. Moneys remaining, if any, after payment of the annual Trustee's fees, any expenses of the Trustee, and other amounts due and payable to independent third parties shall be applied by the Trustee as follows:

(a) To the payment of costs and expenses of suit, if any, and the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Trustee or by any bondowner.

(b) Unless the principal of all the Bonds all have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of Article V of this Indenture.

(c) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any bond over any other Bond, ratably, according to the amounts due respectively for principal and or privilege.

(d) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (c) of this Section, in the event that the

principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (b) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.09. Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any owners of the Bond hereby secured, and any recovery of judgment shall be for the equal benefit for the owners of the outstanding Bonds in the order herein provided.

Section 9.10. Rights and Remedies of Bondowners. No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 10.01, or of which by the subsection it is deemed to have notice, nor unless such default shall have become an event of default and the owners of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.01; nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver for any other remedy hereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided for the equal benefit of the owners of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any bondowners to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or to the obligation of the Issuer to pay the principal of and interest

on each of the Bonds issued hereunder to the respective owners thereof at the time and place in the Bonds expressed.

Section 9.11. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

Section 9.12. Waivers of Events of Default. The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the owners of (i) 50% in aggregate principal amount of all the Bonds outstanding hereunder in respect of which default in the payment of principal and/or interest exists, or (ii) 50% in principal amount of all the Bonds outstanding hereunder in the case of any other default, provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any Bonds issued hereunder and outstanding at the date of maturity specified therein or (b) any default in the payment of the interest or of Bond Fund moneys, unless prior to such waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee and Paying Agent, shall have been paid or provided for, and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, Trustee and the bondowners shall be restored to their former positions and rights thereunder respectively; but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

ARTICLE X. THE TRUSTEE

Section 10.01. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform the trust upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the Issuer prior to the occurrence of a default of which the Trustee has been notified as provided in sub-section (g) of this Section, or of which by said sub-section the Trustee is deemed to have notice, approved by the Trustee in the exercise of

such care. The Trustee shall not be responsible for any loss or damage resulting from an action or non-action in accordance with any such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for the recording or re-recording, filing or re-filing of this Indenture, or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured herein, or for the value of the title of the property here conveyed or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture, it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the Issuer, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreement aforesaid as to the condition of the property herein conveyed.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds with the same rights which it would have if not Trustee. No merger of title shall occur if at any time the Trustee owns all of the Bonds.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it, in the exercise of reasonable care, to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by its Mayor and attested by its City Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which it has been notified as provided in sub-section (g) of this Section, or of which by said subsection it is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the Issuer, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Clerk of the Issuer under its seal to the effect that a resolution or ordinance in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution or ordinance has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own gross negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to make or cause to be made any of the payments to the Trustee required to be made by Article IV unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the owners of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as in this Indenture provided.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all of the property herein conveyed, including all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificate, opinions, appraisals, or the information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(l) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee, by reason of any action so taken by the Trustee.

Section 10.02. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for its reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Indenture and in and about the

exercise and performance by the Trustee of the powers and duties of the Trustee hereunder, and for all reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee). In this regard, it is understood that the Issuer pledges no funds or revenues other than those provided for in the Lease Agreements and the Revenues derived from and the avails of the Pledged Property to the payment of any obligation of the Issuer set forth in this Indenture, including the obligations set forth in this Section, but nothing herein shall be construed as prohibiting the Issuer from using any other funds and revenues for the payment of any of its obligations under this Indenture. Upon default by the Issuer but only upon default, pursuant to the provisions of this Indenture pertaining to default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or interest of a Bond issued hereunder upon the Trust Estate for the reasonable and necessary advances, fees, costs and expenses incurred by the Trustee.

Section 10.03. Notice to Bondowners of Default. If a default occurs of which the Trustee is by Section 10.01(g) deemed to have notice, is notified by the Issuer or by the owners of at least 10% in aggregate principal amount of Bonds then outstanding, then the Trustee shall give written notice by mail or by other acceptable standard, including facsimile, to each owner of Bonds then outstanding and to such other person or entity any owner directs the Trustee to notify.

Section 10.04. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of the bondowners and shall do so if requested in writing by the owners of at least ten percent (10%) of the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 10.05. Successor Trustee. Any bank or trust company into which the Trustee may be merged, or with which it may be consolidated or any bank or trust company resulting from any such merger or consolidation, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that such successor trustee shall have capital and surplus of at least \$75,000,000, and provided that the Issuer approves the successor trustee.

Section 10.06. Resignation by Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer and the registered owners of the Bonds, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the bondowners or by the Issuer. Such notice may be served personally or sent by registered mail or other acceptable standard, including facsimile.

Section 10.07. Removal of Trustee; Sale of Trust Business. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by the owners of a majority in aggregate principal amount of Bonds outstanding hereunder. The Trustee may be removed by the Issuer at any time if a successor trustee has been appointed.

In the case of the sale of all or substantially all of the Trustee's trust business to another bank or trust company, the Issuer shall have the absolute right, at its sole discretion, to appoint a successor trustee pursuant to Section 10.08 hereof.

Section 10.08. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by the court, a successor may be appointed by the Issuer by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal. Every such successor trustee shall be a trust company or bank in good standing, having capital and surplus of not less than \$75,000,000.

Section 10.09. Successor Trustee Qualifications. Every successor appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of the Issuer or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the Issuer, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 10.10. Right of Trustee to Pay Taxes and Other Charges. In case the Issuer shall fail seasonably to pay or to cause to be paid any tax, assessment or governmental or other charge upon any part of the property herein conveyed, to the extent, if any, that the Issuer may be liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the bondowners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of ten percent (10%) per annum, shall be repaid by the Issuer upon demand, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the proceeds of revenues collected from the property herein conveyed, if not otherwise caused to be paid by the Issuer, but the Trustee shall not be under obligations to make any such payment unless it shall have been requested to do so by the owners of at least ten percent (10%) of the aggregate principal amount of the Bonds outstanding hereunder and shall have been provided with adequate funds for the purpose of such payment.

Section 10.11. Trustee Protected in Relying Upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the payment and withdrawal of cash hereunder.

Section 10.12. Trustee Which Has Resigned or Been Removed Ceases to be Paying Agent. In the event of a change in the office of Trustee, if the Trustee is the Paying Agent, the former Trustee which has resigned or been removed shall cease to be Paying Agent.

Section 10.13. Paying Agent's Fees and Charges. There shall be paid reasonable Paying Agent's fees and charges of the Paying Agent for handling the payment of the principal of, premium (if any) and interest on the Bonds, and funds sufficient to pay the same shall be deposited with the Paying Agent prior to the dates on which payments are required to be made on principal and interest.

Section 10.14. Appointment of Co-Trustee or Separate Trustee. The Issuer and the Trustee shall have power to appoint and upon the request of the Trustee the Issuer shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustees of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co-trustee any property, title, right or power deemed necessary or desirable. In the event that the Issuer shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or to it such properties, rights powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Every such co-trustee and separate trustee shall, to

the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(1) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and

(2) The Trustee, at any time by an instrument in writing, may remove any such separate trustee or co-trustee.

Every instrument, other than this Indenture, appointing any such co-trustee or separate trustee, shall refer to this Indenture and the conditions of this Article X expressed, and upon the acceptance in writing by such separate trustee or co-trustee, it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture. Any such separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee as its agent or attorney, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by it, for and on behalf of it and its name. In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estates properties, rights, powers, trusts, duties and obligations of the separate trustee or co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co-trustee.

ARTICLE XI. SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE AGREEMENTS

Section 11.01. Supplemental Indentures Not Requiring Consent of Bondowners.

The Issuer and the Trustee may, from time to time, without the consent of or notice to the bondholders, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indenture shall hereafter form a part hereof) (a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture; or (b) to grant to or confer or impose upon the Trustee for the benefit of the bondowners any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred, or imposed; (c) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect; (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Indenture, of the Revenues of the Issuer from the Lease Agreements or of any other moneys, securities or funds; (e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended; or (f) to modify, alter, amend or supplement this Indenture in any other respect which, in the opinion of bond counsel, is not materially adverse to the bondholders and which does not involve a change described in clause (a), (b), (c), (d) or (e) of Section 11.02 hereof.

Section 11.02. Supplemental Indentures Requiring Consent of Bondowners. Subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or redemption premium or the rate of interest thereon, or (c) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate, except as expressly permitted herein, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval of bondowners of the execution of any supplemental indenture as provided in Section 11.01 of this Article.

If at any time the Issuer shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the Issuer cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail or sent by other acceptable standard, including facsimile, to each owner at his, her or its address on the Bond registration book maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by bondowners. The Trustee shall not, however, be subject to any liability to any bondowner by reason of its failure to publish or mail such notice, and any such failure shall not affect the validity of such supplemental indenture consented to and approved as provided in this Section. If the owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 11.03. Amendments to the Lease Agreements. The Trustee may from time to time, and at any time, consent to any amendment, change or modification of the Lease Agreements for the purpose of curing any ambiguity or formal defect or omission or making any other change therein, which in the reasonable judgment of the Trustee, in reliance on an opinion of bond counsel, is not to the prejudice of the Trustee or the holders of the Bonds. The Trustee shall not consent to any other amendment, change or modification of the Lease Agreements without the approval or consent of the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds at the time outstanding.

Section 11.04. Procedure for Amendments. If at any time the Issuer or Borrowers shall request the Trustee's consent to a proposed amendment, change or modification requiring bondholder approval under Section 11.03 hereof, the Trustee, shall, at the expense of the requesting party, cause notice of such proposed amendment, change or modification to be sent in the same manner as provided by Section 11.02 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file in the principal office of the Trustee for inspection by any interested bondholder. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to by the Trustee in the manner hereinabove provided.

ARTICLE XII. MISCELLANEOUS

Section 12.01. Consents, etc., of Bondowners. Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondowners in person or by agent appointed in writing. Proof of the execution of any such request, direction, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive if in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by any affidavit of any witness to such execution.

Section 12.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person other than the parties hereto, and the owners of the Bonds secured by this Indenture, any legal or equitable rights, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof being intended to be and being for the sole exclusive benefit of the parties hereto and the owners of the Bonds secured as herein provided.

Section 12.03. Severability. If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 12.04. Notice. Notices as required in this Indenture shall be considered delivered when posted in United States mail, postage prepaid and addressed as set forth below (or at such other address as may have been provided by the party to all other parties hereto by proper notice):

If intended for the Issuer:	City of Jonesboro, Arkansas P.O. Box 1845 Jonesboro, Arkansas 72403 Attn: Mayor
With a copy to:	Carol M Duncan 410 W. Washington Ave Jonesboro, AR 72401
If intended for the Trustee:	[To Be Determined] _____, Arkansas 72____ Attn: Corporate Trust Department
If intended for FMH:	FMH Conveyors LLC _____ Jonesboro, AR 72403 Attention: President
If intended for HMD:	HMD Jonesboro, LLC _____ Jonesboro, AR 72403 Attention: President
If intended for the Bondholder:	[Insert information]
With a copy to:	Such other persons and entities as the Bondholder may identify in writing.

Section 12.05. Arkansas Substantive Law Governs. This Indenture shall be considered to have been executed in the State and it is the intention of the parties that the substantive law of the State governs as to all questions of interpretation, validity and effect.

Section 12.06. Uniform Commercial Code. This Indenture is also a security agreement under the Uniform Commercial Code of the State. The Issuer shall file one or more financing statements and renewals thereof with respect to the security interest granted by this Indenture and file such statements or renewals thereof in the appropriate public office.

Section 12.07. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.08. Limitation on Liability. Notwithstanding any other provision of this Indenture to the contrary:

(a) the obligations of the Issuer with respect to the Bonds are not general obligations of the Issuer but are special, limited obligations of the Issuer payable by the Issuer solely from the security for the Bonds;

(b) nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate;

(c) except with respect to their status as special, limited obligations of the Issuer, payable by the Issuer solely from the security for the Bonds, the Bonds shall not be a debt of the State or of any other political subdivision of the State, and neither the State nor any other political subdivision of the State shall be liable for the payment of the Bonds;

(d) neither the faith and credit of the Issuer, the State nor any other political subdivision of the State are pledged to the payment of the principal or of interest on the Bonds;

(e) neither the revenues nor the property of the Issuer, the State or any other political subdivision of the State are pledged to the payment of the principal or of interest on or as security for the Bonds except as specifically set forth in this Indenture;

(f) no failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the Pledged Property, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other charge except to the extent that the same can be paid or recovered from the Trust Estate; and

(g) the Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Indenture, any of the other bond documents or any of the loan documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of any fees or administrative expenses or otherwise.

Section 12.09. No Personal Liability; No Recourse. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in any Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the members of the Issuer's city council or any of the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and

all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the members of the Issuer's board of directors or of any such member, officer, agent or employee, as such, by reason of any act or omission on his or her part or otherwise, for the payment for or to the owner of any Bond or otherwise of any sum that may remain due and unpaid upon the Bonds secured by this Indenture of any of them is, by the acceptance of such Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or any Bondholder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee (with respect to record keeping only, and not with respect to any legal services) or by the Bondholders and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bonds shall be had against the members of the Issuer's board of directors or any officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the members of the Issuer's board of directors in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Mayor, and, to further evidence its acceptance of the trust hereby created, Issuer has caused these presents to be signed in its name and behalf by its duly appointed officers all as of the day and year first above written.

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

[TO BE DETERMINED], as Trustee

By: _____
Name: _____
Title: _____

STATE OF ARKANSAS)
) ss. **ACKNOWLEDGMENT**
COUNTY OF CRAIGHEAD)

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **Harold Perrin** and **Donna Jackson** to me personally well known, who stated that they are the Mayor and City Clerk, respectively, of the **CITY OF JONESBORO, ARKANSAS**, a city of the first class, and were duly authorized in those capacities to execute the foregoing instrument for and in the name and behalf of said City, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

STATE OF ARKANSAS)
) ss.
COUNTY OF _____)

ACKNOWLEDGMENT

On this day before me, a Notary Public, duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named _____, _____ of **[TO BE DETERMINED]**, a banking corporation organized under the laws of the State of Alabama, to me personally known, who stated that she was duly authorized in her capacity to execute the foregoing instrument for and in the name of the Bank and further stated and acknowledged that she had signed, executed and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ___ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

Exhibit A-1

Form of Initial Bond

R-1

\$2,000,000

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
\$2,000,000
CITY OF JONESBORO, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(FMH CONVEYORS LLC PROJECT)
SERIES 2016**

INTEREST RATE	MATURITY DATE:	ISSUE DATE
_____ %	_____, 20__	_____, 2016

REGISTERED OWNER: [FMH SUB LLC]
PRINCIPAL AMOUNT: **TWO MILLION AND 00/100 DOLLARS**
(OR THE TOTAL AMOUNT OUTSTANDING AS REFLECTED BY THE
RECORD OF ADVANCES AND PRINCIPAL PAYMENTS ATTACHED
HERETO)

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Jonesboro, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the "Issuer") for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on _____ of each year, beginning on _____, 2017 with the final principal and interest payment due on the maturity date, _____, 20__, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer's obligation with respect to payment of such Principal Amount shall be discharged; provided that, the date of each Advance hereunder shall be the interest commencement date from which the principal amount of such Advance bears interest. Payment of interest shall be by check or draft of [To Be Determined], as Trustee and Paying Agent (the "Trustee"), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in _____, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of not to exceed \$2,000,000 (the “Bonds”) which are issued for the purpose of providing funds for the making of loans to FMH Conveyors LLC (the “Borrower”) to finance certain industrial enterprise within the State of Arkansas (the “Project”). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the “Indenture”), dated as of _____, 2016, duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to a Lease Agreement between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE “ACT”), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of a Lease Agreement which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreement for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated “City of Jonesboro, Arkansas Industrial Development Revenue Bond Fund” (the “Bond Fund”). Certain Project revenues (including particularly repayments of the loans under the Lease Agreement) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds. The Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) On any interest payment date, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreement, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) On any interest payment date, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreement and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile, to the registered owner of the Bonds addressed to such registered owner at his, her or its registered address and placed in the mails or otherwise sent not less than thirty (30)

days prior to the date fixed for redemption. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the ___ day of _____, 2016.

CITY OF JONESBORO, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

[TO BE DETERMINED], as Trustee

By: _____
Authorized Signatory

Dated: _____, 2016

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE:

SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.

NOTICE:

THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Record of Advances and Principal Payments

DATE OF ADVANCE* OR PAYMENT	AMOUNT OF ADVANCE	PRINCIPAL AMOUNT PAID	PRINCIPAL AMOUNT OUTSTANDING	SIGNATURE

* The date of each Advance shall be the interest commencement date from which the principal amount of each Advance bears interest.

[END OF FORM]

Exhibit A-2

Form of Initial Bond

R-1

\$12,000,000

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
\$12,000,000
CITY OF JONESBORO, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(HMD JONESBORO, LLC PROJECT)
SERIES 2016**

INTEREST RATE MATURITY DATE: ISSUE DATE

_____ % _____, 20__ _____, 2016

REGISTERED OWNER: [HMD SUB LLC]

**PRINCIPAL AMOUNT: TWELVE MILLION AND 00/100 DOLLARS
(OR THE TOTAL AMOUNT OUTSTANDING AS REFLECTED BY THE
RECORD OF ADVANCES AND PRINCIPAL PAYMENTS ATTACHED
HERETO)**

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Jonesboro, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the "Issuer") for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on _____ of each year, beginning on _____, 2017 with the final principal and interest payment due on the maturity date, _____, 20__, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer's obligation with respect to payment of such Principal Amount shall be discharged; provided that, the date of each Advance hereunder shall be the interest commencement date from which the principal amount of such Advance bears interest. Payment of interest shall be by check or draft of [To Be Determined], as Trustee and Paying Agent (the "Trustee"), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in _____, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of not to exceed \$12,000,000 (the “Bonds”) which are issued for the purpose of providing funds for the making of loans to HMD Jonesboro, LLC (the “Borrower”) to finance certain industrial enterprise within the State of Arkansas (the “Project”). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the “Indenture”), dated as of _____, 2016, duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to a Lease Agreement between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE “ACT”), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of a Lease Agreement which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreement for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated “City of Jonesboro, Arkansas Industrial Development Revenue Bond Fund” (the “Bond Fund”). Certain Project revenues (including particularly repayments of the loans under the Lease Agreement) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds. The Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) On any interest payment date, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreement, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) On any interest payment date, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreement and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile, to the registered owner of the Bonds addressed to such registered owner at his, her or its registered address and placed in the mails or otherwise sent not less than thirty (30)

days prior to the date fixed for redemption. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the ___ day of _____, 2016.

CITY OF JONESBORO, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

[TO BE DETERMINED], as Trustee

By: _____
Authorized Signatory

Dated: _____, 2015

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE:

SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.

NOTICE:

THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Record of Advances and Principal Payments

DATE OF ADVANCE* OR PAYMENT	AMOUNT OF ADVANCE	PRINCIPAL AMOUNT PAID	PRINCIPAL AMOUNT OUTSTANDING	SIGNATURE

* The date of each Advance shall be the interest commencement date from which the principal amount of each Advance bears interest.

[END OF FORM]

Exhibit B-1

Form of Bond After Completion Date

R-__

\$ _____

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF JONESBORO, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(FMH CONVEYORS LLC PROJECT)
SERIES 2016**

INTEREST RATE MATURITY DATE: ISSUE DATE

_____ % _____, 20__ _____, 20__

REGISTERED OWNER: [FMH SUB LLC]

PRINCIPAL AMOUNT: _____ MILLION AND 00/100 DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Jonesboro, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the "Issuer") for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on _____ of each year, beginning on _____, 2017 with the final principal and interest payment due on the maturity date, _____, 20__, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer's obligation with respect to payment of such Principal Amount shall be discharged. Payment of interest shall be by check or draft of [To Be Determined], as Trustee and Paying Agent (the "Trustee"), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in _____, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of \$ _____ (the "Bonds") which are issued for the purpose of providing funds for the making of loans to FMH Conveyors LLC (the "Borrower") to finance certain industrial enterprise within the State of Arkansas (the "Project"). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the "Indenture"), dated as of

_____, 2016, duly executed and delivered by the Issuer to the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to a Lease Agreement between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE "ACT"), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of a Lease Agreement which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreement for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated "City of Jonesboro, Arkansas Industrial Development Revenue Bond Fund" (the "Bond Fund"). Certain Project revenues (including particularly repayments of the loans under the Lease Agreement) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds. The Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the

manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) On any interest payment date, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreement, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) On any interest payment date, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreement and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile, to the registered owner of the Bonds addressed to such registered owner at his registered address and placed in the mails or otherwise sent not less than thirty (30) days prior to the date fixed for redemption. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment,

shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the ____ day of _____, 20__.

CITY OF JONESBORO, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

[TO BE DETERMINED], as Trustee

By: _____
Authorized Signatory

Dated: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE:

SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.

NOTICE:

THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Exhibit B-2

Form of Bond After Completion Date

R-__

\$ _____

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
CITY OF JONESBORO, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(HMD JONESBORO, LLC PROJECT)
SERIES 2016**

INTEREST RATE MATURITY DATE: ISSUE DATE

_____% _____, 20__ _____, 20__

REGISTERED OWNER: [HMD SUB LLC]

PRINCIPAL AMOUNT: _____ **MILLION AND 00/100 DOLLARS**

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Jonesboro, Arkansas, a city of the first class and a political subdivision under the laws of the State of Arkansas (the "Issuer") for value received, promises to pay to the Registered Owner stated above, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, the Principal Amount (stated above) on the Maturity Date (stated above), and to pay in like coin or currency, interest on said Principal Amount from the Issue Date (stated above) until paid as follows:

Interest on the unpaid Principal Amount (i) shall be payable annually on _____ of each year, beginning on _____, 2017 with the final principal and interest payment due on the maturity date, _____, 20__, and (ii) shall accrue from the Issue Date (stated above) at the Interest Rate (stated above) until the Issuer's obligation with respect to payment of such Principal Amount shall be discharged. Payment of interest shall be by check or draft of [To Be Determined], as Trustee and Paying Agent (the "Trustee"), to the Registered Owner as shown on the bond registration book of the Issuer maintained by the Trustee on the fifteenth calendar day of the month preceding the month in which the interest payment date occurs. Payment of principal shall be made at the principal office of the Trustee in _____, Arkansas, upon due surrender of this Bond on the Maturity Date (stated above) if not sooner called for redemption.

This Bond is one of an authorized issue of bonds of the Issuer in the Principal Amount of \$ _____ (the "Bonds") which are issued for the purpose of providing funds for the making of loans to HMD Jonesboro, LLC (the "Borrower") to finance certain industrial enterprise within the State of Arkansas (the "Project"). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (the "Indenture"), dated as of _____, 2016, duly executed and delivered by the Issuer to the Trustee. Reference

is hereby made to the Indenture and all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security, the issuance of additional series on a parity of security with the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured. The Bonds are secured by payments to be made by the Borrower pursuant to a Lease Agreement between the Borrower and the Issuer.

This Bond is issued with the intent that the laws of the State of Arkansas will govern its construction.

THESE BONDS ARE ISSUED UNDER THE PROVISIONS OF TITLE 14, CHAPTER 164, SUBCHAPTER 2 OF THE ARKANSAS CODE ANNOTATED, AS AMENDED (THE "ACT"), AND CONSTITUTE SPECIAL OBLIGATIONS OF THE ISSUER ONLY. IN NO EVENT SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE STATE OF ARKANSAS, OR AN INDEBTEDNESS FOR WHICH THE FAITH AND CREDIT OF THE STATE OF ARKANSAS OR ANY OF ITS REVENUES ARE PLEDGED OR AN INDEBTEDNESS SECURED BY A LIEN OR SECURITY INTEREST IN ANY PROPERTY OF THE STATE OF ARKANSAS. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER, NOR THE PLEDGE OF ANY OF ITS REVENUES EXCEPT AS SPECIFICALLY SET FORTH IN THE INDENTURE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Issuer hereby covenants that it has been duly organized in accordance with law; and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have existed, have happened, and have been performed as required by law.

The Bonds are not general obligations of the Issuer, but are special obligations payable solely from revenues derived from the Project. The Project consists of certain land, buildings, improvements, equipment and facilities which have been leased by the Issuer to the Borrower under the terms of a Lease Agreement which provides for the loan and repayment of moneys in such amounts as shall be sufficient to pay the principal of and interest on the Bonds as the same become due. Provision has been made in the Lease Agreement for the loan repayments or rental payments to be made directly to the Trustee and deposited in special accounts of the Issuer designated "City of Jonesboro, Arkansas Industrial Development Revenue Bond Fund" (the "Bond Fund"). Certain Project revenues (including particularly repayments of the loans under the Lease Agreement) have been duly pledged by the Indenture to the payment of the principal of and interest on the Bonds. The Bonds do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in and defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under

the Indenture and then outstanding may be declared and may become due and payable before the stated maturity thereof, together with accrued interest thereon.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bonds shall be subject to redemption prior to maturity as follows:

(1) On any interest payment date, the Bonds may be redeemed in whole or in part, at the option of the Issuer at the direction of the Borrower, from the proceeds of insurance in the event of major damage or destruction of the Project pursuant to the provisions of the Lease Agreement, or from legal curtailment of the use and occupancy of all or substantially all of such Project for any reason other than condemnation. If called for redemption upon the occurrence of any of the events described in the preceding sentence, this Bond shall be redeemed in whole or in part, in the manner provided in this Bond and the Indenture, at one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

(2) On any interest payment date, the Bond will be redeemed in whole or in part from the proceeds of condemnation of all or substantially all of the Project at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(3) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, from Bond proceeds not needed for construction of the Project, upon written notice to the Trustee at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(4) At any time, the Bonds shall be redeemed in whole or in part, at the option of the Issuer, if the Issuer notifies the Trustee in writing that an event of default has occurred under the Lease Agreement and that it requests a redemption of such Bonds at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date.

(5) The Bonds (or any portion thereof in \$5,000 multiples) will be subject to redemption prior to maturity, at the option of the Borrower, in whole or in part, on any date, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption.

Notice of redemption shall be mailed by first class mail or by other acceptable standard, including facsimile, to the registered owner of the Bonds addressed to such registered owner at his registered address and placed in the mails or otherwise sent not less than thirty (30) days prior to the date fixed for redemption. Each notice shall specify the numbers and the maturities of the Bonds being called and the date on which they shall be presented for payment. After the date specified in such call, the Bond or Bonds so called will cease to bear interest provided funds for their payment have been deposited with the Trustee, and, except for the purpose of payment,

shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture.

In the event of a partial redemption of this Bond, the Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation on the payment grid attached hereto in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, with the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk, and the corporate seal to be impressed or imprinted, all as of the _____ day of _____, 20__.

CITY OF JONESBORO, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Indenture.

[TO BE DETERMINED], as Trustee

By: _____
Authorized Signatory

Dated: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Indenture as Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE:

SIGNATURE GUARANTEE SHOULD BE MADE BY A GUARANTOR INSTITUTION PARTICIPATING IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM OR IN SUCH OTHER GUARANTEE PROGRAM ACCEPTABLE TO THE TRUSTEE.

NOTICE:

THE SIGNATURE OF THE REGISTERED OWNER TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS IT APPEARS ON THE FACE OF THE WITHIN BOND IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

CITY OF JONESBORO, ARKANSAS

Issuer

and

[FMH SUB LLC]

and

[HMD SUB LLC]

Purchasers

BOND PURCHASE AGREEMENT

Dated _____, 2016

Not to Exceed

\$2,000,000

City of Jonesboro, Arkansas

Taxable Industrial Development Revenue Bonds

(FMH Conveyors LLC Project)

Series 2016

and

\$12,000,000

City of Jonesboro, Arkansas

Taxable Industrial Development Revenue Bonds

(HMD Jonesboro, LLC Project)

Series 2016

BOND PURCHASE AGREEMENT

<p>Not to Exceed \$2,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project) Series 2016</p>	<p>Not to Exceed \$12,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project) Series 2016</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------

_____, 2016

[FMH SUB LLC] (hereunder “FMH Purchaser”)

[HMD SUB LLC] (hereunder “HMD Purchaser”)

Ladies and Gentlemen:

The City of Jonesboro, Arkansas (the “Issuer”), a political subdivision organized and existing under the laws of the State of Arkansas, hereby agrees with you as follows:

**SECTION 1.
PURCHASE AND SALE OF BONDS**

1.1. Issuance of Bonds. The Issuer has authorized the issuance of its Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016 in a principal amount not to exceed Two Million and No/100 Dollars (\$2,000,000) (the “FMH Bonds”) and its Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016 in a principal amount not to exceed Twelve Million and No/100 Dollars (\$12,000,000) (the “HMD Bonds,” and collectively with the FMH Bonds, the “Bonds”), pursuant to and in accordance with Amendment 65 to the Constitution of the State of Arkansas (“Amendment 65”), Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas for the year 1960, codified as Ark. Code Ann. Sections 14-164-201 *et seq.* as amended (“Act 9”), and Ordinance _____ of the Issuer (the “Ordinance”), duly adopted by its City Council on _____, 2016, such Bonds to be dated, to bear interest and to be payable as set forth in, and to be issued pursuant to the terms of a Trust Indenture (the “Indenture”) dated as of _____, 2016, by and between the Issuer and [To be determined], as trustee (the “Trustee”). The FMH Bonds shall be issued as a single typewritten drawdown bond with a stated principal of \$2,000,000; provided, however, that the principal amount due thereon shall be only such amount as has been drawn by FMH (as defined below) as reflected on the Schedule of Draws and Redemptions attached to the FMH Bonds. The HMD Bonds shall be issued as a single typewritten drawdown bond with a stated principal

of \$12,000,000; provided, however, that the principal amount due thereon shall be only such amount as has been drawn by HMD (as defined below) as reflected on the Schedule of Draws and Redemptions attached to the HMD Bonds. The Bonds shall bear interest on the principal amount drawn by FMH and HMD, respectively, at the rate of _____% per annum, payable annually on _____, commencing _____, 2017. The Bonds will mature on _____, 2036. The proceeds from the sale of the Bonds shall be applied to acquire, construct and equip certain industrial facilities (the "Project") near the corporate boundaries of the Issuer (or to reimburse FMH and HMD, respectively, for said costs). The Issuer shall lease a portion of the Project to FMH Conveyors LLC, a Delaware limited liability company ("FMH"), pursuant to the terms of a Lease Agreement dated as of _____, 2016 (the "FMH Lease Agreement"). The FMH Bonds will be secured by (i) the assignment by the Issuer to the Trustee for the benefit of the owner(s) of the bonds of the rights of the Issuer under the FMH Lease Agreement, and (ii) such other funds and accounts as are described in the Indenture. The Issuer shall lease a portion of the Project to HMD Jonesboro, LLC, a Tennessee limited liability company ("HMD"), pursuant to the terms of a Lease Agreement dated as of _____, 2016 (the "HMD Lease Agreement"). The HMD Bonds will be secured by (i) the assignment by the Issuer to the Trustee for the benefit of the owner(s) of the bonds of the rights of the Issuer under the HMD Lease Agreement, and (ii) such other funds and accounts as are described in the Indenture.

1.2. Closing. The Issuer hereby agrees to sell the FMH Bonds to [FMH SUB LLC] and, subject to the terms and conditions herein set forth, you hereby agree to purchase from the Issuer, from time to time, all or any portion of the Bonds at 100% of the principal amount drawn by FMH pursuant to a Draw Certificate as provided in the Indenture. The Issuer hereby agrees to sell the HMD Bonds to [HMD SUB LLC] and, subject to the terms and conditions herein set forth, you hereby agree to purchase from the Issuer, from time to time, all or any portion of the Bonds at 100% of the principal amount drawn by HMD pursuant to a Draw Certificate as provided in the Indenture. The closing of the purchase of the Bonds shall be at 10:00 A.M. local time, on _____, 2016 (the "Closing Date"), at the offices of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., 425 West Capitol Avenue, Suite 1800, Little Rock, Arkansas 72201, or at such other time and place as shall be subsequently agreed upon by the parties. At the closing and upon each subsequent draw, FMH and HMD, respectively, will deliver a duly executed Draw Certificate to the Trustee on behalf of the Issuer, you will deliver to the Trustee, in immediately available funds, the principal amount specified in the Draw Certificate, and the Trustee will deliver to FMH and HMD, respectively, or its order, in immediately available funds, the principal amount specified in the Draw Certificate.

Notwithstanding any provision of this Bond Purchase Agreement (the "Agreement") to the contrary, the Issuer, FMH Purchaser, HMD Purchaser, FMH, HMD, and the Trustee may enter into or accept the terms of a home office payment agreement for the making of all payments due under this Agreement and other documents contemplated by this Agreement upon such conditions as shall be satisfactory to the parties thereto contemporaneous with the issuance of the Bonds (the "Home Office Payment Agreement").

SECTION 2.
WARRANTIES, REPRESENTATIONS AND
AGREEMENTS OF THE ISSUER

The Issuer warrants, represents and agrees to and for your benefit and the benefit of FMH and HMD that:

2.1. Organization and Authority. The Issuer is a duly organized and validly existing political subdivision of the State of Arkansas and has all requisite power and authority under Amendment 65 and Act 9 to issue, sell and deliver the Bonds as provided herein and to consummate all other transactions involving the Issuer contemplated by this Agreement, the FMH Lease Agreement, the HMD Lease Agreement, the Indenture, the Home Office Payment Agreement, an Agreement for Payment in Lieu of Taxes to be dated as of the date of its delivery by and between the Issuer and FMH (the “FMH PILOT Agreement”), and an Agreement for Payment in Lieu of Taxes to be dated as of the date of its delivery by and between the Issuer and HMD (the “HMD PILOT Agreement”).

2.2. Pending Litigation. There is no action, suit, proceeding or investigation pending or threatened against or affecting the Issuer, or, to the best knowledge of the Issuer, any basis therefor, wherein an unfavorable decision or finding would adversely affect the transactions contemplated by this Agreement, or which in any way would adversely affect the validity or enforceability of the Bonds, this Agreement, the FMH Lease Agreement, the HMD Lease Agreement, the Indenture, the Home Office Payment Agreement, the FMH PILOT Agreement, or the HMD PILOT Agreement.

2.3. Sale and Other Transactions are Legal and Authorized. The sale of the Bonds, the execution, delivery and due performance of this Agreement, the FMH Lease Agreement, the HMD Lease Agreement, the Indenture, the Home Office Payment Agreement, the FMH PILOT Agreement, or the HMD PILOT Agreement, and all transactions contemplated by this Agreement and those agreements are within the purposes, powers and authority of the Issuer, and have been done in full compliance with the provisions of the Ordinance, Amendment 65 and Act 9, as applicable, and all other applicable laws of the State of Arkansas. When delivered to you in accordance with this Agreement, the Bonds being purchased by you hereunder will be duly authorized, executed, issued and delivered and will constitute the legal, valid and binding obligation of the Issuer payable solely from the revenues and other funds pledged in the Indenture therefor, and the owner(s) of the Bonds and their assigns will be entitled to the benefits of this Agreement, the Home Office Payment Agreement, the Indenture and either the FMH Lease Agreement or the HMD Lease Agreement.

2.4. Governmental Consents. All consents, approvals, authorizations and orders of, or filings, registrations or qualifications with, any governmental or regulatory authorities which are required to be obtained by the Issuer for the consummation of the transactions contemplated by this Agreement have been duly and validly obtained or performed and are in full force and effect.

2.5. Use of Proceeds for Public Purposes. The Issuer has determined that the Project and the use of the proceeds from the sale of the Bonds therefor will accomplish the public

purposes set forth in Act 9 and that under Article 16, Section 5 of the Constitution of the State of Arkansas (as currently interpreted by the Arkansas Supreme Court), the Project will be exempt from ad valorem taxes because it is owned by the Issuer.

SECTION 3. CONDITIONS OF CLOSING

Your obligation to purchase and pay for the FMH Bonds or the HMD Bonds, as appropriate, to be delivered to you on the Closing Date and on the dates of any subsequent draws thereunder shall be subject to the following conditions precedent:

3.1. Opinion of Counsel. Your receipt from Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel, of an approving opinion satisfactory to you.

3.2. Warranties and Representations True as of the Closing Date. You shall not have received notice from the Issuer that any of the warranties and representations of the Issuer contained in Section 2 hereof shall be untrue in any material respect as of the Closing Date or as of the date of any subsequent draw; there shall exist no “event of default” (as defined in the FMH Lease Agreement or the HMD Lease Agreement, as appropriate, and the Indenture) on such date; and you shall have received a certificate of Issuer to such effect.

3.3. Execution and Delivery of Documents. The FMH Lease Agreement, the HMD Lease Agreement, the Indenture, the Home Office Payment Agreement, the FMH PILOT Agreement and the HMD PILOT Agreement shall each have been duly executed and delivered by the respective parties thereto, and each shall be in full force and effect on the Closing Date and on the date of each subsequent draw under the Bonds.

3.4. Filings. All recordations and filings appropriate or required by law in order fully to perfect, preserve and protect the assignment of the FMH Lease Agreement or the HMD Lease Agreement, as appropriate, and the lien of the Indenture and the security interests created by the FMH Lease Agreement or the HMD Lease Agreement, as appropriate, and the rights of the Trustee thereunder shall have been performed.

3.5. Proceedings Satisfactory. All corporate and other proceedings taken or to be taken in connection with the transactions relating hereto and all documents incident thereto shall be satisfactory in substance and form to you and your counsel, and you and your counsel shall have received such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

3.6. No Litigation. No litigation or proceeding shall be threatened or pending in any court or other official body (i) to restrain or enjoin the issuance or delivery of the Bonds, (ii) which in any way questions or affects the validity of the Bonds, any provisions thereof, any provisions of the Ordinance, this Agreement, the FMH Lease Agreement, the HMD Lease Agreement, the Indenture, the FMH PILOT Agreement, the HMD PILOT Agreement, the Home Office Payment Agreement or any proceedings taken with respect to the foregoing, or (iii) which questions the Issuer’s creation, organization or existence or the titles to office of any of its officers, or its powers to acquire, finance and lease the Project.

**SECTION 4.
SPECIAL COVENANTS**

4.1. Delivery Expenses. Payment of all costs of issuance in connection with the preparation, execution, printing and delivery of the Bonds to the place of closing and all fees and expenses of Bond Counsel, Issuer's counsel and your counsel shall be paid, or caused to be paid, from the proceeds of the Bonds or otherwise at the election of FMH or HMD, as appropriate.

4.2. Special Obligations. Notwithstanding anything herein to the contrary, all covenants and agreements contained in this Agreement on behalf of the Issuer shall be subject to the provisions of this Section 4.2. The Bonds shall be special limited obligations of the Issuer as provided in Act 9, the principal of and interest on which are payable solely from revenues or other receipts, funds, monies and property pledged or mortgaged therefor under the Indenture, and any amounts payable by the Issuer under this Agreement, the FMH Lease Agreement, the HMD Lease Agreement or the Indenture are payable solely therefrom. Neither the State of Arkansas nor any political subdivision thereof shall in any event be liable for the payment of the principal of or interest on the Bonds.

**SECTION 5.
MISCELLANEOUS**

5.1. Expenses. FMH and HMD shall pay and indemnify the Issuer for the amount of all expenses reasonably incurred in connection with the issuance of the Bonds and not otherwise paid from Bond proceeds.

5.2. Notices. All communications provided for hereunder shall be sent by fax or by first class or certified mail and, if to you, addressed to you in the manner in which this letter is addressed; if to the Issuer, at P.O. Box 1845, Jonesboro, Arkansas 72403, Attention: Mayor; with a copy to Carol M. Duncan, Attorney at Law, 410 W. Washington Ave., Jonesboro, Arkansas 72401; and if to FMH, to FMH Conveyors LLC, _____, Attention: Member; and if to HMD, to HMD Jonesboro, LLC, _____, Attention: Member or to such other address with respect to any party as such party shall notify the others in writing.

5.3. Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by the Issuer in connection herewith shall survive the execution and delivery of this Agreement and the Bonds.

5.4. Successors and Assigns. All covenants and agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. The provisions of this Agreement are intended to be for the benefit of all owner(s) from time to time of the Bonds, and shall be enforceable by any such owner, whether or not an express assignment to such owner of rights under this Agreement has been made by you or your successors or assigns. You may not assign any portion of your rights and obligations hereunder without the written consent of the Issuer, FMH and HMD, which consent shall not be unreasonably withheld or delayed.

5.5. Responsibility of Individuals. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Agreement shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any director, officer, employee or agent of the Issuer in his or her individual capacity.

5.6. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to you, the determination of such satisfaction shall be made by you in your sole and exclusive judgment exercised in good faith.

5.7. Representation of Purchasers. You specifically understand and agree that, prior to the sale of the Bonds to you, you will be required to execute and deliver a letter in substantially the form attached hereto as Exhibit A. You further understand and acknowledge that your obligation under Section 1.2 hereof to purchase from time to time an amount of the Bonds up to the entire authorized principal amount will survive and be unaffected by any transfer or purported transfer by you of any interest in the Bonds.

5.8. Governing Law. This Agreement is being delivered and is intended to be performed in the State of Arkansas, and shall be construed and enforced in accordance with the laws of such State.

5.9. Modifications. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

5.10. Descriptive Headings. The descriptive headings of the several Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

5.11. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Signature Pages Follow]

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this document and return the same to the undersigned, whereupon this shall become a binding agreement between you and the undersigned.

Very truly yours,

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

ACCEPTED:

[HMD SUB LLC]

an _____ limited liability company

By: **HMD JONESBORO, LLC**
a Tennessee limited liability company,
Its sole Member

By: _____
Name: _____
Title: _____

[FMH SUB LLC]

an _____ limited liability company

By: **FMH CONVEYORS LLC**
a Delaware limited liability company,
Its sole Member

By: _____
Name: _____
Title: _____

APPROVED:

FMH CONVEYORS LLC

a Delaware limited liability company

By: _____
Name: _____
Title: _____

HMD JONESBORO, LLC

a Tennessee limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF INVESTOR LETTER

[Prepared on Letterhead of Bond Purchaser]

_____, 2016

Mitchell, Williams, Selig,
Gates & Woodyard, P.L.L.C.
100 East Huntington, Suite C
Jonesboro, AR 72401

[To be determined]
Attention: Corporate Trust Department

City of Jonesboro, Arkansas
Attention: Mayor
P.O. Box 1845
Jonesboro, Arkansas 72403

[FMH CONVEYORS LLC/HMD
JONESBORO, LLC]
Attention: President

\$2,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project) Series 2016	\$12,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project) Series 2016
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Ladies and Gentlemen:

In connection with the purchase by us of the above-described bonds (the “Bonds”), we hereby certify as follows:

1. We understand that we will not receive from the City of Jonesboro, Arkansas (the “Issuer”), [FMH Conveyors LLC/HMD Jonesboro, LLC] (the “Company”), [To be determined] (the “Trustee”), their governing bodies, their members or any of their officers, employees or agents or Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. (“Bond Counsel”) any information with respect to the use of the proceeds of the Bonds and the Project, as defined in the Trust Indenture dated as of _____, 2016 (the “Indenture”), the Bonds themselves, the provisions for payment thereof, the security therefor or the sufficiency of such provisions for payment thereof and security therefor, except (a) in the documentation executed in connection with the issuance of the Bonds, copies of which have been provided to us and reviewed by us prior to our purchase of the Bonds (the “Bond Documents”), and (b) as has been specifically requested by us from the Company and which has been provided to us and reviewed by us prior to our purchase of the Bonds (the “Additional Information”).

2. Neither the Issuer, the Company, the Trustee, their governing bodies, their members nor any of their officers, employees or agents nor Bond Counsel will have any responsibility to us for the accuracy or completeness of information obtained by us from any source regarding the Project, the Issuer, the Company or its assets, business, circumstances, financial condition and properties, or regarding the Bonds, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Bond Documents. We acknowledge that, as between us and all of such parties: (a) we have assumed responsibility for obtaining such information and making such review as we have deemed necessary or desirable in connection with our decision to purchase the Bonds, and (b) the Bond Documents and the Additional Information constitute all the information and, with the investigation made by us (including specifically our investigation of the Company and the Project) prior to our purchase of the Bonds, review that we have deemed necessary or desirable in connection with our decision to purchase the Bonds.

3. We have been offered copies of or full access to all documents relating to the issuance of the Bonds and all records, reports, financial statements and other information concerning the Issuer, the Company and the Project and pertinent to the source of payment for the Bonds which we, as a reasonable investor, have requested and to which we, as a reasonable investor, would attach significance in making investment decisions. We have been afforded the opportunity to ask such questions of representatives of the Company as we have deemed necessary in making our investment decisions; and we have based our decision to invest in the Bonds solely on our own investigation, including, without limitation, our review of such documents, records, reports, financial statements and other information concerning the Company and the Project and discussions with representatives of the Company.

4. We are either (a) a bank, registered investment company, insurance company or other “accredited investor” as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission, or (b) described in paragraph 5. If described in this paragraph 4, we are duly and validly organized under the laws of our jurisdiction of incorporation or organization, and we can bear the economic risk of the purchase of the Bonds and have such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the information and review described in paragraph 2. If I am a natural person described in this paragraph 4: (i) I have a net worth, or joint net worth with my spouse, of at least \$1,000,000, or (ii) I had an individual income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year.

5. If not described in paragraph 4, we are a registered investment advisor purchasing the Bonds for inclusion in the portfolio of a registered investment company advised by us and over whose transactions we have discretionary power. If described in this paragraph 5, we have such knowledge and experience in business and financial

matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of the information and review described in paragraph 2, and the investment company for which we are purchasing the Bonds is duly and validly organized under the laws of its jurisdiction of incorporation or organization and can bear the economic risk of the purchase of the Bonds.

6. The Bonds have been purchased for our own account for investment and not with a view to the distribution, transfer or resale thereof, provided that the disposition of the Bonds shall at all times be within our sole control.

7. We are duly and legally authorized to purchase obligations such as the Bonds.

8. Except as otherwise set forth in the representations and warranties of the Issuer contained in the Bond Purchase Agreement relating to the Bonds, we have not and will not rely on any action taken by the Issuer of the Bonds, including, but not limited to, issuance of the Bonds, as evidence that the Bonds or the Project financed with the proceeds of the Bonds comply with the provisions of any legislation.

9. We have satisfied ourselves that the Bonds are a lawful investment for this organization under all applicable laws.

10. We have carefully read the Bond Documents and the Additional Information in its entirety and understand the risks described therein and understand and acknowledge that there may exist other risks with respect to the Bonds that are not described therein.

11. We acknowledged that no credit rating has been sought or obtained with respect to the Bonds, and we acknowledged that the Bonds are a speculative investment and that there is a high degree of risk in such investment.

12. We acknowledge that we have read the form of approving opinion of Bond Counsel regarding the Bonds.

[FMH/HMD] SUB LLC
an _____ limited liability company
Bond Purchaser

By: [FMH CONVEYORS LLC/HMD
JONESBORO, LLC]
a Delaware/Tennessee limited liability
company,
Its sole Member

By: _____
Name: _____
Title: _____

LEASE AGREEMENT
BY AND BETWEEN
CITY OF JONESBORO, ARKANSAS
AND
FMH CONVEYORS LLC

Dated as of _____, 2016

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
425 WEST CAPITOL AVENUE, SUITE 1800
LITTLE ROCK, AR 72201

LEASE AGREEMENT

TABLE OF CONTENTS

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions2
Section 1.02. Use of Words.....4

**ARTICLE II
ACQUISITION OF PROJECT**

Section 2.01. Acquiring of Project4
Section 2.02. Itemization of Project Costs5
Section 2.03. Certificate of Completion Date5

**ARTICLE III
DEMISING CLAUSES, DURATION OF LEASE TERM
AND RENTAL PROVISIONS**

Section 3.01. Demise of Leased Premises.....5
Section 3.02. Term of Lease Agreement6
Section 3.03. Basic Rent; Additional Rent; Absolute and Unconditional Obligation to
pay Basic Rent and Additional Rent6
Section 3.04. Method of Payment of Basic Rent and Additional Rent8
Section 3.05. Home Office Payment Agreement8
Section 3.06. Day for Payment.....8

**ARTICLE IV
TAXES AND ASSESSMENTS (IMPOSITIONS)**

Section 4.01. Taxes and Assessments8
Section 4.02. Leased Premises Exempt From Ad Valorem Taxes; Contest of
Attempted Levy Authorized9

**ARTICLE V
INSURANCE**

Section 5.01. Insurance Required.....9

**ARTICLE VI
REPAIRS AND MAINTENANCE OF
LEASED PREMISES AND ALTERATIONS**

Section 6.01. Lessee Obligated to Maintain Buildings and Improvements10
Section 6.02. Lessee Has Right to Make Additions, Alterations and Changes.....10

Section 6.03.	Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee’s Expense Remain Its Property With Right of Removal.....	10
Section 6.04.	Property on Leased Premises at Sole Risk of Lessee.....	11
Section 6.05.	Permitted Encumbrances	11

**ARTICLE VII
USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC.**

Section 7.01.	Permitted Use of Leased Premises and Compliance with Laws, Etc	12
Section 7.02.	Lessor’s Covenant Not to Impose Burdensome Laws, Etc	12
Section 7.03.	Lessor’s Covenant Not to Condemn	12

**ARTICLE VIII
WORK PERFORMED BY LESSEE**

Section 8.01.	Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits	12
---------------	-------------------------------------------------------------------------------------------------	----

**ARTICLE IX
MECHANICS’ LIENS**

Section 9.01.	Lessee to Keep Leased Premises Free of Construction Liens.....	13
---------------	----------------------------------------------------------------	----

**ARTICLE X
INDEMNIFICATION OF LESSOR**

Section 10.01.	Indemnification of Lessor	13
----------------	---------------------------------	----

**ARTICLE XI
LESSOR MAY PERFORM LESSEE’S OBLIGATIONS**

Section 11.01.	Lessor May Perform Lessee’s Obligations; Lessee to Reimburse Lessor for Costs and Expenses Incurred in Doing So.....	14
----------------	----------------------------------------------------------------------------------------------------------------------	----

**ARTICLE XII
PUBLIC UTILITIES AND CHARGES**

Section 12.01.	Lessee to Pay Public Utility Charges	14
----------------	--------------------------------------------	----

**ARTICLE XIII
INSPECTION OF LEASED PREMISES BY LESSOR**

Section 13.01.	Lessor to have Right of Inspection and Right to Perform Work Subject to Certain Restrictions	14
----------------	----------------------------------------------------------------------------------------------------	----

**ARTICLE XIV
DAMAGE AND DESTRUCTION**

Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.....	15
Section 14.02. No Diminution in Lessee’s Obligation to Pay Basic Rent and Perform Other Covenants	15
Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid	15

**ARTICLE XV
CONDEMNATION**

Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.....	16
Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available.....	17
Section 15.03. Lessee’s Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings	17
Section 15.04. Right of Lessee to Participate in Condemnation Proceedings	18

**ARTICLE XVI
ASSIGNMENT**

Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted	18
----------------------------------------------------------------------------------------------------------------------------------	----

**ARTICLE XVII
PRIORITY OF LEASE**

Section 17.01. Lease Agreement Superior and Prior	19
---------------------------------------------------------	----

**ARTICLE XVIII
REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver.....	19
---------------------------------------------------------------------------------	----

**ARTICLE XIX
DEFAULT PROVISIONS**

Section 19.01. Events of Default.....	19
Section 19.02. Remedies	20
Section 19.03. Remedies Not Exclusive	21
Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures.....	21

**ARTICLE XX
PURCHASE OPTION**

Section 20.01. Purchase Option21

**ARTICLE XXI
NOTICES**

Section 21.01. Notices.....21

**ARTICLE XXII
RECORDING**

Section 22.01. Recording22

**ARTICLE XXIII
GENERAL**

Section 23.01. Arkansas Law Applicable22
Section 23.02. Severability.....22
Section 23.03. Captions for Reference Only23
Section 23.04. Provisions Binding on Successors.....23
Section 23.05. Consent Required for Modification.....23
Section 23.06. Reasonable Consent23
Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances23

**ARTICLE XXIV
REMOVAL AND DISPOSAL OF PROPERTY**

Section 24.01. Lessee’s Rights and Obligations Concerning Removal and Disposal of
Building Service Equipment23
Section 24.02. Lessee’s Rights and Obligations Concerning Removal and Disposal of
Project Machinery and Equipment.....24

**ARTICLE XXV
RESERVED**

**ARTICLE XXVI
REPRESENTATIONS AND WARRANTIES**

Section 26.01. Representations and Warranties of the Lessor25
Section 26.02. General Representations and Warranties of the Lessee25

- EXHIBIT A** - EQUIPMENT LIST
- EXHIBIT B** - LEGAL DESCRIPTION
- EXHIBIT C** - OPTION AGREEMENT
- EXHIBIT D** - EXISTING LEASES

LEASE AGREEMENT

This LEASE AGREEMENT (the "Lease Agreement") is entered into on this ____ day of _____, 2016, by and between the **CITY OF JONESBORO, ARKANSAS** ("Lessor" or "Issuer") and **FMH CONVEYORS LLC**, a limited liability company organized under and existing by virtue of the laws of the State of Delaware ("Lessee");

WITNESSETH:

WHEREAS, Lessor is a duly organized and existing city of the first class and a political subdivision, under the laws of the State of Arkansas with full and lawful power and authority to enter into this Lease Agreement, acting by and through its City Council, in the public interest and for a public purpose in securing and developing industry, all pursuant to the provisions of Amendment 65 to the Constitution of the State of Arkansas and Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas for the year 1960, codified as Ark. Code Ann. Sections 14-164-201 *et seq.* as amended (the "Act") and as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998); and

WHEREAS, the Issuer is authorized by the Act to issue the bonds for the purpose of financing the costs of acquiring, constructing and equipping lands, buildings or facilities for industrial enterprises as defined in the Act pursuant to a Trust Indenture dated as of _____, 2016 (the "Indenture") by and between the Issuer and [To be determined], as Trustee; and

WHEREAS, permanent financing of the Project Costs (as defined herein), necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer through issuance of its Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project) Series 2016 (the "Series 2016 FMH Bonds" or the "Bonds") and through issuance of its Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project) Series 2016 (the "Series 2016 HMD Bonds"); and

WHEREAS, the Lessor and the Lessee desire to enter into this Lease Agreement in connection with the issuance of the Bonds under the Indenture; and

WHEREAS, Lessee is authorized under its Articles of Organization and Operating Agreement and under the laws of the State of its organization to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement; and

WHEREAS, Lessor is authorized by the Act and under the laws of the State to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement;

WHEREAS, Lessee is not prohibited under the terms of any outstanding trust indenture, deeds of trust, mortgages, loan agreements or other instruments or evidences of indebtedness of whatever nature from entering into this Lease Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Lease

Agreement (or if so, a proper waiver or consent has been obtained) and affirmatively so represents to Lessor; and

WHEREAS, the industrial undertaking will consist of the acquisition, construction, and equipping of an industrial facility within the corporate boundaries of the Issuer, including, but not limited to, the acquisition of land and/or leasehold rights, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas, all as financed with the proceeds of the Series 2016 FMH Bonds and the Series 2016 HMD Bonds (the "Project") which Project shall otherwise exclude building, machinery and equipment financed by Lessee from other sources; and

WHEREAS, contemporaneous with the issuance of the Bonds and the execution and delivery of this Lease Agreement, the Issuer is issuing its Series 2016 HMD Bonds pursuant to the Indenture and entering into a lease agreement with HMD Jonesboro, LLC for the purpose of financing the portion of the Project that is not being financed with the Series 2016 FMH Bonds.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and Lessee, and in consideration of the mutual benefits and covenants herein contained, Lessor and Lessee agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to the words and terms otherwise defined in this Lease Agreement, the following words and terms as used in this Lease Agreement shall have the following meanings unless the context clearly indicates a different meaning or intent:

"Authorized Lessee Representatives" - The person or persons at the time designated to act on behalf of the Lessee by written certificate furnished to the Lessor containing the specimen signatures of any such person and signed on behalf of the Lessee. Such certificate may designate an alternate or alternates.

"Authorized Lessor Representative" - The person at the time designated to act in behalf of the Lessor by written certificate furnished to the Lessee containing the specimen signature of such person and signed on behalf of the Lessor. Such certificate may designate an alternate or alternates.

"Bond Fund" - The FMH Bond Fund created by Section 5.01 of the Indenture into which moneys are to be deposited and out of which disbursements are to be made for paying the principal of, premium, if any, and interest on the Bonds in the manner and for the purposes specified in the Indenture.

"Bonds" - The Series 2016 FMH Bonds.

“Completion Date” – The date of completion of the acquisition, construction and equipment of the Project as that date shall be determined by the Lessee and certified in writing to the Trustee.

“Home Office Payment Agreement” – The Home Office Payment Agreement between the Lessor, the Lessee, the Trustee, and the Purchaser evidencing the intent of the parties with respect to payment obligations under the Indenture, the bond purchase agreement between Lessor and the Purchaser relating to the Bonds, and this Lease Agreement.

“Lease Agreement” - This Lease Agreement between the Lessor and the Lessee.

“Lease Term” or “Term” - The term of the Lease Agreement set forth in Section 3.02.

“Leased Premises” – The land, facilities and related improvements covered by this Lease Agreement and defined in Section 3.01 hereof.

“Lessee” or “FMH” – FMH Conveyors LLC, a Delaware limited liability company, and any assignee that assumes the obligations of the Lessee pursuant to the provisions of this Lease Agreement.

“Lessor” -- City of Jonesboro, Arkansas.

“Loan” – The loan from the Lessor to the Lessee which permits Lessee to use Bond proceeds to finance Project Costs.

“Loan Fund” - The fund created by Section 5.08 of the Trust Indenture into which the portion of the proceeds of the sale of the Bonds specified in Section 6.02 of the Indenture is to be deposited and out of which disbursements are to be made for Project Costs in the manner and for the purposes specified in Article VI of the Trust Indenture and Section 2.01 hereof.

“Option Agreement” – The Option Agreement attached hereto as Exhibit C.

“Permitted Encumbrances” - At any particular time (i) this Lease Agreement and Indenture, (ii) the encumbrances which affect the Leased Premises as set forth in a title commitment, (iii) utility, access and other easements and rights of way, restrictions, reversions and exceptions that the Lessee certifies will not interfere with or impair the operations being conducted in the Project, (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project, and as do not materially impair the property affected thereby for the purpose for which it was acquired or held by the Lessor, (v) security interests, liens and mortgages in favor of creditors of Lessee as described in Section 6.05 hereof, and (vi) the Existing Lease or Future Subleases, if any, as described in Section 6.05 hereof.

“Project” - The facilities and related improvements more specifically identified in the Recitals hereto and financed out of proceeds of the Bonds and leased under this Lease Agreement.

“Project Costs” - The costs of acquiring, developing, constructing and equipping the Project described in Section 2.02 of this Lease Agreement.

“Purchaser” - The original purchaser of the Bonds.

“Rent” or “Rents” - The Basic Rent (provided for in Section 3.03A(1) hereof) and the Additional Rent (provided for in Section 3.03B hereof), unless the context clearly indicates both are not intended.

“Series 2016 FMH Bonds” - The \$2,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project), Series 2016.

“State” - The State of Arkansas.

“Trust Indenture” or “Indenture” - The Trust Indenture to be executed between the City and the Trustee securing the Series 2016 FMH Bonds and the Series 2016 HMD Bonds.

“Trustee” - The Trustee for the time being, whether original or successor, with the original Trustee being [To be determined], a _____ banking corporation organized and operating under the laws of _____ and authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts created by the Indenture, and having a corporate trust office located in _____, Arkansas.

Section 1.02. Use of Words. Words of the masculine gender shall be deemed and construed to include the correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words shall include the plural, as well as the singular, number.

ARTICLE II ACQUISITION OF PROJECT

Section 2.01. Acquiring of Project. The Lessee has undertaken and will complete the acquiring of a portion of the Project and has executed, or will execute all necessary contracts therefor. The Lessee shall be reimbursed out of the Loan Fund for all qualifying expenditures made by it in connection with acquiring, developing, constructing and equipping its portion of the Project in the manner set forth in Section 6.03 of the Indenture. Title to the machinery, equipment and facilities paid for with the proceeds of the Loan shall be transferred to the Lessor and become part of the Leased Premises described in Section 3.01. The same shall be subject to such liens or encumbrances as may be placed thereon by Lessee prior to such transfer.

Lessee, with the cooperation of Lessor when necessary, shall obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, development, construction and equipping of its portion of the Project, and its portion of the Project shall be acquired, developed and constructed in compliance with all State and local laws, ordinances and regulations applicable thereto. All requests, approvals and agreements required on the part of Lessor and on the part of Lessee shall be in writing, signed by the authorized representative of the party making such request, granting such approval, or entering into such agreement. The Lessor and Lessee shall, concurrently with the delivery of this Lease Agreement, notify each other of the Authorized Lessor Representative and the Authorized Lessee Representative,

respectively. It is agreed that each party may have more than one representative and may change the representative or representatives from time to time, with each such change to be in writing forwarded to the other party. The representative of each party so designated shall be authorized to enter into and execute any contracts or agreements or to grant any approvals or to take any action for and on behalf of the party hereto represented by such person and the other party to this Lease Agreement shall be entitled to rely upon the representative as having full authority to bind the party hereto represented by such person.

Section 2.02. Itemization of Project Costs. Costs incurred by Lessor and Lessee under Section 2.01 hereof and in other sections of this Article II shall be referred to as “Project Costs” and it is agreed that if Project Costs exceed the available proceeds received from the sale of the Bonds, the Lessee shall pay the entire amount of any such excess. Project Costs, as that term is used in this Lease Agreement, include the costs incurred by Lessor, Lessee or others in acquiring, developing, constructing and equipping Lessee’s portion of the Project and the costs of making the Loan and the issuance of the Bonds.

It is covenanted and agreed by Lessee that the proceeds of the Loan will be used for Project Costs.

Proceeds derived from the sale of the Bonds shall be deposited in the funds, handled, invested and disbursed in accordance with the provisions of the Trust Indenture. It is agreed that the Trust Indenture will be delivered and become effective after the delivery and effectiveness of this Lease Agreement and it is covenanted and agreed that so long as the Lessee is not in default under this Lease Agreement beyond any applicable notice and cure period, the Trust Indenture shall not be amended or supplemented without the approval of the Lessee of the amendment or supplement being made.

Section 2.03. Certificate of Completion Date. Promptly after the Completion Date, the Lessee shall submit to the Issuer and the Trustee a certificate, executed by an Authorized Lessee Representative, which shall specify the Completion Date and shall state that acquisition, construction and equipping of its portion of the Project has been completed and the Project Costs have been paid or set aside for payment, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Lessee. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

ARTICLE III DEMISING CLAUSES, DURATION OF LEASE TERM AND RENTAL PROVISIONS

Section 3.01. Demise of Leased Premises. Lessor, for and in consideration of the rents, covenants and agreements herein reserved, mentioned and contained, on the part of Lessee to be paid, kept and performed, agrees to and does hereby lease to Lessee, and Lessee agrees to, and does hereby lease, take and hire from Lessor, subject to the terms, conditions and provisions of this Lease Agreement expressed, the following:

The improvements described in **Exhibit A**, or elsewhere, which are located on the land described on **Exhibit B**, including, without limitation, all replacements and substitutions which become the property of the Lessor, pursuant to the provisions of this Lease Agreement. All such machinery, equipment and other personal property shall be described in a ledger maintained by Lessee on the Leased Premises and shall be marked by an appropriate tag or other device as being the property of the Lessor; provided, however, the failure to so tag or mark shall not prevent any item of Project machinery and equipment from becoming part of the Project machinery and equipment if such machinery and equipment and other personal property is listed on the above described ledger in a manner sufficient to distinguish such machinery and equipment from Lessee's other property. Lessee shall not alter or remove such tags, nor shall Lessee permit or suffer any person to alter or remove such tags during the term of this Lease.

The properties described in this Section 3.01 are herein collectively referred to as the "Leased Premises."

TO HAVE AND TO HOLD the Leased Premises unto the Lessee for the term of this Lease Agreement as hereinafter set forth.

Section 3.02. Term of Lease Agreement. The initial term of this Lease Agreement shall commence as of _____, 2016, and shall continue until _____, 20__ and as long thereafter as the Lessee has failed to make all required payments of Basic Rent or Additional Rent.

Section 3.03. Basic Rent; Additional Rent; Absolute and Unconditional Obligation to pay Basic Rent and Additional Rent.

A. Basic Rent.

(1) Lessee covenants to pay to Lessor, in the manner hereinafter provided in Section 3.04, Basic Rent annually in the amounts necessary to pay interest and principal of all outstanding Bonds as the same become due under the provisions of the Indenture. Basic Rent shall be payable annually on _____ commencing on _____, 2017 through _____, 20__, or until the principal of and interest on the Bonds shall have been fully paid, or the required provision made for the payment thereof in accordance with the provisions of the Trust Indenture. In the event a Basic Rent payment date falls on a non-business day, the Basic Rent payment involved shall not be due and payable until the time of opening of business on the next succeeding day thereafter that is a business day.

(2) If, during any year while any of the Bonds shall be outstanding, the Basic Rent shall be insufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due, the amount of the insufficiency shall be paid by the Lessee as additional Basic Rent. If at any time the amount in the Bond Fund, hereinabove referred to and hereafter described in Section 3.04, is

sufficient to pay in full the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all of the outstanding Bonds, then no further Basic Rent shall be payable hereunder. If any moneys remain in the Bond Fund after payment or the making of provision for payment in accordance with the provisions of Article V of the Trust Indenture, of the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all outstanding Bonds, such remaining moneys shall be refunded to Lessee as excess Basic Rent.

B. Additional Rent. During the term hereof, Lessee shall pay as Additional Rent payable to the Lessor, any expenses which are required to be incurred by Lessor pursuant to the provisions of this Lease Agreement or the Trust Indenture the payment of which is not otherwise provided for by applicable provisions of this Lease Agreement or the Trust Indenture, and all impositions (as defined in Section 4.01), expenses, liabilities, obligations and other payments of whatever nature which Lessee has agreed to pay or assume under the provisions of this Lease Agreement. If at any time any amounts paid by Lessee as Additional Rent hereunder are or become in excess of the amounts required for the purposes for which they were paid, such excess amounts shall be refunded to the Lessee.

C. Payment. Until the principal of, premium, if any, and interest on the Bonds shall have been paid or provision for such payment shall have been made in accordance with the provisions of Article V of the Trust Indenture, Lessee's obligation to pay Basic Rent and Additional Rent shall be absolute and unconditional and the Basic Rent and the Additional Rent shall be payable on the dates or at the times specified, and without abatement or set-off, and regardless of any contingencies whatsoever, and notwithstanding any circumstances or occurrences that may now exist or that may hereafter arise or take place, including, but without limiting the generality of the foregoing:

- (1) The unavailability of the Leased Premises, or any part thereof, for use by the Lessee at any time by reason of the failure to complete the Project by any particular time or at all or by reason of any other contingency, occurrence or circumstances whatsoever;
- (2) Damage to or destruction of the Leased Premises, or any part thereof;
- (3) Legal curtailment of Lessee's use of the Leased Premises, or any part thereof;
- (4) Change in Lessor's legal organization or status;
- (5) Any assignment under the provisions of Article XVI including, without limitation, an assignment as part of a transaction involving merger, consolidation or sale of all or substantially all of Lessee's assets, as provided in Section 16.01; subject, however, to the provisions of Section 16.01 that

performance by an assignee or sublessee shall be considered as performance pro tanto by Lessee;

(6) Any termination of this Lease Agreement for any reason whatsoever, including, without limitation, termination under Article XIX;

(7) Failure of consideration or commercial frustration of purposes;

(8) Any default of the Lessor under this Lease Agreement, or any other fault or failure of the Lessor whatsoever.

Lessee covenants that it will not enter into any contract, indenture or agreement of any nature whatsoever which shall in any way limit, restrict or prevent Lessee from performing any of its obligations under this Lease Agreement.

Section 3.04. Method of Payment of Basic Rent and Additional Rent. Payments of Basic Rent shall be made to Lessor by Lessee remitting the same directly to the Trustee, for the account of Lessor, and shall be deposited by the Trustee in the FMH Bond Fund provided for in the Trust Indenture, to be used by the Trustee as provided in the Trust Indenture. Additional Rent specified in Section 3.03B shall be paid by Lessee remitting the same directly to the Lessor, in the case of the Lessor's expenses and charges, and either making direct payment in the case of impositions and other costs, expenses, liabilities and payments assumed and agreed to be paid by Lessee under this Lease Agreement, or reimbursing Lessor, if, pursuant to the provisions of this Lease Agreement, Trustee shall make payment thereof.

Section 3.05. Home Office Payment Agreement. Notwithstanding any provision of this Lease Agreement to the contrary, the Lessor, the Lessee, the Purchaser, the Trustee and any of their successors or assigns may enter into or accept the terms of a home office payment agreement providing for the making of all payments due under this Lease Agreement at a place and in a manner other than as provided in this Lease Agreement upon such conditions as shall be satisfactory to the parties thereto. Contemporaneous with the delivery of the Bonds and this Lease Agreement, the appropriate parties will enter into the Home Office Payment Agreement.

Section 3.06. Day for Payment. Whenever any payment to be made hereunder shall be stated to be due on a Saturday, Sunday or a day banks are closed under the laws of the State or the United States of America, such payment shall be made on the next business day.

ARTICLE IV TAXES AND ASSESSMENTS (IMPOSITIONS)

Section 4.01. Taxes and Assessments. Subject to the provisions of Section 4.02, Lessee shall pay all taxes and assessments, general and specific, if any, levied and assessed on the Leased Premises during the term, and all water and sewer charges, assessments, and other governmental charges and impositions whatsoever, foreseen and unforeseen, which if not paid when due, would impair the lien of the Trust Indenture on the Leased Premises or the security of the Bonds, encumber Lessor's title, or impair the right of the Lessor to receive the rent hereunder or in any manner whatsoever diminish the amounts thereof, all of which are herein called "impositions;" provided, however, that any impositions relating to a fiscal period of the

taxing authority, part of which extends beyond the term, shall be apportioned as of the expiration of the term. Lessor shall promptly forward to Lessee any notice, bill or other statement received by Lessor concerning any impositions. Lessee may pay any imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance. Lessee may contest any imposition or the consent thereby by proper legal proceedings diligently conducted. It is anticipated that the only ad valorem taxes and assessments that may be paid by the Lessee relating to the Leased Premises will be controlled by the Payment in Lieu of Taxes Agreement dated _____, 2016 (the "PILOT Agreement").

Section 4.02. Leased Premises Exempt From Ad Valorem Taxes; Contest of Attempted Levy Authorized. The Lessor covenants that it will not part with title to the Leased Premises or any part thereof during the term or take any other affirmative action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Leased Premises; provided, however, that Lessor shall not contest the exercise of the Purchase Option provided in Article XX pursuant to the terms thereof.

Lessor has represented to Lessee and the Lessor and the Lessee acknowledge that under their and other interpretations of present law, no part of the Leased Premises will be subject to ad valorem taxation by the State or by any political or taxing subdivision thereof, and these factors, among others, materially induced the Lessee to enter into this Lease Agreement. However, the Lessee will pay all impositions, if any, in connection with the Leased Premises, which may be lawfully levied or assessed upon the Leased Premises, when the same shall become due; provided, however, that Lessee may contest any such impositions and need not pay during the pendency of such contest, except that the Lessee shall in all events pay to prevent the Leased Premises from becoming subject to loss or forfeiture. The Lessor hereby agrees that it will cooperate with the Lessee in resisting any such impositions if and to whatever extent the Lessee may request. Lessee's compliance with the PILOT Agreement will constitute compliance with the terms of this Section 4.02 with regard to any ad valorem taxation affecting the Leased Premises.

ARTICLE V INSURANCE

Section 5.01. Insurance Required.

A. Lessee shall, at Lessee's sole cost and expense, keep the Leased Premises insured in a commercially reasonable manner and in commercially reasonable amounts.

B. At all times during the term, Lessee shall, at no cost or expense to Lessor, maintain or cause to be maintained:

- (i) Commercial General Liability insurance against claims for bodily injury or death occurring upon, in or about the Leased Premises, with such insurance to afford protection to the limits of not less than \$500,000 in respect of bodily injury or death to any one person and to the limit of not less than \$1,000,000 in respect of any one accident; and

- (ii) Property damage insurance against claims for damage to property occurring upon, in or about the Leased Premises with such insurance to afford protection to the limit of not less than \$100,000 in respect of damages to the property of any one owner.

C. Copies or certificates of the insurance provided for by this Article or elsewhere in this Lease Agreement shall be delivered by Lessee to the Lessor upon the request of Lessor. And, in the case of expiring policies throughout the term, copies or certificates of any new or renewal policies shall be delivered by Lessee to Lessor upon the request of Lessor.

D. Reserved.

E. All insurance required by this Section 5.01 shall be effected with insurance companies qualified to do business in the State selected by the Lessee. The Lessee shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith.

ARTICLE VI REPAIRS AND MAINTENANCE OF LEASED PREMISES AND ALTERATIONS

Section 6.01. Lessee Obligated to Maintain Buildings and Improvements. Lessee shall throughout the term, at no cost and expense to Lessor, maintain, or cause to be maintained the improvements now or at any time erected on the lands included in the Leased Premises.

Section 6.02. Lessee Has Right to Make Additions, Alterations and Changes. Lessee shall have the right from time to time to make additions, alterations and changes in or to the improvements constituting part of the Leased Premises and shall have the right to construct new improvements. Lessee shall maintain detailed records of the nature and cost of such additions, alterations and changes, which shall be available for inspection by Lessor's representatives and agents on reasonable notice. It is understood and agreed that in the event the Lessee makes any additions, alterations and changes in or to the improvements constituting part of the Leased Premises as authorized by this Section 6.02, the Lessee shall be under no obligation at the expiration of the term to restore the Leased Premises to their original condition prior to such additions, alterations or changes.

Section 6.03. Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee's Expense Remain Its Property With Right of Removal. All structural improvements and alterations made on the Leased Premises by or on behalf of Lessee shall immediately upon completion thereof be and become the property of the Lessor without payment therefor by Lessor but subject to this Lease Agreement. Any machinery and equipment, trade fixtures, movable partitions, furniture and furnishings and other property installed at the expense of Lessee, without reimbursement from Bond proceeds, shall remain the property of the Lessee with the right of removal, whether or not affixed and/or attached to the real estate, and the Lessee shall, so long as it is not in default hereunder, be entitled but shall not be obligated to remove the same, or any part thereof,

during the term, or within a reasonable time thereafter, but Lessee shall at its own cost and expense repair any and all damages to the Leased Premises resulting from or caused by their removal therefrom.

Section 6.04. Property on Leased Premises at Sole Risk of Lessee. All property of any kind which may be on the Leased Premises (whether belonging to the Lessor, Lessee or to any third person) shall be at the sole risk of Lessee and those claiming by, through or under Lessee and Lessor shall not be liable to Lessee or to those claiming by, through or under Lessee or to said third persons for any injury, loss or damage to any person or property on the Leased Premises.

Section 6.05. Permitted Encumbrances. Lessor acknowledges that the Leased Premises will be subject to prior liens at the time title is transferred to the Lessor. Regardless of whether or not Lessor is permitted by Arkansas law to place a lien on the Leased Premises, the Lessor agrees that it is contractually prohibited from placing any lien or attempting to place any lien on the Leased Premises without the express written consent of Lessee which consent may be withheld in the sole discretion of Lessee, and any attempt by Lessor to impose a lien that is not consistent with this Section 6.05 or Arkansas law is void.

Lessor acknowledges that prior to the date of this Lease Agreement, Lessee, as tenant, entered into a lease of the Leased Premises with HMD Jonesboro, LLC (the “Existing Lease”) which is identified on Exhibit D attached hereto. Lessor and Lessee agree that the Existing Lease shall be recognized and treated as a sublease during the Term. Lessor further acknowledges that Lessee may sublease additional tracts within the Leased Premises pursuant to Section 16.01 of this Lease Agreement (each, a “Future Sublease”). Lessor agrees for the benefit of the lessee under the Existing Lease and each sublessee under Future Subleases that if this Lease Agreement is terminated, or Lessor comes into possession of the Leased Premises without termination, then in either such event Lessor shall recognize the Existing Lease and the Future Subleases and the rights of the lessee and sublessees thereunder provided that such lessee and sublessees attorn to Lessor. Notwithstanding the foregoing, Lessor will not be (i) liable for any act or omission of Lessee, (ii) subject to any offsets or counterclaims that any such lessee or sublessee may have against Lessee, (iii) bound by any notices given to Lessee of which Lessor did not also receive notice, or (iv) obligated to commence or complete any construction or installation of any improvements or to make any contribution towards any construction or installation of any improvements relating to the Existing Lease or any Future Sublease. The liability of Lessor under the Existing Lease or any Future Sublease will continue only so long as Lessor is the owner of the property subject to the Existing Lease or any Future Sublease and such liability will not continue or survive with respect to claims accruing after further transfer of such interest.

ARTICLE VII USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC.

Section 7.01. Permitted Use of Leased Premises and Compliance with Laws, Etc. Subject to the following provisions of this Section 7.01, Lessor and Lessee agree that Lessee shall use the Leased Premises as a manufacturing facility and for any activities and purposes

incidental thereto or in furtherance thereof or for any lawful purpose approved by Lessor. Lessor agrees and confirms that Lessee's intended use of the Leased Premises for the manufacture, fabrication or processing of custom-engineered conveyors and for any activities and purposes incidental thereto or in furtherance thereof is a permitted use. Lessee shall during the term promptly comply with all valid statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or government authorities, now or hereafter applicable to the Leased Premises. Lessee shall, however, have the right to contest any of the foregoing, and if compliance therewith may legally be held in abeyance during such contest without incidence of any liens on the Leased Premises, Lessee may postpone compliance until final determination of such contest, provided such contest shall be prosecuted with due diligence; and even though a lien against the Leased Premises may be incurred by reason of such non-compliance, Lessee may nevertheless delay compliance therewith during contests thereof, provided Lessee, if required, furnishes Lessor reasonably satisfactory security against any loss by reason of such lien and effectively prevents foreclosure thereof. Lessee shall during the term comply with the mandatory requirement, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease Agreement.

Section 7.02. Lessor's Covenant Not to Impose Burdensome Laws, Etc. Lessor covenants that, to the full extent permitted by law, it will not attempt to impose upon the use or occupancy of the Leased Premises by the Lessee any laws, ordinances, rules or regulations more burdensome or restrictive than those in effect upon the date of execution of this Lease Agreement.

Section 7.03. Lessor's Covenant Not to Condemn. The Lessor covenants that during the Lease Term it will not take or condemn any part of the Leased Premises or attempt to do so.

ARTICLE VIII WORK PERFORMED BY LESSEE

Section 8.01. Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits. Lessee shall not do or permit others under its control to do any work on the Leased Premises related to any repair, rebuilding, alteration of or addition to the improvements constituting part of the Leased Premises unless Lessee shall have first procured and paid for all requisite municipal and other governmental permits and authorizations. Lessor shall join in the application for any such permit or authorization whenever required, but Lessee shall indemnify and hold Lessor harmless against and from all costs and expenses which may be thereby incurred by Lessor. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the reasonable requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of this Lease Agreement.

**ARTICLE IX
MECHANICS' LIENS**

Section 9.01. Lessee to Keep Leased Premises Free of Construction Liens. If any lien shall be filed against the interest of Lessor or Lessee in the Leased Premises or asserted against any rents payable hereunder, by reason of work, labor, services or materials supplied or claimed to have been supplied on or to the Leased Premises at the request or with the permission of Lessee, or anyone claiming under Lessee, Lessee shall, within thirty (30) days after receipt of notice of the filing thereof or the assertion thereof against such rents, cause the same to be discharged of record, or effectively prevent the enforcement or foreclosure thereof against the Leased Premises or such rents, by contest, payment, deposit, bond, insurance, order of Court or otherwise, the actual method being within Lessee's discretion. Nothing contained in this Lease Agreement shall be construed as constituting the express or implied consent to or permission of Lessor for the performance of any labor or services or the furnishing of any materials that would give rise to any such lien against Lessor's interest in the Leased Premises.

**ARTICLE X
INDEMNIFICATION OF LESSOR**

Section 10.01. Indemnification of Lessor. Commencing with the completion of the Project or when the Lessee takes possession if prior to the completion, Lessee shall and agrees to indemnify and save Lessor and the Trustee and to hold them harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Leased Premises during the term, and against and from all claims arising during the term from (a) any condition of the Leased Premises, (b) any breach or default on the part of Lessee in the performance of any of its obligations under this Lease Agreement, (c) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (d) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Lessee shall indemnify and save Lessor and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from any of them, Lessee shall defend them or either of them in any such action or proceeding. Provided, however, Lessee has no obligation related to and shall not indemnify or hold harmless the Lessor or Trustee for any claims resulting from the negligence or willful misconduct of either the Lessor or Trustee.

**ARTICLE XI
LESSOR MAY PERFORM LESSEE'S OBLIGATIONS**

Section 11.01. Lessor May Perform Lessee's Obligations; Lessee to Reimburse Lessor for Costs and Expenses Incurred in Doing So. If Lessee shall fail to keep or perform any of its obligations as provided in this Lease Agreement in respect of (a) maintenance of insurance; (b) payment of impositions; (c) repairs and maintenance of the Leased Premises; (d) compliance with legal or insurance requirements; (e) keeping the Leased Premises lien free; (f) completion of construction and equipping of the Leased Premises; or (g) making of any other payment or performance of any other obligations, then Lessor may (but shall not be obligated to

do so), upon the continuance of such failure on Lessee's part for thirty (30) days after written notice to Lessee, or such longer period following notice as may be reasonably required to cure such failure, provided that corrective action is commenced within thirty (30) days thereafter and diligently pursued, and without waiving or releasing Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation (not under circumstances where such payment or performance would defeat any rights, herein specifically given to Lessee, to withhold such performance or to contest such obligation to the extent herein provided), and all sums so paid by Lessor and all necessary incidental costs and expenses incurred by any of them in making such payment or performing such obligation shall be deemed Additional Rent and shall be paid to Lessor on demand, or at Lessor's option may be added to any installment of Basic Rent thereafter falling due, and if not so paid by Lessee, Lessor shall have the same rights and remedies as in the case of default by Lessee in the payment of the Basic Rent.

ARTICLE XII PUBLIC UTILITIES AND CHARGES

Section 12.01. Lessee to Pay Public Utility Charges. Lessee agrees to pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat or power, telephone or other service used, rendered or supplied to or for the Lessee upon or in connection with the Leased Premises throughout the term of this Lease Agreement, and to indemnify Lessor and save it harmless against any liability or damage on such account.

ARTICLE XIII INSPECTION OF LEASED PREMISES BY LESSOR

Section 13.01. Lessor to have Right of Inspection and Right to Perform Work Subject to Certain Restrictions. Lessee shall permit Lessor, by its authorized representative, to enter the Leased Premises at all reasonable times and on reasonable prior written notice during usual business hours for the purpose of inspection, and for the performance of any work therein made necessary by reason of Lessee's default under any of the provisions of this Lease Agreement. Provided, however, Lessor's ability to perform work shall be limited to repair of an unsafe condition that has not been remedied by Lessee after receipt of written notice by Lessee from Lessor and expiration of any cure period. Lessor may, during the progress of any such work, keep and store on the Leased Premises all necessary materials, supplies and equipment and shall not be liable for reasonable inconvenience, annoyance, disturbance, loss of business or other damage to Lessee suffered by reason of the performance of any such work or the storage of materials, supplies and equipment. Such inspection and repair shall be conducted in a manner consistent with the prior and on-going practices and procedures of the Lessee and Lessor in the conduct of their normal affairs.

**ARTICLE XIV
DAMAGE AND DESTRUCTION**

Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.

A. Lessee covenants and agrees that in the event of damage to or destruction of the Leased Premises, or any part thereof, by fire or other casualty, the Lessee shall immediately notify the Lessor and shall promptly proceed, at no cost and expense to Lessor, to restore, repair, rebuild or replace the Leased Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction, subject to such alterations as Lessee may elect to make in conformity with the provisions of Article VI hereof. Any item of machinery and equipment acquired as a replacement hereunder, or any item acquired, in whole or in part, out of insurance proceeds under this Article XIV, whether or not a replacement of or substitute for any item of damaged or destroyed machinery and equipment, if the insurance proceeds with which such item of machinery and equipment was purchased, in whole or in part, were derived from insurance on property which was part of the Project machinery and equipment, owned by Lessor, shall be and become the property of Lessor and shall be part of the Project machinery and equipment and subject to this Lease Agreement. Such restoration, repairs, replacements or rebuilding shall be commenced promptly and prosecuted with reasonable diligence.

B. The Lessor shall have no responsibility as to the application by the Lessee of any insurance proceeds.

If the insurance money shall be insufficient to pay all costs of the restoration, the Lessee shall pay the deficiency and shall nevertheless proceed to complete the restoration and pay the cost thereof. Any balance of the insurance proceeds remaining over and above the cost of the restoration shall be retained by the Lessee.

Section 14.02. No Diminution in Lessee's Obligation to Pay Basic Rent and Perform Other Covenants. Lessee's obligation to make payment of the Basic Rent and all other covenants on the part of Lessee to be performed shall not be affected by any such destruction or damage, and Lessee hereby waives the provisions of any statute or law now or hereafter in effect contrary to such obligation of Lessee as herein set forth, or which releases Lessee therefrom.

Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid. Notwithstanding the provisions of the foregoing sections of this Article XIV, Lessee shall not be required to repair, restore, replace or rebuild the Leased Premises, or any part thereof, (a) if Lessee, pursuant to the provisions of Article XX, shall elect to purchase the Leased Premises and shall proceed to pay the specified purchase price or (b) if the full amount necessary under the provisions of the Trust Indenture to pay or redeem all outstanding Bonds shall have been paid and Lessee has not elected to purchase the Leased Premises or (c) if the value of the Project without restoration is at least equal to the outstanding principal amount of the Bonds. If Lessee shall so elect to purchase, the proceeds of all insurance may be used as part of the purchase price and upon the request of Lessee shall be so applied. If there be any excess insurance proceeds over and above the amount necessary to pay

the purchase price, such excess shall be paid to and shall belong to the Lessee. If Lessee shall have paid the full amount necessary to pay or redeem all outstanding Bonds, any insurance proceeds shall be paid to and shall belong to Lessee.

ARTICLE XV CONDEMNATION

Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.

A. If during the term of this Lease Agreement title to all or substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, the net amount awarded as damages or paid as a result of such taking (being the gross award less attorneys' fees and other expenses and costs incurred in the condemnation proceedings, hereinafter referred to as the "net award") shall be used on the next redemption date to pay in accordance with the provisions of the Trust Indenture, the entire principal, premium, if any, and interest on all Bonds outstanding under the Trust Indenture. If the net award together with the amount then in the Bond Fund, shall be insufficient to pay in full, on the next redemption date, the amount necessary to pay all principal, premium, if any, interest, and all other costs of redemption, on all Bonds outstanding under the Trust Indenture (all of which, for purposes of this Section, shall be called "total bond redemption expense"), Lessee agrees to pay, promptly upon payment of the net award, as Additional Rent hereunder, the amount by which the total bond redemption expense shall exceed the net award plus the amount then on deposit in the Bond Fund and available for payment and redemption of the Bonds outstanding under the Trust Indenture. For purposes of this Article and of Article XX, "title to all or substantially all of the Leased Premises shall be taken or condemned" shall be deemed to mean a taking of all of the Leased Premises or a taking of such substantial portion of the Leased Premises that the Lessee, as determined by the Lessee in its sole discretion, cannot reasonably operate the remainder in substantially the same manner as before. In the event the net award, together with any available amount in the Bond Fund, shall be in excess of the amount necessary to pay the total bond redemption expense, such excess shall belong to and be paid to the Lessee.

B. If less than substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, neither the term nor any of the obligations of either party under this Lease Agreement shall be affected or reduced in any way, and

- (i) Lessee shall proceed to repair, rebuild and replace the remaining part of the Leased Premises as nearly as possible to the condition existing prior to such taking, to the extent that the same may be feasible, subject to the right on the part of the Lessee to make alterations which, in the reasonable judgment of Lessee (and in accordance with Article VI hereof), will improve the efficiency of the Leased Premises for the purposes of their intended use under this Lease Agreement; and

- (ii) The net award shall be paid to the Lessor and by it to the Lessee, and the Lessor hereby assigns the same to the Lessee for the use of the Lessee in repairing, rebuilding and replacing as provided in (i) above. The net award shall be transferred to the Lessee in the same manner as is provided in Section 14.01 with respect to insurance proceeds, provided that the words “insurance proceeds” there referred to shall for purposes of this subparagraph (ii) refer to “net award.” If the net award is in excess of the amount necessary to repair, rebuild and replace as specified in (i) above, such excess shall be deposited in the Bond Fund or if there are no Bonds outstanding under the Trust Indenture the excess shall belong to and shall be paid to the Lessee. If the net award is less than the amount necessary for the Lessee to repair, rebuild and replace as set forth in (i) above, the Lessee shall nevertheless complete the repair, rebuilding and replacement work and pay the cost thereof to the extent not covered by the net award.

C. In the event of a taking under either A or B above, the Lessee shall have the right to participate in and to submit proof in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation; provided, however, nothing in this subsection C shall be construed to diminish or impair in any way Lessee’s obligation under subsection A of this Section 15.01 to pay as Additional Rent the amount of any insufficiency of the net award and the funds in the Bond Fund to pay the total bond redemption expense as therein defined.

D. If the temporary use of the whole or any part of the Leased Premises shall be taken by right of eminent domain, this Lease Agreement shall not be thereby terminated and the parties shall continue to be obligated under all of its terms and provisions and Lessee shall be entitled to receive the entire amount of the award made for such taking, whether by way of damages, rent or otherwise.

Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available. In the event of a taking of all or substantially all of the Leased Premises as provided in Section 15.01A, the Lessee agrees to continue to make payment of the Basic Rent and the Additional Rent until the condemnation award shall be actually received by the Lessor.

Section 15.03. Lessee’s Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings. Notwithstanding the fact that all or any part of the Leased Premises shall be taken by right of eminent domain, Lessee shall have the right to exercise the Purchase Option granted to it by the provisions of Article XX hereof and the foregoing provisions of this Article shall be construed in the light of the effect of the Purchase Option so exercised by Lessee. In the event of the exercise of the Purchase Option under Article XX and payment of the required purchase price, whether before or after such taking, the net award shall belong to Lessee.

Section 15.04. Right of Lessee to Participate in Condemnation Proceedings. Lessee shall have the sole right, proceeding in the name of the Lessor, to handle the defense of any condemnation proceeding pertaining to or affecting the Leased Premises or to handle the prosecution of any proceeding in connection with a condemnation, pertaining to or affecting the Leased Premises, and shall have the sole right, proceeding in the name of the Lessor, to negotiate any settlement or compensation for a taking pertaining to or affecting the Leased Premises and the Lessor agrees that it will cooperate with the Lessee in such manner as the Lessee requests with the end in view of obtaining the maximum possible amount justifiable as damages for the taking. The Lessee shall have the right, proceeding in its own name, to participate in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation.

ARTICLE XVI ASSIGNMENT

Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted.

A. With the written consent of Lessor, which consent may not be unreasonably withheld, Lessee may assign this Lease Agreement or sublet the Leased Premises or parts thereof provided that no such assignment or subletting and no dealings or transactions between the Lessor and any sublessee or assignee shall relieve the Lessee of any of its obligations under this Lease Agreement and Lessee shall remain as fully bound as though no assignment or subletting had been made, and performance by any assignee or sublessee shall be considered as performance pro tanto by Lessee; provided, however, that Lessee may assign this Lease Agreement, and be thereby relieved of further obligation hereunder, in connection with a transaction involving merger, consolidation or sale as permitted under Section 23.07 provided the requirements thereof are met. Except for the sublease approved by Lessor prior to the execution of this Lease Agreement, the Lessee shall give sixty (60) days prior notice of such assignment or subletting to the Lessor. Lessee may sell or assign its interest in this Lease Agreement and be relieved of its obligations under this Lease in situations other than those described in Section 23.07, but only with the written consent of Lessor.

B. The Lessor shall not assign, encumber, sell or dispose of all or any part of its rights, title and interest in and to the Leased Premises and this Lease Agreement, except to the Lessee or a creditor of Lessee to which Lessee has granted a security interest in either the Leased Premises or the Lease Agreement in accordance with the provisions of this Lease Agreement, but subject to the provisions of Article XVII hereof, without the prior written consent of the Lessee. Lessor may assign its interests in the Lease Agreement to the Trustee.

C. Anything in this Section 16.01 to the contrary notwithstanding, Lessee may sublease without Lessor's consent up to fifty percent (50%) of the Leased Premises, with such percentage based on value, in one or more subleases, in each case following written notice to the Lessor or otherwise in compliance with Section 6.05 hereof.

**ARTICLE XVII
PRIORITY OF LEASE**

Section 17.01. Lease Agreement Superior and Prior. This Lease Agreement (and any amendment or supplement hereto executed in accordance with and pursuant to the provisions of this Lease Agreement) and the estate of Lessee hereunder are and shall continue to be superior and prior to the Trust Indenture (and all supplements thereto).

**ARTICLE XVIII
REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver. Lessor and Lessee shall each be entitled to specific performance, and injunctive or other appropriate equitable relief for any breach or threatened breach of any of the provisions of this Lease Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. The specific remedies provided for in this Lease Agreement are cumulative and are not exclusive of any other remedy. The failure of either party to insist in any one or more cases upon strict performance shall not be construed as a waiver or relinquishment for the future. No acceptance of rents with knowledge of any default shall be deemed a waiver of such default.

**ARTICLE XIX
DEFAULT PROVISIONS**

Section 19.01. Events of Default. (a) The following shall be “events of default” under this Lease Agreement and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

A. Failure by the Lessee to pay the rents or any part thereof when due so as to prevent timely payment on the Bonds.

B. Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection A of this Section, (i) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee by the Lessor unless the Lessor shall agree in writing to an extension of such time prior to its expiration or (ii) for such longer period as may be reasonably necessary to remedy such default provided that the Lessee is proceeding with reasonable diligence, to remedy the same.

C. The dissolution of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under similar act which may

hereafter be enacted. The term “dissolution or liquidation of the Lessee,” as used in this subsection, shall not be construed to include the cessation of the corporate or limited liability company existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or other entity or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in this Lease Agreement.

(b) In the event that Lessee has granted a leasehold mortgage to any third party, the leasehold mortgagee shall have the right to cure any of the above-referenced defaults. Lessor shall provide timely written notice of all defaults to all leasehold mortgagees at the addresses provided by such leasehold mortgagees to Lessor. Such notices shall state the term of the cure period which shall not be less than the greater of ten (10) business days or the cure period granted to Lessee hereunder or otherwise.

Section 19.02. Remedies. Whenever any event of default shall happen and then be continuing, the Lessor may take any of the following remedial steps:

A. The Lessor may, at its option, declare all installments of rent payable for the remainder of the term to be immediately due and payable, whereupon the same shall become immediately due.

B. The Lessor may re-enter and take possession of the Leased Premises without terminating this Lease Agreement, and sublease the Leased Premises on commercially reasonable terms for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts payable by the Lessee hereunder.

C. The Lessor may terminate the term, exclude the Lessee from possession of the Leased Premises and use its best efforts to lease the Leased Premises to another for the account of the Lessee, holding the Lessee liable for all rent and other payments due up to the effective date of any such leasing.

D. The Lessor shall have access to inspect, examine and make copies of the books and records relating to the Leased Premises.

E. The Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by Lessee hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Trust Indenture.

Notwithstanding the above, before exercising any remedy granted therein, Lessor shall by written notice, grant Lessee the option to cure any default for a period of thirty (30) days, and Lessor agrees that it shall contemporaneously provide a copy of any such notice and the opportunity to cure a default to all leasehold mortgagees.

Section 19.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time as often as may be deemed expedient.

Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures. The foregoing provisions of this Article relating to the receipt of moneys by Lessor as the result of an acceleration, upon a reletting or otherwise are each to be construed as providing that all such payments by Lessee or others shall be handled as provided in this Lease Agreement and in the Trust Indenture.

**ARTICLE XX
PURCHASE OPTION**

Section 20.01. Purchase Option. The Lessee shall have the right and option to purchase the Leased Premises at any time (the "Purchase Option"). Contemporaneous with the execution of this Lease Agreement, Lessee and Lessor shall execute the Option Agreement attached hereto and incorporated herein as Exhibit C. Lessee and Lessor agree and acknowledge that the consideration for the Purchase Option includes, not only the stated consideration within the Option Agreement, but also the mutual benefits and covenants of this Lease Agreement, the issuance, purchase and repayment of the Series 2016 FMH Bonds, and the accomplishment of the Lessee's portion of the Project, including, but not limited to, the Project's construction and operation by the Lessee.

**ARTICLE XXI
NOTICES**

Section 21.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid addressed as set forth herein. The parties may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

If intended for Lessee: FMH Conveyors LLC

Attention: Member

With a copy to:

FMH Sub LLC
c/o FMH Conveyors LLC

Attention: Member

If intended for Issuer: City of Jonesboro, Arkansas
P.O. Box 1845
Jonesboro, Arkansas 72403
Attn: Mayor
With a copy to: Carol M. Duncan
Attorney at Law
410 W. Washington Ave.
Jonesboro, AR 72401

Any party may change the address and the name of addressee to which subsequent notices are to be sent by notice to the other parties given as aforesaid.

ARTICLE XXII RECORDING

Section 22.01. Recording. A Memorandum of this Lease Agreement and every assignment and modification thereof shall be recorded in the office of the Circuit Clerk and Ex-Officio Recorder of Craighead County, Arkansas, upon the request of Lessee or Lessor.

ARTICLE XXIII GENERAL

Section 23.01. Arkansas Law Applicable. This Lease Agreement shall be construed and enforced in accordance with the laws of the State. Wherever in this Lease Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation. All factual representations set forth in the whereas clauses of this Lease Agreement shall be construed as express representations and covenants on the part of the party to which each such recital is applicable to the same extent as though set forth as an express representation and covenant by that party.

Section 23.02. Severability. If any provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease Agreement and the application of its provisions to persons or circumstances other than those as to which it has been determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Lease Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

Section 23.03. Captions for Reference Only. The Article captions in this Lease Agreement are for convenience and reference only and shall in no way define, limit or describe the scope or intent of this Lease Agreement or any part thereof, or in any wise affect this Lease Agreement and shall not be considered in any construction thereof.

Section 23.04. Provisions Binding on Successors. The provisions of this Lease Agreement shall bind and inure to the benefit of the parties hereto and their respective

successors, assigns and sub-lessees (it being understood that assignments and subleasing are governed by the provisions of Article XVI hereof).

Section 23.05. Consent Required for Modification. It is agreed that the Lessor and the Lessee shall not alter, modify or amend any of the terms of this Lease Agreement except by mutual written agreement with the consent of the Trustee as required by the Indenture.

Section 23.06. Reasonable Consent. In each instance in this Lease Agreement where the consent or approval of Lessor is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances. Notwithstanding any other provision of this Lease Agreement to the contrary, the Lessee will maintain its existence as a limited liability company and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or other entity or permit one or more other corporations or other entities to consolidate with or merge into it; provided, however, the Lessee may consolidate with or merge into another domestic corporation or other entity (that is a corporation or other entity organized and existing under the laws of one of the states of the United States of America), or permit one or more other corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer to another domestic corporation or other entity all or substantially all of its assets as an entirety and thereafter dissolve on the condition that such surviving, resulting or transferee corporation or other entity shall expressly assume in writing all of the obligations of the Lessee contained in this Lease Agreement and that the net tangible assets of the other corporation or other entity after the consolidation, merger or sale be at least equal to the net tangible assets of Lessee immediately prior to such consolidation, merger or sale and qualifies to do business in the State. In the event of such consolidation, merger or sale, as permitted by this Section, and the assumption by the surviving, resulting or transferee corporation or other entity of the obligations hereof, the Lessee shall be relieved of all further obligations hereunder. As used herein, "net tangible assets" means all assets of the corporation or other entity (except there shall not be included goodwill) less all liabilities. Sixty (60) days prior to any such consolidation, merger or sale, the Lessee shall give notice thereof to Lessor.

ARTICLE XXIV REMOVAL AND DISPOSAL OF PROPERTY

Section 24.01. Lessee's Rights and Obligations Concerning Removal and Disposal of Building Service Equipment. The Lessee may, provided Lessee is not in default in the payment of Basic Rent or Additional Rent as required by the provisions of this Lease Agreement and has not received notice of any other default on its part hereunder, remove, free of any right or claim of Lessor, any building service equipment or other improvements (hereinafter defined), subject however, in all cases to the following:

A. Except as provided in Section 24.02, building service equipment or other improvements may be so removed upon the substitution thereof, then or theretofore, by Lessee of other building service equipment or other improvements of a utility or value at least equal to that, at the time of removal, of the building service equipment removed;

B. Lessee shall pay all the costs and expenses of any such removal.

The term “building service equipment” is intended to refer to such things as are affixed to or incorporated in a building for its operation, such as boilers, pumps, tanks, sprinklers, lighting equipment and wiring, heating, plumbing and ventilating equipment, elevators, escalators, refrigerating, air conditioning and air cooling equipment, and items similar in general to any of the foregoing.

Section 24.02. Lessee’s Rights and Obligations Concerning Removal and Disposal of Project Machinery and Equipment. The Lessor and the Lessee recognize that after the Project machinery and equipment is installed portions thereof may become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises. The Lessor shall not be under any obligation to renew, repair or replace any such inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary items of Project machinery and equipment. In any instance where the Lessee in its sound discretion determines that any items of Project machinery and equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises,

A. The Lessee may remove such items of Project machinery and equipment from the Leased Premises, and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them without any responsibility or accountability to the Lessor therefor, provided that the Lessee substitute (either by direct payment of the cost thereof or by advance to the Lessor of the funds necessary there for, as hereinafter provided) and install anywhere in the Leased Premises other machinery or equipment having equal or greater utility (but not necessarily the same function) in the operation of the Leased Premises and provided further that such removal and substitution shall not impair the operating unit of the Leased Premises, and all such substituted machinery or equipment shall be the sole property of the Lessor, shall be and become a part of the Project machinery and equipment subject to this Lease Agreement and shall be held by the Lessee on the same terms and conditions as items originally comprising Project machinery and equipment; or

B. The Lessee may remove such items of Project machinery and equipment from the Leased Premises and sell, trade-in or exchange them on behalf of the Lessor, either to itself or to another, or scrap them (in whole or in part), without being required to substitute and install in the Leased Premises other items of machinery or equipment in lieu thereof.

To the extent necessary to comply with the Trust Indenture and/or the PILOT Agreement, the Lessee will promptly report such removals, substitutions, sales and other dispositions of items of Project machinery and equipment to the Lessor and will execute and deliver to the Lessor such documents as may from time to time be requested to confirm the title of the Lessor (subject to this Lease Agreement) to any items of machinery and equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will pay any costs (including counsel fees) incurred in subjecting to the lien of the Trust Indenture any items of machinery or equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will not remove or permit the

removal of any of Project machinery and equipment from the Leased Premises except in accordance with the provisions of this Section.

**ARTICLE XXV
RESERVED**

**ARTICLE XXVI
REPRESENTATIONS AND WARRANTIES**

Section 26.01. Representations and Warranties of the Lessor. The Lessor represents and warrants as follows:

A. The Lessor is a body corporate and politic, and is authorized pursuant to the provisions of the Act to enter into the transactions contemplated by this Lease Agreement.

B. The Lessor has full power and authority to enter into the transactions contemplated by this Lease Agreement and the Trust Indenture and to carry out its obligations hereunder and thereunder.

C. The Lessor is not in default under any provisions of the laws of the State material to the performance of its obligations under this Lease Agreement.

D. The Lessor is authorized by the Act to execute and deliver this Lease Agreement and the Trust Indenture and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Lessor, this Lease Agreement and the Indenture are valid and legally binding and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) general principles of equity, and (iii) the exercise of judicial discretion in appropriate cases.

E. The loan of the proceeds of the Bonds for the financing or refinancing of the acquisition, construction, and equipping of the Project by the Lessee, as provided by this Lease Agreement, will further the purposes of the Act.

Section 26.02. General Representations and Warranties of the Lessee. The Lessee represents and warrants as follows:

A. The Lessee is duly organized and existing under the laws of the State of Arkansas and has full power to enter into this Lease Agreement.

B. The making and performance of this Lease Agreement has been duly authorized by all necessary actions and does not contravene any law, regulation or decree or any contractual restriction binding on the Lessee.

C. Except for any Future Leases and the Existing Lease permitted by Section 6.05 and the lease, the Lessee is or will be the only Lessee of the Project. Except for the Permitted Encumbrances, the Project is free and clear of all mortgages, liens, charges and encumbrances, which constitute a lien or charge against its property, real or personal, tangible or intangible (except for such liens, if any, as will be waived or discharged at the time of the execution of this Lease Agreement).

D. The making and performance of this Lease Agreement, and each and every other document required to be delivered, has received or will receive in due course all necessary governmental approvals, and does not contravene any law, regulation or decree or any contractual restriction (other than those which shall be waived or discharged at the time of the execution of this Lease Agreement) binding on or affecting the Lessee.

E. This Lease Agreement, any other security documents and each and every other document required to be delivered under Article II hereof, when duly executed and delivered for value, will be legal and binding obligations of the Lessee, enforceable in accordance with their respective terms.

F. Except as otherwise disclosed, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operations of the Lessee.

G. The Lessee is not in default under any material provision of any lease or rental agreement.

H. The Lessee is not in default under the terms of any material instrument or undertaking with respect to its obligations to repay any borrowed money.

I. The Lessee is not aware of any claim, or purported claim, of any laborer, materialman, contractor or other person who might assert a lien against the Property by reason of the construction or other improvement, other than those shown on the title commitment of the approved title insurance company, which shall be fully paid and satisfied from the proceeds of the Loan.

J. Estimated project costs have been determined in accordance with sound engineering and accounting principles, and the Lessee estimates that all of the proceeds of the Bonds (exclusive of accrued interest, if any, paid by the original purchasers thereof) will be expended to pay or reimburse such Project costs.

K. All financial information, data, representations, exhibits, terms and conditions required or submitted to the Lessor, if any, are true, accurate and complete in all material respects on the date of delivery by the Lessee.

All of the above representations and warranties shall survive the execution of this Lease Agreement.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

CITY OF JONESBORO, ARKANSAS, Lessor

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

FMH CONVEYORS LLC, Lessee

A Delaware limited liability company

By: _____

Name: _____

Title: _____

STATE OF ARKANSAS)
) ss:
COUNTY OF CRAIGHEAD)

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **Harold Perrin** and **Donna Jackson** to me personally well known, who stated that they are the Mayor and City Clerk, respectively, of the **CITY OF JONESBORO, ARKANSAS**, a city of the first class, and were duly authorized in those capacities to execute the foregoing instrument for and in the name and behalf of said City, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 22nd day of June, 2016.

Notary Public

My commission expires:

(S E A L)

STATE OF _____)
) ss:
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _____, to me personally well known, who stated that he was the _____ of **FMH CONVEYORS LLC**, a Delaware limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said limited liability company, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

EXHIBIT A

All machinery, equipment and furnishings located on the Leased Premises and financed with the proceeds of the Series 2016 FMH Bonds.

EXHIBIT B

Legal Description

The Leased Premises is located in Craighead County, Arkansas and described as follows:

[To be inserted]

EXHIBIT C
Option Agreement
(See Attached)

OPTION AGREEMENT

This OPTION AGREEMENT (the "Option Agreement") is entered into and effective on the ____ day of _____, 2016, by and between the **CITY OF JONESBORO, ARKANSAS** ("Grantor") and **FMH CONVEYORS LLC**, a limited liability company organized under and existing by virtue of the laws of the State of Delaware ("Grantee").

WHEREAS, Grantor, as Lessor, and Grantee, as Lessee, have entered into a Lease Agreement (the "Lease Agreement") dated as of _____, 2016 relating to the Leased Premises (as defined in the Lease Agreement), and

WHEREAS, pursuant to the Lease Agreement, Grantor has given Grantee the right and option to purchase the Leased Premises at any time.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee, and in consideration of the mutual benefits and covenants herein contained, Grantor and Grantee agree as follows:

1. Definitions. In addition to the words and terms otherwise defined in this Option Agreement, capitalized words and terms shall have the definition given to them in the Lease Agreement.

2. Grantee Option. (a) The Grantee shall have the right and option to purchase the Leased Premises at any time if:

- (i) The Leased Premises shall sustain major damage or destruction; or
- (ii) Title to all or substantially all of the Leased Premises shall be condemned, by any competent authority other than the Grantor, as provided in Article XV of the Lease Agreement; or
- (iii) As a result of changes in the Constitution of the United States or of the State, or of legislative action, or by the final decree, judgment or order of any court or administrative body entered after Grantee's contest thereof in good faith, or change in Grantor's legal organization or status, the Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease Agreement, or unreasonable burdens or excessive liabilities are imposed upon either party to it; or
- (iv) There is legal curtailment of Grantee's use and occupancy of all or substantially all of the Leased Premises for any reason other than condemnation referred to in subsection (ii); or
- (v) Grantee determines to do so in its sole and absolute discretion; or

- (vi) Grantee is directed or requested to do so by any lienholder to which the Leased Premises was pledged as security prior to the commencement of the Lease Agreement.

If the Lease is terminated as a result of a default pursuant to Article XIX therein or otherwise, Grantee shall have the right and option to purchase the Leased Premises at any time during the period ending ninety (90) days after the effective date of such termination, in which event the Purchase Price payable shall include all expenses and reasonable attorney's fees of Grantor in connection with such termination, in addition to the amounts described Section 4.

The term "major damage or destruction" as used in subsection (i) is defined to mean any damage or injury to or destruction of the Leased Premises or any part thereof (whether or not resulting from an insured peril) such that the Leased Premises cannot reasonably be restored to its condition immediately preceding such damage, injury or destruction within a period of six (6) months, or which would prevent Grantee from carrying on its manufacturing operations therein for a period of at least six (6) months or the restoration cost of which would exceed the total amount of insurance carried on the Leased Premises in accordance with the provisions of Article V of the Lease Agreement, or such that it would not be economically feasible for the Grantee to repair the Leased Premises, as determined by the Grantee in its discretion.

(b) **Exercise of Purchase Option.** The Purchase Option may be exercised by Grantee giving written notice to Escrow Agent (hereinafter defined), with a copy to Grantor, of the exercise thereof specifying the time and place of closing. At the closing, Escrow Agent shall deliver the Conveyance Documents (hereinafter defined) to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Grantor and Grantee agree and acknowledge that the Conveyance Documents shall transfer title to the Leased Premises free and clear of all liens and encumbrances except those identified as Permitted Encumbrances under the Lease Agreement or resulting from any failure of Grantee to perform any of its obligations under the Lease Agreement; provided, however, that if the Purchase Option is exercised under the provisions of Section 2(a)(ii) above, such title may be subject to the rights, titles and interests of any party having taken or who is attempting to take title to or use of all or substantially all or part of the Leased Premises by eminent domain.

3. Obligation to Purchase. At any time following or contemporaneous with the redemption of the Bonds, if the purchase option under the provisions of Section 2 has not been exercised, Grantee shall have the further unconditional right and obligation to purchase the Leased Premises for the Purchase Price (defined below).

4. Purchase Price. If the Grantee exercises Grantee's option to purchase the Leased Premises under the provisions of the Option Agreement:

- (i) if no Bonds shall be outstanding under the Trust Indenture at the time of purchase, the purchase price of the Leased Premises (the "Purchase Price") shall be One Hundred Dollars (\$100.00); and
- (ii) if Bonds are outstanding under the Trust Indenture at the time of the purchase, the purchase price of the Leased Premises shall be One Hundred Dollars (\$100.00), and in addition, either (x) contemporaneous with or prior to the date determined in Section 2(b), the full amount necessary under the provisions of the Trust Indenture to pay or redeem (on the first date thereafter on which all outstanding Bonds may be paid and redeemed after giving the necessary notice) all Bonds outstanding under the Trust Indenture (including, without limitation, principal, interest, and expenses of redemption), but after deduction of any amount then in the Bond Fund and available for such payment and redemption shall have been paid or otherwise satisfied pursuant to the terms of the Trust Indenture or (y) the Grantee shall assume all obligations with respect to repayment of the Bonds.

5. Prepayment of Purchase Price; Consideration. Contemporaneous with the execution of this Option Agreement, Grantee has paid One Hundred Dollars (\$100) to Grantor, and Grantor acknowledges receipt of such amount contemporaneous with the execution of the Option Agreement. Grantee and Grantor agree and acknowledge that the consideration for the Purchase Option and the Purchase Price for the Leased Premises includes the mutual benefits and covenants of the Lease Agreement, the issuance, purchase and repayment of the Series 2016 FMH Bonds, and the accomplishment of the Project, including, but not limited to, the Project's construction and operation by the Grantee.

6. Reserved.

7. Escrow of Transfer Documents. Contemporaneous with the execution of this Option Agreement, Grantor shall deliver into escrow a quitclaim deed, bills of sale and other appropriate conveyance instruments transferring title to the Leased Premises in a form consistent with Section 2(b) (collectively, the "Conveyance Documents"). The "Escrow Agent" shall be the Trustee for the Bonds or any successor trustee appointed pursuant to the Trust Indenture. The Escrow Agent shall hold the Conveyance Documents in escrow until the Purchase Option is exercised by the Grantee. Upon receipt of the notice specified in Section 2(b), the Escrow Agent is authorized to release the Conveyance Documents to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Notwithstanding the escrow of the Conveyance Documents, upon exercise of the Purchase Option, Grantor shall execute and deliver new Conveyance Documents to Grantee at Grantee's request. It is agreed by Grantee and Grantor that the Escrow Agent shall be liable as a depository only and shall be and is hereby discharged from any and all liability for any act or omission done in good faith. The Escrow Agent may rely upon any paper, document or other writing reasonably believed to be authentic. The Escrow Agent shall not be required to construe this Option Agreement or any other instrument deposited herewith.

8. Notices. All notices, requests, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid, first-class, certified or express mail, return receipt requested, postage prepaid, to the addresses specified in the Lease Agreement or the Trust Indenture, as applicable.

9. No Recordation. This Option Agreement shall not be recorded. Grantor and Grantee shall sign and record a Memorandum of Lease and Option Agreement as well as every assignment and modification of either the Lease Agreement or the Option Agreement in the office of the Circuit Clerk and Ex-Officio Recorder of Craighead County, Arkansas.

10. General. Time is of the essence with respect to this Option Agreement. This option to purchase shall be governed by and construed under Arkansas law and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Option Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

CITY OF JONESBORO, ARKANSAS, Lessor

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

FMH CONVEYORS LLC, Lessee
a Delaware limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by Escrow Agent:

[TO BE DETERMINED]

By: _____
Name: _____
Title: _____

STATE OF ARKANSAS)
) ss: **ACKNOWLEDGMENT**
COUNTY OF CRAIGHEAD)

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **Harold Perrin** and **Donna Jackson** to me personally well known, who stated that they are the Mayor and City Clerk, respectively, of the **CITY OF JONESBORO, ARKANSAS**, a city of the first class, and were duly authorized in those capacities to execute the foregoing instrument for and in the name and behalf of said City, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

STATE OF _____)
) ss:
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _____, to me personally well known, who stated that he was the _____ of **FMH CONVEYORS LLC**, a Delaware limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said limited liability company, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

EXHIBIT D

Existing Lease

Lease Agreement dated _____, 2016 between FMH Conveyors LLC, a Delaware limited liability company, as tenant, and HMD Developers, LLC, a Tennessee limited liability company, as landlord

LEASE AGREEMENT
BY AND BETWEEN
CITY OF JONESBORO, ARKANSAS
AND
HMD JONESBORO, LLC

Dated as of _____, 2016

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
425 WEST CAPITOL AVENUE, SUITE 1800
LITTLE ROCK, AR 72201

LEASE AGREEMENT

TABLE OF CONTENTS

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions2
Section 1.02. Use of Words.....4

**ARTICLE II
ACQUISITION OF PROJECT**

Section 2.01. Acquiring of Project4
Section 2.02. Itemization of Project Costs5
Section 2.03. Certificate of Completion Date5

**ARTICLE III
DEMISING CLAUSES, DURATION OF LEASE TERM
AND RENTAL PROVISIONS**

Section 3.01. Demise of Leased Premises.....5
Section 3.02. Term of Lease Agreement6
Section 3.03. Basic Rent; Additional Rent; Absolute and Unconditional Obligation to
pay Basic Rent and Additional Rent6
Section 3.04. Method of Payment of Basic Rent and Additional Rent8
Section 3.05. Home Office Payment Agreement8
Section 3.06. Day for Payment.....8

**ARTICLE IV
TAXES AND ASSESSMENTS (IMPOSITIONS)**

Section 4.01. Taxes and Assessments8
Section 4.02. Leased Premises Exempt From Ad Valorem Taxes; Contest of
Attempted Levy Authorized9

**ARTICLE V
INSURANCE**

Section 5.01. Insurance Required.....9

**ARTICLE VI
REPAIRS AND MAINTENANCE OF
LEASED PREMISES AND ALTERATIONS**

Section 6.01. Lessee Obligated to Maintain Buildings and Improvements10
Section 6.02. Lessee Has Right to Make Additions, Alterations and Changes.....10

Section 6.03.	Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee’s Expense Remain Its Property With Right of Removal.....	10
Section 6.04.	Property on Leased Premises at Sole Risk of Lessee.....	11
Section 6.05.	Permitted Encumbrances	11

**ARTICLE VII
USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC.**

Section 7.01.	Permitted Use of Leased Premises and Compliance with Laws, Etc.....	11
Section 7.02.	Lessor’s Covenant Not to Impose Burdensome Laws, Etc	12
Section 7.03.	Lessor’s Covenant Not to Condemn	12

**ARTICLE VIII
WORK PERFORMED BY LESSEE**

Section 8.01.	Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits	12
---------------	-------------------------------------------------------------------------------------------------	----

**ARTICLE IX
MECHANICS’ LIENS**

Section 9.01.	Lessee to Keep Leased Premises Free of Construction Liens.....	13
---------------	----------------------------------------------------------------	----

**ARTICLE X
INDEMNIFICATION OF LESSOR**

Section 10.01.	Indemnification of Lessor	13
----------------	---------------------------------	----

**ARTICLE XI
LESSOR MAY PERFORM LESSEE’S OBLIGATIONS**

Section 11.01.	Lessor May Perform Lessee’s Obligations; Lessee to Reimburse Lessor for Costs and Expenses Incurred in Doing So.....	13
----------------	----------------------------------------------------------------------------------------------------------------------	----

**ARTICLE XII
PUBLIC UTILITIES AND CHARGES**

Section 12.01.	Lessee to Pay Public Utility Charges	14
----------------	--------------------------------------------	----

**ARTICLE XIII
INSPECTION OF LEASED PREMISES BY LESSOR**

Section 13.01.	Lessor to have Right of Inspection and Right to Perform Work Subject to Certain Restrictions	14
----------------	----------------------------------------------------------------------------------------------------	----

**ARTICLE XIV
DAMAGE AND DESTRUCTION**

Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.....	15
Section 14.02. No Diminution in Lessee’s Obligation to Pay Basic Rent and Perform Other Covenants	15
Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid	15

**ARTICLE XV
CONDEMNATION**

Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.....	16
Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available.....	17
Section 15.03. Lessee’s Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings	17
Section 15.04. Right of Lessee to Participate in Condemnation Proceedings	18

**ARTICLE XVI
ASSIGNMENT**

Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted	18
----------------------------------------------------------------------------------------------------------------------------------	----

**ARTICLE XVII
PRIORITY OF LEASE**

Section 17.01. Lease Agreement Superior and Prior	19
---------------------------------------------------------	----

**ARTICLE XVIII
REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver.....	19
---------------------------------------------------------------------------------	----

**ARTICLE XIX
DEFAULT PROVISIONS**

Section 19.01. Events of Default.....	19
Section 19.02. Remedies	20
Section 19.03. Remedies Not Exclusive	21
Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures.....	21

**ARTICLE XX
PURCHASE OPTION**

Section 20.01. Purchase Option21

**ARTICLE XXI
NOTICES**

Section 21.01. Notices.....21

**ARTICLE XXII
RECORDING**

Section 22.01. Recording22

**ARTICLE XXIII
GENERAL**

Section 23.01. Arkansas Law Applicable22
Section 23.02. Severability.....22
Section 23.03. Captions for Reference Only22
Section 23.04. Provisions Binding on Successors.....22
Section 23.05. Consent Required for Modification.....23
Section 23.06. Reasonable Consent23
Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances23

**ARTICLE XXIV
REMOVAL AND DISPOSAL OF PROPERTY**

Section 24.01. Lessee’s Rights and Obligations Concerning Removal and Disposal of
Building Service Equipment23
Section 24.02. Lessee’s Rights and Obligations Concerning Removal and Disposal of
Project Machinery and Equipment.....24

**ARTICLE XXV
RESERVED**

**ARTICLE XXVI
REPRESENTATIONS AND WARRANTIES**

Section 26.01. Representations and Warranties of the Lessor25
Section 26.02. General Representations and Warranties of the Lessee25

- EXHIBIT A** - EQUIPMENT LIST
- EXHIBIT B** - LEGAL DESCRIPTION
- EXHIBIT C** - OPTION AGREEMENT

LEASE AGREEMENT

This LEASE AGREEMENT (the “Lease Agreement”) is entered into on this ___ day of _____, 2016, by and between the **CITY OF JONESBORO, ARKANSAS** (“Lessor” or “Issuer”) and **HMD JONESBORO, LLC**, a limited liability company organized under and existing by virtue of the laws of the State of Tennessee (“Lessee”);

WITNESSETH:

WHEREAS, Lessor is a duly organized and existing city of the first class and a political subdivision, under the laws of the State of Arkansas with full and lawful power and authority to enter into this Lease Agreement, acting by and through its City Council, in the public interest and for a public purpose in securing and developing industry, all pursuant to the provisions of Amendment 65 to the Constitution of the State of Arkansas and Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas for the year 1960, codified as Ark. Code Ann. Sections 14-164-201 *et seq.* as amended (the “Act”) and as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998); and

WHEREAS, the Issuer is authorized by the Act to issue the bonds for the purpose of financing the costs of acquiring, constructing and equipping lands, buildings or facilities for industrial enterprises as defined in the Act pursuant to a Trust Indenture dated as of _____, 2016 (the “Indenture”) by and between the Issuer and [To be determined], as Trustee; and

WHEREAS, permanent financing of the Project Costs (as defined herein), necessary costs and expenditures incidental thereto and the cost of the issuance of bonds, is being furnished by the Issuer through issuance of its Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project) Series 2016 (the “Series 2016 HMD Bonds” or the “Bonds”) and through issuance of its Taxable Industrial Development Revenue Bonds (FMH Conveyors LLC Project) Series 2016 (the “Series 2016 FMH Bonds”); and

WHEREAS, the Lessor and the Lessee desire to enter into this Lease Agreement in connection with the issuance of the Bonds under the Indenture; and

WHEREAS, Lessee is authorized under its Articles of Organization and Operating Agreement and under the laws of the State of its organization to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement; and

WHEREAS, Lessor is authorized by the Act and under the laws of the State to enter into this Lease Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease Agreement;

WHEREAS, Lessee is not prohibited under the terms of any outstanding trust indenture, deeds of trust, mortgages, loan agreements or other instruments or evidences of indebtedness of whatever nature from entering into this Lease Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Lease

Agreement (or if so, a proper waiver or consent has been obtained) and affirmatively so represents to Lessor; and

WHEREAS, the industrial undertaking will consist of the acquisition, construction, and equipping of an industrial facility within the corporate boundaries of the Issuer, including, but not limited to, the acquisition of land and/or leasehold rights, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the manufacture, fabrication or processing of custom-engineered conveyors to be located at the intersection of Barnhill Road and Highland Drive in Jonesboro, Arkansas, all as financed with the proceeds of the Series 2016 FMH Bonds and the Series 2016 HMD Bonds (the "Project") which Project shall otherwise exclude building, machinery and equipment financed by Lessee from other sources; and

WHEREAS, contemporaneous with the issuance of the Bonds and the execution and delivery of this Lease Agreement, the Issuer is issuing its Series 2016 FMH Bonds pursuant to the Indenture and entering into a lease agreement with FMH Conveyors LLC for the purpose of financing the portion of the Project that is not being financed with the Series 2016 HMD Bonds.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and Lessee, and in consideration of the mutual benefits and covenants herein contained, Lessor and Lessee agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to the words and terms otherwise defined in this Lease Agreement, the following words and terms as used in this Lease Agreement shall have the following meanings unless the context clearly indicates a different meaning or intent:

"Authorized Lessee Representatives" - The person or persons at the time designated to act on behalf of the Lessee by written certificate furnished to the Lessor containing the specimen signatures of any such person and signed on behalf of the Lessee. Such certificate may designate an alternate or alternates.

"Authorized Lessor Representative" - The person at the time designated to act in behalf of the Lessor by written certificate furnished to the Lessee containing the specimen signature of such person and signed on behalf of the Lessor. Such certificate may designate an alternate or alternates.

"Bond Fund" - The HMD Bond Fund created by Section 5.01 of the Indenture into which moneys are to be deposited and out of which disbursements are to be made for paying the principal of, premium, if any, and interest on the Bonds in the manner and for the purposes specified in the Indenture.

"Bonds" - The Series 2016 HMD Bonds.

“Completion Date” – The date of completion of the acquisition, construction and equipment of the Project as that date shall be determined by the Lessee and certified in writing to the Trustee.

“Home Office Payment Agreement” – The Home Office Payment Agreement between the Lessor, the Lessee, the Trustee, and the Purchaser evidencing the intent of the parties with respect to payment obligations under the Indenture, the bond purchase agreement between Lessor and the Purchaser relating to the Bonds, and this Lease Agreement.

“Lease Agreement” - This Lease Agreement between the Lessor and the Lessee.

“Lease Term” or “Term” - The term of the Lease Agreement set forth in Section 3.02.

“Leased Premises” – The land, facilities and related improvements covered by this Lease Agreement and defined in Section 3.01 hereof.

“Lessee” or “HMD” – HMD Jonesboro, LLC, a Tennessee limited liability company, and any assignee that assumes the obligations of the Lessee pursuant to the provisions of this Lease Agreement.

“Lessor” -- City of Jonesboro, Arkansas.

“Loan” – The loan from the Lessor to the Lessee which permits Lessee to use Bond proceeds to finance Project Costs.

“Loan Fund” - The fund created by Section 5.08 of the Trust Indenture into which the portion of the proceeds of the sale of the Bonds specified in Section 6.02 of the Indenture is to be deposited and out of which disbursements are to be made for Project Costs in the manner and for the purposes specified in Article VI of the Trust Indenture and Section 2.01 hereof.

“Option Agreement” – The Option Agreement attached hereto as Exhibit C.

“Permitted Encumbrances” - At any particular time (i) this Lease Agreement and Indenture, (ii) the encumbrances which affect the Leased Premises as set forth in a title commitment, (iii) utility, access and other easements and rights of way, restrictions, reversions and exceptions that the Lessee certifies will not interfere with or impair the operations being conducted in the Project, (iv) such minor defects, irregularities, encumbrances, easements, rights of way, and clouds on title as normally exist with respect to properties similar in character to the Project, and as do not materially impair the property affected thereby for the purpose for which it was acquired or held by the Lessor, (v) security interests, liens and mortgages in favor of creditors of Lessee as described in Section 6.05 hereof, and (vi) the Existing Lease or Future Subleases, if any, as described in Section 6.05 hereof.

“Project” - The facilities and related improvements more specifically identified in the Recitals hereto and financed out of proceeds of the Bonds and leased under this Lease Agreement.

“Project Costs” - The costs of acquiring, developing, constructing and equipping the Project described in Section 2.02 of this Lease Agreement.

“Purchaser” - The original purchaser of the Bonds.

“Rent” or “Rents” - The Basic Rent (provided for in Section 3.03A(1) hereof) and the Additional Rent (provided for in Section 3.03B hereof), unless the context clearly indicates both are not intended.

“Series 2016 HMD Bonds” - The \$12,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (HMD Jonesboro, LLC Project), Series 2016.

“State” - The State of Arkansas.

“Trust Indenture” or “Indenture” - The Trust Indenture to be executed between the City and the Trustee securing the Series 2016 HMD Bonds and the Series 2016 FMH Bonds.

“Trustee” - The Trustee for the time being, whether original or successor, with the original Trustee being [To be determined], _____ banking corporation organized and operating under the laws of _____ and authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts created by the Indenture, and having a corporate trust office located in _____, Arkansas.

Section 1.02. Use of Words. Words of the masculine gender shall be deemed and construed to include the correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words shall include the plural, as well as the singular, number.

ARTICLE II ACQUISITION OF PROJECT

Section 2.01. Acquiring of Project. The Lessee has undertaken and will complete the acquiring of a portion of the Project and has executed, or will execute all necessary contracts therefor. The Lessee shall be reimbursed out of the Loan Fund for all qualifying expenditures made by it in connection with acquiring, developing, constructing and equipping its portion of the Project in the manner set forth in Section 6.03 of the Indenture. Title to the machinery, equipment and facilities paid for with the proceeds of the Loan shall be transferred to the Lessor and become part of the Leased Premises described in Section 3.01. The same shall be subject to such liens or encumbrances as may be placed thereon by Lessee prior to such transfer.

Lessee, with the cooperation of Lessor when necessary, shall obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, development, construction and equipping of its portion of the Project, and its portion of the Project shall be acquired, developed and constructed in compliance with all State and local laws, ordinances and regulations applicable thereto. All requests, approvals and agreements required on the part of Lessor and on the part of Lessee shall be in writing, signed by the authorized representative of the party making such request, granting such approval, or entering into such agreement. The Lessor and Lessee shall, concurrently with the delivery of this Lease Agreement, notify each other of the Authorized Lessor Representative and the Authorized Lessee Representative,

respectively. It is agreed that each party may have more than one representative and may change the representative or representatives from time to time, with each such change to be in writing forwarded to the other party. The representative of each party so designated shall be authorized to enter into and execute any contracts or agreements or to grant any approvals or to take any action for and on behalf of the party hereto represented by such person and the other party to this Lease Agreement shall be entitled to rely upon the representative as having full authority to bind the party hereto represented by such person.

Section 2.02. Itemization of Project Costs. Costs incurred by Lessor and Lessee under Section 2.01 hereof and in other sections of this Article II shall be referred to as “Project Costs” and it is agreed that if Project Costs exceed the available proceeds received from the sale of the Bonds, the Lessee shall pay the entire amount of any such excess. Project Costs, as that term is used in this Lease Agreement, include the costs incurred by Lessor, Lessee or others in acquiring, developing, constructing and equipping Lessee’s portion of the Project and the costs of making the Loan and the issuance of the Bonds.

It is covenanted and agreed by Lessee that the proceeds of the Loan will be used for Project Costs.

Proceeds derived from the sale of the Bonds shall be deposited in the funds, handled, invested and disbursed in accordance with the provisions of the Trust Indenture. It is agreed that the Trust Indenture will be delivered and become effective after the delivery and effectiveness of this Lease Agreement and it is covenanted and agreed that so long as the Lessee is not in default under this Lease Agreement beyond any applicable notice and cure period, the Trust Indenture shall not be amended or supplemented without the approval of the Lessee of the amendment or supplement being made.

Section 2.03. Certificate of Completion Date. Promptly after the Completion Date, the Lessee shall submit to the Issuer and the Trustee a certificate, executed by an Authorized Lessee Representative, which shall specify the Completion Date and shall state that acquisition, construction and equipping of its portion of the Project has been completed and the Project Costs have been paid or set aside for payment, except for any Project Costs which have been incurred but are not then due and payable, or the liability for the payment of which is being contested or disputed by the Lessee. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

ARTICLE III DEMISING CLAUSES, DURATION OF LEASE TERM AND RENTAL PROVISIONS

Section 3.01. Demise of Leased Premises. Lessor, for and in consideration of the rents, covenants and agreements herein reserved, mentioned and contained, on the part of Lessee to be paid, kept and performed, agrees to and does hereby lease to Lessee, and Lessee agrees to, and does hereby lease, take and hire from Lessor, subject to the terms, conditions and provisions of this Lease Agreement expressed, the following:

The improvements described in **Exhibit A**, or elsewhere, which are located on the land described on **Exhibit B**, including, without limitation, all replacements and substitutions which become the property of the Lessor, pursuant to the provisions of this Lease Agreement. All such machinery, equipment and other personal property shall be described in a ledger maintained by Lessee on the Leased Premises and shall be marked by an appropriate tag or other device as being the property of the Lessor; provided, however, the failure to so tag or mark shall not prevent any item of Project machinery and equipment from becoming part of the Project machinery and equipment if such machinery and equipment and other personal property is listed on the above described ledger in a manner sufficient to distinguish such machinery and equipment from Lessee's other property. Lessee shall not alter or remove such tags, nor shall Lessee permit or suffer any person to alter or remove such tags during the term of this Lease.

The properties described in this Section 3.01 are herein collectively referred to as the "Leased Premises."

TO HAVE AND TO HOLD the Leased Premises unto the Lessee for the term of this Lease Agreement as hereinafter set forth.

Section 3.02. Term of Lease Agreement. The initial term of this Lease Agreement shall commence as of _____, 2016, and shall continue until _____, 20__ and as long thereafter as the Lessee has failed to make all required payments of Basic Rent or Additional Rent.

Section 3.03. Basic Rent; Additional Rent; Absolute and Unconditional Obligation to pay Basic Rent and Additional Rent.

A. Basic Rent.

(1) Lessee covenants to pay to Lessor, in the manner hereinafter provided in Section 3.04, Basic Rent annually in the amounts necessary to pay interest and principal of all outstanding Bonds as the same become due under the provisions of the Indenture. Basic Rent shall be payable annually on _____ commencing on _____, 2017 through _____, 20__, or until the principal of and interest on the Bonds shall have been fully paid, or the required provision made for the payment thereof in accordance with the provisions of the Trust Indenture. In the event a Basic Rent payment date falls on a non-business day, the Basic Rent payment involved shall not be due and payable until the time of opening of business on the next succeeding day thereafter that is a business day.

(2) If, during any year while any of the Bonds shall be outstanding, the Basic Rent shall be insufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due, the amount of the insufficiency shall be paid by the Lessee as additional Basic Rent. If at any time the amount in the Bond Fund, hereinabove referred to and hereafter described in Section 3.04, is

sufficient to pay in full the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all of the outstanding Bonds, then no further Basic Rent shall be payable hereunder. If any moneys remain in the Bond Fund after payment or the making of provision for payment in accordance with the provisions of Article V of the Trust Indenture, of the principal of, premium, if any, interest on, and, if redemption is involved, redemption expenses in connection with, all outstanding Bonds, such remaining moneys shall be refunded to Lessee as excess Basic Rent.

B. Additional Rent. During the term hereof, Lessee shall pay as Additional Rent payable to the Lessor, any expenses which are required to be incurred by Lessor pursuant to the provisions of this Lease Agreement or the Trust Indenture the payment of which is not otherwise provided for by applicable provisions of this Lease Agreement or the Trust Indenture, and all impositions (as defined in Section 4.01), expenses, liabilities, obligations and other payments of whatever nature which Lessee has agreed to pay or assume under the provisions of this Lease Agreement. If at any time any amounts paid by Lessee as Additional Rent hereunder are or become in excess of the amounts required for the purposes for which they were paid, such excess amounts shall be refunded to the Lessee.

C. Payment. Until the principal of, premium, if any, and interest on the Bonds shall have been paid or provision for such payment shall have been made in accordance with the provisions of Article V of the Trust Indenture, Lessee's obligation to pay Basic Rent and Additional Rent shall be absolute and unconditional and the Basic Rent and the Additional Rent shall be payable on the dates or at the times specified, and without abatement or set-off, and regardless of any contingencies whatsoever, and notwithstanding any circumstances or occurrences that may now exist or that may hereafter arise or take place, including, but without limiting the generality of the foregoing:

- (1) The unavailability of the Leased Premises, or any part thereof, for use by the Lessee at any time by reason of the failure to complete the Project by any particular time or at all or by reason of any other contingency, occurrence or circumstances whatsoever;
- (2) Damage to or destruction of the Leased Premises, or any part thereof;
- (3) Legal curtailment of Lessee's use of the Leased Premises, or any part thereof;
- (4) Change in Lessor's legal organization or status;
- (5) Any assignment under the provisions of Article XVI including, without limitation, an assignment as part of a transaction involving merger, consolidation or sale of all or substantially all of Lessee's assets, as provided in Section 16.01; subject, however, to the provisions of Section 16.01 that

performance by an assignee or sublessee shall be considered as performance pro tanto by Lessee;

(6) Any termination of this Lease Agreement for any reason whatsoever, including, without limitation, termination under Article XIX;

(7) Failure of consideration or commercial frustration of purposes;

(8) Any default of the Lessor under this Lease Agreement, or any other fault or failure of the Lessor whatsoever.

Lessee covenants that it will not enter into any contract, indenture or agreement of any nature whatsoever which shall in any way limit, restrict or prevent Lessee from performing any of its obligations under this Lease Agreement.

Section 3.04. Method of Payment of Basic Rent and Additional Rent. Payments of Basic Rent shall be made to Lessor by Lessee remitting the same directly to the Trustee, for the account of Lessor, and shall be deposited by the Trustee in the HMD Bond Fund provided for in the Trust Indenture, to be used by the Trustee as provided in the Trust Indenture. Additional Rent specified in Section 3.03B shall be paid by Lessee remitting the same directly to the Lessor, in the case of the Lessor's expenses and charges, and either making direct payment in the case of impositions and other costs, expenses, liabilities and payments assumed and agreed to be paid by Lessee under this Lease Agreement, or reimbursing Lessor, if, pursuant to the provisions of this Lease Agreement, Trustee shall make payment thereof.

Section 3.05. Home Office Payment Agreement. Notwithstanding any provision of this Lease Agreement to the contrary, the Lessor, the Lessee, the Purchaser, the Trustee and any of their successors or assigns may enter into or accept the terms of a home office payment agreement providing for the making of all payments due under this Lease Agreement at a place and in a manner other than as provided in this Lease Agreement upon such conditions as shall be satisfactory to the parties thereto. Contemporaneous with the delivery of the Bonds and this Lease Agreement, the appropriate parties will enter into the Home Office Payment Agreement.

Section 3.06. Day for Payment. Whenever any payment to be made hereunder shall be stated to be due on a Saturday, Sunday or a day banks are closed under the laws of the State or the United States of America, such payment shall be made on the next business day.

ARTICLE IV TAXES AND ASSESSMENTS (IMPOSITIONS)

Section 4.01. Taxes and Assessments. Subject to the provisions of Section 4.02, Lessee shall pay all taxes and assessments, general and specific, if any, levied and assessed on the Leased Premises during the term, and all water and sewer charges, assessments, and other governmental charges and impositions whatsoever, foreseen and unforeseen, which if not paid when due, would impair the lien of the Trust Indenture on the Leased Premises or the security of the Bonds, encumber Lessor's title, or impair the right of the Lessor to receive the rent hereunder or in any manner whatsoever diminish the amounts thereof, all of which are herein called "impositions;" provided, however, that any impositions relating to a fiscal period of the

taxing authority, part of which extends beyond the term, shall be apportioned as of the expiration of the term. Lessor shall promptly forward to Lessee any notice, bill or other statement received by Lessor concerning any impositions. Lessee may pay any imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance. Lessee may contest any imposition or the consent thereby by proper legal proceedings diligently conducted. It is anticipated that the only ad valorem taxes and assessments that may be paid by the Lessee relating to the Leased Premises will be controlled by the Payment in Lieu of Taxes Agreement dated _____, 2016 (the "PILOT Agreement").

Section 4.02. Leased Premises Exempt From Ad Valorem Taxes; Contest of Attempted Levy Authorized. The Lessor covenants that it will not part with title to the Leased Premises or any part thereof during the term or take any other affirmative action which may reasonably be construed as tending to cause or induce the levy or assessment of ad valorem taxes on the Leased Premises; provided, however, that Lessor shall not contest the exercise of the Purchase Option provided in Article XX pursuant to the terms thereof.

Lessor has represented to Lessee and the Lessor and the Lessee acknowledge that under their and other interpretations of present law, no part of the Leased Premises will be subject to ad valorem taxation by the State or by any political or taxing subdivision thereof, and these factors, among others, materially induced the Lessee to enter into this Lease Agreement. However, the Lessee will pay all impositions, if any, in connection with the Leased Premises, which may be lawfully levied or assessed upon the Leased Premises, when the same shall become due; provided, however, that Lessee may contest any such impositions and need not pay during the pendency of such contest, except that the Lessee shall in all events pay to prevent the Leased Premises from becoming subject to loss or forfeiture. The Lessor hereby agrees that it will cooperate with the Lessee in resisting any such impositions if and to whatever extent the Lessee may request. Lessee's compliance with the PILOT Agreement will constitute compliance with the terms of this Section 4.02 with regard to any ad valorem taxation affecting the Leased Premises.

ARTICLE V INSURANCE

Section 5.01. Insurance Required.

A. Lessee shall, at Lessee's sole cost and expense, keep the Leased Premises insured in a commercially reasonable manner and in commercially reasonable amounts.

B. At all times during the term, Lessee shall, at no cost or expense to Lessor, maintain or cause to be maintained:

- (i) Commercial General Liability insurance against claims for bodily injury or death occurring upon, in or about the Leased Premises, with such insurance to afford protection to the limits of not less than \$500,000 in respect of bodily injury or death to any one person and to the limit of not less than \$1,000,000 in respect of any one accident; and

- (ii) Property damage insurance against claims for damage to property occurring upon, in or about the Leased Premises with such insurance to afford protection to the limit of not less than \$100,000 in respect of damages to the property of any one owner.

C. Copies or certificates of the insurance provided for by this Article or elsewhere in this Lease Agreement shall be delivered by Lessee to the Lessor upon the request of Lessor. And, in the case of expiring policies throughout the term, copies or certificates of any new or renewal policies shall be delivered by Lessee to Lessor upon the request of Lessor.

D. Reserved.

E. All insurance required by this Section 5.01 shall be effected with insurance companies qualified to do business in the State selected by the Lessee. The Lessee shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith.

ARTICLE VI REPAIRS AND MAINTENANCE OF LEASED PREMISES AND ALTERATIONS

Section 6.01. Lessee Obligated to Maintain Buildings and Improvements. Lessee shall throughout the term, at no cost and expense to Lessor, maintain, or cause to be maintained the improvements now or at any time erected on the lands included in the Leased Premises.

Section 6.02. Lessee Has Right to Make Additions, Alterations and Changes. Lessee shall have the right from time to time to make additions, alterations and changes in or to the improvements constituting part of the Leased Premises and shall have the right to construct new improvements. Lessee shall maintain detailed records of the nature and cost of such additions, alterations and changes, which shall be available for inspection by Lessor's representatives and agents on reasonable notice. It is understood and agreed that in the event the Lessee makes any additions, alterations and changes in or to the improvements constituting part of the Leased Premises as authorized by this Section 6.02, the Lessee shall be under no obligation at the expiration of the term to restore the Leased Premises to their original condition prior to such additions, alterations or changes.

Section 6.03. Structural Improvements and Alterations Become Property of Lessor; Machinery, Equipment and Other Property Installed at Lessee's Expense Remain Its Property With Right of Removal. All structural improvements and alterations made on the Leased Premises by or on behalf of Lessee shall immediately upon completion thereof be and become the property of the Lessor without payment therefor by Lessor but subject to this Lease Agreement. Any machinery and equipment, trade fixtures, movable partitions, furniture and furnishings and other property installed at the expense of Lessee, without reimbursement from Bond proceeds, shall remain the property of the Lessee with the right of removal, whether or not affixed and/or attached to the real estate, and the Lessee shall, so long as it is not in default hereunder, be entitled but shall not be obligated to remove the same, or any part thereof,

during the term, or within a reasonable time thereafter, but Lessee shall at its own cost and expense repair any and all damages to the Leased Premises resulting from or caused by their removal therefrom.

Section 6.04. Property on Leased Premises at Sole Risk of Lessee. All property of any kind which may be on the Leased Premises (whether belonging to the Lessor, Lessee or to any third person) shall be at the sole risk of Lessee and those claiming by, through or under Lessee and Lessor shall not be liable to Lessee or to those claiming by, through or under Lessee or to said third persons for any injury, loss or damage to any person or property on the Leased Premises.

Section 6.05. Permitted Encumbrances. Lessor acknowledges that the Leased Premises will be subject to prior liens at the time title is transferred to the Lessor. Regardless of whether or not Lessor is permitted by Arkansas law to place a lien on the Leased Premises, the Lessor agrees that it is contractually prohibited from placing any lien or attempting to place any lien on the Leased Premises without the express written consent of Lessee which consent may be withheld in the sole discretion of Lessee, and any attempt by Lessor to impose a lien that is not consistent with this Section 6.05 or Arkansas law is void.

Lessor acknowledges that prior to the date of this Lease Agreement, Lessee, as landlord, entered into a lease of the Leased Premises with FMH Conveyors LLC (the “Existing Lease”) which is identified on Exhibit D attached hereto. Lessor and Lessee agree that the Existing Lease shall be recognized and treated as a sublease during the Term. Lessor further acknowledges that Lessee may sublease additional tracts within the Leased Premises pursuant to Section 16.01 of this Lease Agreement (each, a “Future Sublease”) Lessor agrees for the benefit of the lessee under the Existing Lease and each sublessee under Future Subleases that if this Lease Agreement is terminated, or Lessor comes into possession of the Leased Premises without termination, then in either such event Lessor shall recognize the Future Subleases and the rights of the lessee under the Existing Lease and sublessees thereunder provided that such lessee and sublessees attorn to Lessor. Notwithstanding the foregoing, Lessor will not be (i) liable for any act or omission of Lessee, (ii) subject to any offsets or counterclaims that any such lessee or sublessee may have against Lessee, (iii) bound by any notices given to Lessee of which Lessor did not also receive notice, or (iv) obligated to commence or complete any construction or installation of any improvements or to make any contribution towards any construction or installation of any improvements relating to the Existing Lease or any Future Sublease. The liability of Lessor under the Existing Lease or any Future Sublease will continue only so long as Lessor is the owner of the property subject to any Future Sublease and such liability will not continue or survive with respect to claims accruing after further transfer of such interest.

ARTICLE VII USE OF LEASED PREMISES - COMPLIANCE WITH ORDERS, ETC.

Section 7.01. Permitted Use of Leased Premises and Compliance with Laws, Etc. Subject to the following provisions of this Section 7.01, Lessor and Lessee agree that Lessee shall use the Leased Premises as a manufacturing facility and for any activities and purposes

incidental thereto or in furtherance thereof or for any lawful purpose approved by Lessor. Lessor agrees and confirms that Lessee's intended use of the Leased Premises for the manufacture, fabrication or processing of custom-engineered conveyors and for any activities and purposes incidental thereto or in furtherance thereof is a permitted use. Lessee shall during the term promptly comply with all valid statutes, laws, ordinances, orders, judgments, decrees, regulations, directions and requirements of all federal, state, local and other governments or government authorities, now or hereafter applicable to the Leased Premises. Lessee shall, however, have the right to contest any of the foregoing, and if compliance therewith may legally be held in abeyance during such contest without incidence of any liens on the Leased Premises, Lessee may postpone compliance until final determination of such contest, provided such contest shall be prosecuted with due diligence; and even though a lien against the Leased Premises may be incurred by reason of such non-compliance, Lessee may nevertheless delay compliance therewith during contests thereof, provided Lessee, if required, furnishes Lessor reasonably satisfactory security against any loss by reason of such lien and effectively prevents foreclosure thereof. Lessee shall during the term comply with the mandatory requirement, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease Agreement.

Section 7.02. Lessor's Covenant Not to Impose Burdensome Laws, Etc. Lessor covenants that, to the full extent permitted by law, it will not attempt to impose upon the use or occupancy of the Leased Premises by the Lessee any laws, ordinances, rules or regulations more burdensome or restrictive than those in effect upon the date of execution of this Lease Agreement.

Section 7.03. Lessor's Covenant Not to Condemn. The Lessor covenants that during the Lease Term it will not take or condemn any part of the Leased Premises or attempt to do so.

ARTICLE VIII WORK PERFORMED BY LESSEE

Section 8.01. Obligations of Parties Concerning Work on Leased Premises and Obtaining Necessary Permits. Lessee shall not do or permit others under its control to do any work on the Leased Premises related to any repair, rebuilding, alteration of or addition to the improvements constituting part of the Leased Premises unless Lessee shall have first procured and paid for all requisite municipal and other governmental permits and authorizations. Lessor shall join in the application for any such permit or authorization whenever required, but Lessee shall indemnify and hold Lessor harmless against and from all costs and expenses which may be thereby incurred by Lessor. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning and other laws, ordinances, governmental regulations and requirements and in accordance with the reasonable requirements, rules and regulations of all insurers under the policies required to be carried by the provisions of this Lease Agreement.

**ARTICLE IX
MECHANICS' LIENS**

Section 9.01. Lessee to Keep Leased Premises Free of Construction Liens. If any lien shall be filed against the interest of Lessor or Lessee in the Leased Premises or asserted against any rents payable hereunder, by reason of work, labor, services or materials supplied or claimed to have been supplied on or to the Leased Premises at the request or with the permission of Lessee, or anyone claiming under Lessee, Lessee shall, within thirty (30) days after receipt of notice of the filing thereof or the assertion thereof against such rents, cause the same to be discharged of record, or effectively prevent the enforcement or foreclosure thereof against the Leased Premises or such rents, by contest, payment, deposit, bond, insurance, order of Court or otherwise, the actual method being within Lessee's discretion. Nothing contained in this Lease Agreement shall be construed as constituting the express or implied consent to or permission of Lessor for the performance of any labor or services or the furnishing of any materials that would give rise to any such lien against Lessor's interest in the Leased Premises.

**ARTICLE X
INDEMNIFICATION OF LESSOR**

Section 10.01. Indemnification of Lessor. Commencing with the completion of the Project or when the Lessee takes possession if prior to the completion, Lessee shall and agrees to indemnify and save Lessor and the Trustee and to hold them harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Leased Premises during the term, and against and from all claims arising during the term from (a) any condition of the Leased Premises, (b) any breach or default on the part of Lessee in the performance of any of its obligations under this Lease Agreement, (c) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (d) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Lessee shall indemnify and save Lessor and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from any of them, Lessee shall defend them or either of them in any such action or proceeding. Provided, however, Lessee has no obligation related to and shall not indemnify or hold harmless the Lessor or Trustee for any claims resulting from the negligence or willful misconduct of either the Lessor or Trustee.

**ARTICLE XI
LESSOR MAY PERFORM LESSEE'S OBLIGATIONS**

Section 11.01. Lessor May Perform Lessee's Obligations; Lessee to Reimburse Lessor for Costs and Expenses Incurred in Doing So. If Lessee shall fail to keep or perform any of its obligations as provided in this Lease Agreement in respect of (a) maintenance of insurance; (b) payment of impositions; (c) repairs and maintenance of the Leased Premises; (d) compliance with legal or insurance requirements; (e) keeping the Leased Premises lien free; (f) completion of construction and equipping of the Leased Premises; or (g) making of any other payment or performance of any other obligations, then Lessor may (but shall not be obligated to

do so), upon the continuance of such failure on Lessee's part for thirty (30) days after written notice to Lessee, or such longer period following notice as may be reasonably required to cure such failure, provided that corrective action is commenced within thirty (30) days thereafter and diligently pursued, and without waiving or releasing Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation (not under circumstances where such payment or performance would defeat any rights, herein specifically given to Lessee, to withhold such performance or to contest such obligation to the extent herein provided), and all sums so paid by Lessor and all necessary incidental costs and expenses incurred by any of them in making such payment or performing such obligation shall be deemed Additional Rent and shall be paid to Lessor on demand, or at Lessor's option may be added to any installment of Basic Rent thereafter falling due, and if not so paid by Lessee, Lessor shall have the same rights and remedies as in the case of default by Lessee in the payment of the Basic Rent.

ARTICLE XII PUBLIC UTILITIES AND CHARGES

Section 12.01. Lessee to Pay Public Utility Charges. Lessee agrees to pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat or power, telephone or other service used, rendered or supplied to or for the Lessee upon or in connection with the Leased Premises throughout the term of this Lease Agreement, and to indemnify Lessor and save it harmless against any liability or damage on such account.

ARTICLE XIII INSPECTION OF LEASED PREMISES BY LESSOR

Section 13.01. Lessor to have Right of Inspection and Right to Perform Work Subject to Certain Restrictions. Lessee shall permit Lessor, by its authorized representative, to enter the Leased Premises at all reasonable times and on reasonable prior written notice during usual business hours for the purpose of inspection, and for the performance of any work therein made necessary by reason of Lessee's default under any of the provisions of this Lease Agreement. Provided, however, Lessor's ability to perform work shall be limited to repair of an unsafe condition that has not been remedied by Lessee after receipt of written notice by Lessee from Lessor and expiration of any cure period. Lessor may, during the progress of any such work, keep and store on the Leased Premises all necessary materials, supplies and equipment and shall not be liable for reasonable inconvenience, annoyance, disturbance, loss of business or other damage to Lessee suffered by reason of the performance of any such work or the storage of materials, supplies and equipment. Such inspection and repair shall be conducted in a manner consistent with the prior and on-going practices and procedures of the Lessee and Lessor in the conduct of their normal affairs.

**ARTICLE XIV
DAMAGE AND DESTRUCTION**

Section 14.01. Lessee to Restore in Event of Damage or Destruction; Application of Insurance Moneys.

A. Lessee covenants and agrees that in the event of damage to or destruction of the Leased Premises, or any part thereof, by fire or other casualty, the Lessee shall immediately notify the Lessor and shall promptly proceed, at no cost and expense to Lessor, to restore, repair, rebuild or replace the Leased Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction, subject to such alterations as Lessee may elect to make in conformity with the provisions of Article VI hereof. Any item of machinery and equipment acquired as a replacement hereunder, or any item acquired, in whole or in part, out of insurance proceeds under this Article XIV, whether or not a replacement of or substitute for any item of damaged or destroyed machinery and equipment, if the insurance proceeds with which such item of machinery and equipment was purchased, in whole or in part, were derived from insurance on property which was part of the Project machinery and equipment, owned by Lessor, shall be and become the property of Lessor and shall be part of the Project machinery and equipment and subject to this Lease Agreement. Such restoration, repairs, replacements or rebuilding shall be commenced promptly and prosecuted with reasonable diligence.

B. The Lessor shall have no responsibility as to the application by the Lessee of any insurance proceeds.

If the insurance money shall be insufficient to pay all costs of the restoration, the Lessee shall pay the deficiency and shall nevertheless proceed to complete the restoration and pay the cost thereof. Any balance of the insurance proceeds remaining over and above the cost of the restoration shall be retained by the Lessee.

Section 14.02. No Diminution in Lessee's Obligation to Pay Basic Rent and Perform Other Covenants. Lessee's obligation to make payment of the Basic Rent and all other covenants on the part of Lessee to be performed shall not be affected by any such destruction or damage, and Lessee hereby waives the provisions of any statute or law now or hereafter in effect contrary to such obligation of Lessee as herein set forth, or which releases Lessee therefrom.

Section 14.03. Lessee Not Obligated to Restore if Purchase Option Exercised or All Outstanding Bonds Paid. Notwithstanding the provisions of the foregoing sections of this Article XIV, Lessee shall not be required to repair, restore, replace or rebuild the Leased Premises, or any part thereof, (a) if Lessee, pursuant to the provisions of Article XX, shall elect to purchase the Leased Premises and shall proceed to pay the specified purchase price or (b) if the full amount necessary under the provisions of the Trust Indenture to pay or redeem all outstanding Bonds shall have been paid and Lessee has not elected to purchase the Leased Premises or (c) if the value of the Project without restoration is at least equal to the outstanding principal amount of the Bonds. If Lessee shall so elect to purchase, the proceeds of all insurance may be used as part of the purchase price and upon the request of Lessee shall be so applied. If there be any excess insurance proceeds over and above the amount necessary to pay

the purchase price, such excess shall be paid to and shall belong to the Lessee. If Lessee shall have paid the full amount necessary to pay or redeem all outstanding Bonds, any insurance proceeds shall be paid to and shall belong to Lessee.

ARTICLE XV CONDEMNATION

Section 15.01. Rights of Parties in Event of Condemnation; Bonds Protected in Any Event.

A. If during the term of this Lease Agreement title to all or substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, the net amount awarded as damages or paid as a result of such taking (being the gross award less attorneys' fees and other expenses and costs incurred in the condemnation proceedings, hereinafter referred to as the "net award") shall be used on the next redemption date to pay in accordance with the provisions of the Trust Indenture, the entire principal, premium, if any, and interest on all Bonds outstanding under the Trust Indenture. If the net award together with the amount then in the Bond Fund, shall be insufficient to pay in full, on the next redemption date, the amount necessary to pay all principal, premium, if any, interest, and all other costs of redemption, on all Bonds outstanding under the Trust Indenture (all of which, for purposes of this Section, shall be called "total bond redemption expense"), Lessee agrees to pay, promptly upon payment of the net award, as Additional Rent hereunder, the amount by which the total bond redemption expense shall exceed the net award plus the amount then on deposit in the Bond Fund and available for payment and redemption of the Bonds outstanding under the Trust Indenture. For purposes of this Article and of Article XX, "title to all or substantially all of the Leased Premises shall be taken or condemned" shall be deemed to mean a taking of all of the Leased Premises or a taking of such substantial portion of the Leased Premises that the Lessee, as determined by the Lessee in its sole discretion, cannot reasonably operate the remainder in substantially the same manner as before. In the event the net award, together with any available amount in the Bond Fund, shall be in excess of the amount necessary to pay the total bond redemption expense, such excess shall belong to and be paid to the Lessee.

B. If less than substantially all of the Leased Premises shall be taken or condemned by a competent authority for any public use or purpose, neither the term nor any of the obligations of either party under this Lease Agreement shall be affected or reduced in any way, and

- (i) Lessee shall proceed to repair, rebuild and replace the remaining part of the Leased Premises as nearly as possible to the condition existing prior to such taking, to the extent that the same may be feasible, subject to the right on the part of the Lessee to make alterations which, in the reasonable judgment of Lessee (and in accordance with Article VI hereof), will improve the efficiency of the Leased Premises for the purposes of their intended use under this Lease Agreement; and

- (ii) The net award shall be paid to the Lessor and by it to the Lessee, and the Lessor hereby assigns the same to the Lessee for the use of the Lessee in repairing, rebuilding and replacing as provided in (i) above. The net award shall be transferred to the Lessee in the same manner as is provided in Section 14.01 with respect to insurance proceeds, provided that the words “insurance proceeds” there referred to shall for purposes of this subparagraph (ii) refer to “net award.” If the net award is in excess of the amount necessary to repair, rebuild and replace as specified in (i) above, such excess shall be deposited in the Bond Fund or if there are no Bonds outstanding under the Trust Indenture the excess shall belong to and shall be paid to the Lessee. If the net award is less than the amount necessary for the Lessee to repair, rebuild and replace as set forth in (i) above, the Lessee shall nevertheless complete the repair, rebuilding and replacement work and pay the cost thereof to the extent not covered by the net award.

C. In the event of a taking under either A or B above, the Lessee shall have the right to participate in and to submit proof in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation; provided, however, nothing in this subsection C shall be construed to diminish or impair in any way Lessee’s obligation under subsection A of this Section 15.01 to pay as Additional Rent the amount of any insufficiency of the net award and the funds in the Bond Fund to pay the total bond redemption expense as therein defined.

D. If the temporary use of the whole or any part of the Leased Premises shall be taken by right of eminent domain, this Lease Agreement shall not be thereby terminated and the parties shall continue to be obligated under all of its terms and provisions and Lessee shall be entitled to receive the entire amount of the award made for such taking, whether by way of damages, rent or otherwise.

Section 15.02. Lessee Obligated to Continue Basic and Additional Rental Payments Until Condemnation Award Available. In the event of a taking of all or substantially all of the Leased Premises as provided in Section 15.01A, the Lessee agrees to continue to make payment of the Basic Rent and the Additional Rent until the condemnation award shall be actually received by the Lessor.

Section 15.03. Lessee’s Right to Exercise Purchase Option Continues in Force Notwithstanding Condemnation Proceedings. Notwithstanding the fact that all or any part of the Leased Premises shall be taken by right of eminent domain, Lessee shall have the right to exercise the Purchase Option granted to it by the provisions of Article XX hereof and the foregoing provisions of this Article shall be construed in the light of the effect of the Purchase Option so exercised by Lessee. In the event of the exercise of the Purchase Option under Article XX and payment of the required purchase price, whether before or after such taking, the net award shall belong to Lessee.

Section 15.04. Right of Lessee to Participate in Condemnation Proceedings. Lessee shall have the sole right, proceeding in the name of the Lessor, to handle the defense of any condemnation proceeding pertaining to or affecting the Leased Premises or to handle the prosecution of any proceeding in connection with a condemnation, pertaining to or affecting the Leased Premises, and shall have the sole right, proceeding in the name of the Lessor, to negotiate any settlement or compensation for a taking pertaining to or affecting the Leased Premises and the Lessor agrees that it will cooperate with the Lessee in such manner as the Lessee requests with the end in view of obtaining the maximum possible amount justifiable as damages for the taking. The Lessee shall have the right, proceeding in its own name, to participate in the condemnation proceedings and to receive any award (by way of negotiation, settlement or judgment) which may be made for damages sustained by Lessee by reason of the condemnation.

ARTICLE XVI ASSIGNMENT

Section 16.01. Assignment and Subletting Permitted But Lessee Not Relieved of Obligations; Assignment to Trustee Permitted.

A. With the written consent of Lessor, which consent may not be unreasonably withheld, Lessee may assign this Lease Agreement or sublet the Leased Premises or parts thereof provided that no such assignment or subletting and no dealings or transactions between the Lessor and any sublessee or assignee shall relieve the Lessee of any of its obligations under this Lease Agreement and Lessee shall remain as fully bound as though no assignment or subletting had been made, and performance by any assignee or sublessee shall be considered as performance pro tanto by Lessee; provided, however, that Lessee may assign this Lease Agreement, and be thereby relieved of further obligation hereunder, in connection with a transaction involving merger, consolidation or sale as permitted under Section 23.07 provided the requirements thereof are met. Except for the sublease approved by Lessor prior to the execution of this Lease Agreement, the Lessee shall give sixty (60) days prior notice of such assignment or subletting to the Lessor. Lessee may sell or assign its interest in this Lease Agreement and be relieved of its obligations under this Lease in situations other than those described in Section 23.07, but only with the written consent of Lessor.

B. The Lessor shall not assign, encumber, sell or dispose of all or any part of its rights, title and interest in and to the Leased Premises and this Lease Agreement, except to the Lessee or a creditor of Lessee to which Lessee has granted a security interest in either the Leased Premises or the Lease Agreement in accordance with the provisions of this Lease Agreement, but subject to the provisions of Article XVII hereof, without the prior written consent of the Lessee. Lessor may assign its interests in the Lease Agreement to the Trustee.

C. Anything in this Section 16.01 to the contrary notwithstanding, Lessee may sublease without Lessor's consent up to fifty percent (50%) of the Leased Premises, with such percentage based on value, in one or more subleases, in each case following written notice to the Lessor or otherwise in compliance with Section 6.05 hereof.

**ARTICLE XVII
PRIORITY OF LEASE**

Section 17.01. Lease Agreement Superior and Prior. This Lease Agreement (and any amendment or supplement hereto executed in accordance with and pursuant to the provisions of this Lease Agreement) and the estate of Lessee hereunder are and shall continue to be superior and prior to the Trust Indenture (and all supplements thereto).

**ARTICLE XVIII
REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER**

Section 18.01. Specific Relief; Remedies are Cumulative, No Implied Waiver. Lessor and Lessee shall each be entitled to specific performance, and injunctive or other appropriate equitable relief for any breach or threatened breach of any of the provisions of this Lease Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. The specific remedies provided for in this Lease Agreement are cumulative and are not exclusive of any other remedy. The failure of either party to insist in any one or more cases upon strict performance shall not be construed as a waiver or relinquishment for the future. No acceptance of rents with knowledge of any default shall be deemed a waiver of such default.

**ARTICLE XIX
DEFAULT PROVISIONS**

Section 19.01. Events of Default. (a) The following shall be “events of default” under this Lease Agreement and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

- A. Failure by the Lessee to pay the rents or any part thereof when due so as to prevent timely payment on the Bonds.
- B. Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection A of this Section, (i) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee by the Lessor unless the Lessor shall agree in writing to an extension of such time prior to its expiration or (ii) for such longer period as may be reasonably necessary to remedy such default provided that the Lessee is proceeding with reasonable diligence, to remedy the same.
- C. The dissolution of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under similar act which may

hereafter be enacted. The term “dissolution or liquidation of the Lessee,” as used in this subsection, shall not be construed to include the cessation of the corporate or limited liability company existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or other entity or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in this Lease Agreement.

(b) In the event that Lessee has granted a leasehold mortgage to any third party, the leasehold mortgagee shall have the right to cure any of the above-referenced defaults. Lessor shall provide timely written notice of all defaults to all leasehold mortgagees at the addresses provided by such leasehold mortgagees to Lessor. Such notices shall state the term of the cure period which shall not be less than the greater of ten (10) business days or the cure period granted to Lessee hereunder or otherwise.

Section 19.02. Remedies. Whenever any event of default shall happen and then be continuing, the Lessor may take any of the following remedial steps:

A. The Lessor may, at its option, declare all installments of rent payable for the remainder of the term to be immediately due and payable, whereupon the same shall become immediately due.

B. The Lessor may re-enter and take possession of the Leased Premises without terminating this Lease Agreement, and sublease the Leased Premises on commercially reasonable terms for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts payable by the Lessee hereunder.

C. The Lessor may terminate the term, exclude the Lessee from possession of the Leased Premises and use its best efforts to lease the Leased Premises to another for the account of the Lessee, holding the Lessee liable for all rent and other payments due up to the effective date of any such leasing.

D. The Lessor shall have access to inspect, examine and make copies of the books and records relating to the Leased Premises.

E. The Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by Lessee hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Trust Indenture.

Notwithstanding the above, before exercising any remedy granted therein, Lessor shall by written notice, grant Lessee the option to cure any default for a period of thirty (30) days, and Lessor agrees that it shall contemporaneously provide a copy of any such notice and the opportunity to cure a default to all leasehold mortgagees.

Section 19.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time as often as may be deemed expedient.

Section 19.04. Rental, Damages and Reletting Handled as Provided in Lease and Agreement and Indentures. The foregoing provisions of this Article relating to the receipt of moneys by Lessor as the result of an acceleration, upon a reletting or otherwise are each to be construed as providing that all such payments by Lessee or others shall be handled as provided in this Lease Agreement and in the Trust Indenture.

**ARTICLE XX
PURCHASE OPTION**

Section 20.01. Purchase Option. The Lessee shall have the right and option to purchase the Leased Premises at any time (the "Purchase Option"). Contemporaneous with the execution of this Lease Agreement, Lessee and Lessor shall execute the Option Agreement attached hereto and incorporated herein as Exhibit C. Lessee and Lessor agree and acknowledge that the consideration for the Purchase Option includes, not only the stated consideration within the Option Agreement, but also the mutual benefits and covenants of this Lease Agreement, the issuance, purchase and repayment of the Series 2016 HMD Bonds, and the accomplishment of the Lessee's portion of the Project, including, but not limited to, the Project's construction and operation by the Lessee.

**ARTICLE XXI
NOTICES**

Section 21.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid addressed as set forth herein. The parties may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

If intended for Lessee: HMD Jonesboro, LLC

Attention: Member

With a copy to:

HMD Sub LLC
c/o HMD Jonesboro, LLC

Attention: Member

If intended for Issuer: City of Jonesboro, Arkansas
P.O. Box 1845
Jonesboro, Arkansas 72403
Attn: Mayor
With a copy to: Carol M. Duncan
Attorney at Law
410 W. Washington Ave.
Jonesboro, AR 72401

Any party may change the address and the name of addressee to which subsequent notices are to be sent by notice to the other parties given as aforesaid.

ARTICLE XXII RECORDING

Section 22.01. Recording. A Memorandum of this Lease Agreement and every assignment and modification thereof shall be recorded in the office of the Circuit Clerk and Ex-Officio Recorder of Craighead County, Arkansas, upon the request of Lessee or Lessor.

ARTICLE XXIII GENERAL

Section 23.01. Arkansas Law Applicable. This Lease Agreement shall be construed and enforced in accordance with the laws of the State. Wherever in this Lease Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligation. All factual representations set forth in the whereas clauses of this Lease Agreement shall be construed as express representations and covenants on the part of the party to which each such recital is applicable to the same extent as though set forth as an express representation and covenant by that party.

Section 23.02. Severability. If any provision of this Lease Agreement or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease Agreement and the application of its provisions to persons or circumstances other than those as to which it has been determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Lease Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

Section 23.03. Captions for Reference Only. The Article captions in this Lease Agreement are for convenience and reference only and shall in no way define, limit or describe the scope or intent of this Lease Agreement or any part thereof, or in any wise affect this Lease Agreement and shall not be considered in any construction thereof.

Section 23.04. Provisions Binding on Successors. The provisions of this Lease Agreement shall bind and inure to the benefit of the parties hereto and their respective

successors, assigns and sub-lessees (it being understood that assignments and subleasing are governed by the provisions of Article XVI hereof).

Section 23.05. Consent Required for Modification. It is agreed that the Lessor and the Lessee shall not alter, modify or amend any of the terms of this Lease Agreement except by mutual written agreement with the consent of the Trustee as required by the Indenture.

Section 23.06. Reasonable Consent. In each instance in this Lease Agreement where the consent or approval of Lessor is required, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 23.07. Consolidation, Merger or Sale Permitted In Certain Circumstances. Notwithstanding any other provision of this Lease Agreement to the contrary, the Lessee will maintain its existence as a limited liability company and will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or other entity or permit one or more other corporations or other entities to consolidate with or merge into it; provided, however, the Lessee may consolidate with or merge into another domestic corporation or other entity (that is a corporation or other entity organized and existing under the laws of one of the states of the United States of America), or permit one or more other corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer to another domestic corporation or other entity all or substantially all of its assets as an entirety and thereafter dissolve on the condition that such surviving, resulting or transferee corporation or other entity shall expressly assume in writing all of the obligations of the Lessee contained in this Lease Agreement and that the net tangible assets of the other corporation or other entity after the consolidation, merger or sale be at least equal to the net tangible assets of Lessee immediately prior to such consolidation, merger or sale and qualifies to do business in the State. In the event of such consolidation, merger or sale, as permitted by this Section, and the assumption by the surviving, resulting or transferee corporation or other entity of the obligations hereof, the Lessee shall be relieved of all further obligations hereunder. As used herein, "net tangible assets" means all assets of the corporation or other entity (except there shall not be included goodwill) less all liabilities. Sixty (60) days prior to any such consolidation, merger or sale, the Lessee shall give notice thereof to Lessor.

ARTICLE XXIV REMOVAL AND DISPOSAL OF PROPERTY

Section 24.01. Lessee's Rights and Obligations Concerning Removal and Disposal of Building Service Equipment. The Lessee may, provided Lessee is not in default in the payment of Basic Rent or Additional Rent as required by the provisions of this Lease Agreement and has not received notice of any other default on its part hereunder, remove, free of any right or claim of Lessor, any building service equipment or other improvements (hereinafter defined), subject however, in all cases to the following:

- A. Except as provided in Section 24.02, building service equipment or other improvements may be so removed upon the substitution thereof, then or theretofore, by Lessee of other building service equipment or other improvements of a utility or value at least equal to that, at the time of removal, of the building service equipment removed;

B. Lessee shall pay all the costs and expenses of any such removal.

The term “building service equipment” is intended to refer to such things as are affixed to or incorporated in a building for its operation, such as boilers, pumps, tanks, sprinklers, lighting equipment and wiring, heating, plumbing and ventilating equipment, elevators, escalators, refrigerating, air conditioning and air cooling equipment, and items similar in general to any of the foregoing.

Section 24.02. Lessee’s Rights and Obligations Concerning Removal and Disposal of Project Machinery and Equipment. The Lessor and the Lessee recognize that after the Project machinery and equipment is installed portions thereof may become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises. The Lessor shall not be under any obligation to renew, repair or replace any such inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary items of Project machinery and equipment. In any instance where the Lessee in its sound discretion determines that any items of Project machinery and equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary in the operation of the Leased Premises,

A. The Lessee may remove such items of Project machinery and equipment from the Leased Premises, and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them without any responsibility or accountability to the Lessor therefor, provided that the Lessee substitute (either by direct payment of the cost thereof or by advance to the Lessor of the funds necessary there for, as hereinafter provided) and install anywhere in the Leased Premises other machinery or equipment having equal or greater utility (but not necessarily the same function) in the operation of the Leased Premises and provided further that such removal and substitution shall not impair the operating unit of the Leased Premises, and all such substituted machinery or equipment shall be the sole property of the Lessor, shall be and become a part of the Project machinery and equipment subject to this Lease Agreement and shall be held by the Lessee on the same terms and conditions as items originally comprising Project machinery and equipment; or

B. The Lessee may remove such items of Project machinery and equipment from the Leased Premises and sell, trade-in or exchange them on behalf of the Lessor, either to itself or to another, or scrap them (in whole or in part), without being required to substitute and install in the Leased Premises other items of machinery or equipment in lieu thereof.

To the extent necessary to comply with the Trust Indenture and/or the PILOT Agreement, the Lessee will promptly report such removals, substitutions, sales and other dispositions of items of Project machinery and equipment to the Lessor and will execute and deliver to the Lessor such documents as may from time to time be requested to confirm the title of the Lessor (subject to this Lease Agreement) to any items of machinery and equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will pay any costs (including counsel fees) incurred in subjecting to the lien of the Trust Indenture any items of machinery or equipment that under the provisions of this section are to become a part of Project machinery and equipment. The Lessee will not remove or permit the

removal of any of Project machinery and equipment from the Leased Premises except in accordance with the provisions of this Section.

**ARTICLE XXV
RESERVED**

**ARTICLE XXVI
REPRESENTATIONS AND WARRANTIES**

Section 26.01. Representations and Warranties of the Lessor. The Lessor represents and warrants as follows:

A. The Lessor is a body corporate and politic, and is authorized pursuant to the provisions of the Act to enter into the transactions contemplated by this Lease Agreement.

B. The Lessor has full power and authority to enter into the transactions contemplated by this Lease Agreement and the Trust Indenture and to carry out its obligations hereunder and thereunder.

C. The Lessor is not in default under any provisions of the laws of the State material to the performance of its obligations under this Lease Agreement.

D. The Lessor is authorized by the Act to execute and deliver this Lease Agreement and the Trust Indenture and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Lessor, this Lease Agreement and the Indenture are valid and legally binding and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) general principles of equity, and (iii) the exercise of judicial discretion in appropriate cases.

E. The loan of the proceeds of the Bonds for the financing or refinancing of the acquisition, construction, and equipping of the Project by the Lessee, as provided by this Lease Agreement, will further the purposes of the Act.

Section 26.02. General Representations and Warranties of the Lessee. The Lessee represents and warrants as follows:

A. The Lessee is duly organized and existing under the laws of the State of Arkansas and has full power to enter into this Lease Agreement.

B. The making and performance of this Lease Agreement has been duly authorized by all necessary actions and does not contravene any law, regulation or decree or any contractual restriction binding on the Lessee.

C. Except for any Future Leases and the Existing Lease permitted by Section 6.05 and the lease between the Issuer and FMH Conveyors LLC, the Lessee is or will be the only Lessee of the Project. Except for the Permitted Encumbrances, the Project is free and clear of all mortgages, liens, charges and encumbrances, which constitute a lien or charge against its property, real or personal, tangible or intangible (except for such liens, if any, as will be waived or discharged at the time of the execution of this Lease Agreement).

D. The making and performance of this Lease Agreement, and each and every other document required to be delivered, has received or will receive in due course all necessary governmental approvals, and does not contravene any law, regulation or decree or any contractual restriction (other than those which shall be waived or discharged at the time of the execution of this Lease Agreement) binding on or affecting the Lessee.

E. This Lease Agreement, any other security documents and each and every other document required to be delivered under Article II hereof, when duly executed and delivered for value, will be legal and binding obligations of the Lessee, enforceable in accordance with their respective terms.

F. Except as otherwise disclosed, there are no pending or threatened actions or proceedings before any court or administrative agency which may materially adversely affect the financial condition or operations of the Lessee.

G. The Lessee is not in default under any material provision of any lease or rental agreement.

H. The Lessee is not in default under the terms of any material instrument or undertaking with respect to its obligations to repay any borrowed money.

I. The Lessee is not aware of any claim, or purported claim, of any laborer, materialman, contractor or other person who might assert a lien against the Property by reason of the construction or other improvement, other than those shown on the title commitment of the approved title insurance company, which shall be fully paid and satisfied from the proceeds of the Loan.

J. Estimated project costs have been determined in accordance with sound engineering and accounting principles, and the Lessee estimates that all of the proceeds of the Bonds (exclusive of accrued interest, if any, paid by the original purchasers thereof) will be expended to pay or reimburse such Project costs.

K. All financial information, data, representations, exhibits, terms and conditions required or submitted to the Lessor, if any, are true, accurate and complete in all material respects on the date of delivery by the Lessee.

All of the above representations and warranties shall survive the execution of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

CITY OF JONESBORO, ARKANSAS, Lessor

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

HMD JONESBORO, LLC, Lessee
a Tennessee limited liability company

By: _____

Name: _____

Title: _____

STATE OF ARKANSAS)
) ss:
COUNTY OF CRAIGHEAD)

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **Harold Perrin** and **Donna Jackson** to me personally well known, who stated that they are the Mayor and City Clerk, respectively, of the **CITY OF JONESBORO, ARKANSAS**, a city of the first class, and were duly authorized in those capacities to execute the foregoing instrument for and in the name and behalf of said City, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

STATE OF _____)
COUNTY OF _____) ss:

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _____, to me personally well known, who stated that he was the _____ of **HMD JONESBORO, LLC**, a Tennessee limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said limited liability company, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2016.

Notary Public

My commission expires:

(SEAL)

EXHIBIT A

All machinery, equipment and furnishings located on the Leased Premises and financed with the proceeds of the Series 2016 HMD Bonds.

EXHIBIT B

Legal Description

The Leased Premises is located in Craighead County, Arkansas and described as follows:

[To be inserted]

EXHIBIT C
Option Agreement
(See Attached)

OPTION AGREEMENT

This OPTION AGREEMENT (the "Option Agreement") is entered into and effective on the _____ day of _____, 2016, by and between the **CITY OF JONESBORO, ARKANSAS** ("Grantor") and **HMD JONESBORO, LLC**, a limited liability company organized under and existing by virtue of the laws of the State of Tennessee ("Grantee").

WHEREAS, Grantor, as Lessor, and Grantee, as Lessee, have entered into a Lease Agreement (the "Lease Agreement") dated as of _____, 2016 relating to the Leased Premises (as defined in the Lease Agreement), and

WHEREAS, pursuant to the Lease Agreement, Grantor has given Grantee the right and option to purchase the Leased Premises at any time.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Grantor and Grantee, and in consideration of the mutual benefits and covenants herein contained, Grantor and Grantee agree as follows:

1. Definitions. In addition to the words and terms otherwise defined in this Option Agreement, capitalized words and terms shall have the definition given to them in the Lease Agreement.

2. Grantee Option. (a) The Grantee shall have the right and option to purchase the Leased Premises at any time if:

- (i) The Leased Premises shall sustain major damage or destruction; or
- (ii) Title to all or substantially all of the Leased Premises shall be condemned, by any competent authority other than the Grantor, as provided in Article XV of the Lease Agreement; or
- (iii) As a result of changes in the Constitution of the United States or of the State, or of legislative action, or by the final decree, judgment or order of any court or administrative body entered after Grantee's contest thereof in good faith, or change in Grantor's legal organization or status, the Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease Agreement, or unreasonable burdens or excessive liabilities are imposed upon either party to it; or
- (iv) There is legal curtailment of Grantee's use and occupancy of all or substantially all of the Leased Premises for any reason other than condemnation referred to in subsection (ii); or
- (v) Grantee determines to do so in its sole and absolute discretion; or

- (vi) Grantee is directed or requested to do so by any lienholder to which the Leased Premises was pledged as security prior to the commencement of the Lease Agreement.

If the Lease is terminated as a result of a default pursuant to Article XIX therein or otherwise, Grantee shall have the right and option to purchase the Leased Premises at any time during the period ending ninety (90) days after the effective date of such termination, in which event the Purchase Price payable shall include all expenses and reasonable attorney's fees of Grantor in connection with such termination, in addition to the amounts described Section 4.

The term "major damage or destruction" as used in subsection (i) is defined to mean any damage or injury to or destruction of the Leased Premises or any part thereof (whether or not resulting from an insured peril) such that the Leased Premises cannot reasonably be restored to its condition immediately preceding such damage, injury or destruction within a period of six (6) months, or which would prevent Grantee from carrying on its manufacturing operations therein for a period of at least six (6) months or the restoration cost of which would exceed the total amount of insurance carried on the Leased Premises in accordance with the provisions of Article V of the Lease Agreement, or such that it would not be economically feasible for the Grantee to repair the Leased Premises, as determined by the Grantee in its discretion.

(b) **Exercise of Purchase Option.** The Purchase Option may be exercised by Grantee giving written notice to Escrow Agent (hereinafter defined), with a copy to Grantor, of the exercise thereof specifying the time and place of closing. At the closing, Escrow Agent shall deliver the Conveyance Documents (hereinafter defined) to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Grantor and Grantee agree and acknowledge that the Conveyance Documents shall transfer title to the Leased Premises free and clear of all liens and encumbrances except those identified as Permitted Encumbrances under the Lease Agreement or resulting from any failure of Grantee to perform any of its obligations under the Lease Agreement; provided, however, that if the Purchase Option is exercised under the provisions of Section 2(a)(ii) above, such title may be subject to the rights, titles and interests of any party having taken or who is attempting to take title to or use of all or substantially all or part of the Leased Premises by eminent domain.

3. Obligation to Purchase. At any time following or contemporaneous with the redemption of the Bonds, if the purchase option under the provisions of Section 2 has not been exercised, Grantee shall have the further unconditional right and obligation to purchase the Leased Premises for the Purchase Price (defined below).

4. Purchase Price. If the Grantee exercises Grantee's option to purchase the Leased Premises under the provisions of the Option Agreement:

- (i) if no Bonds shall be outstanding under the Trust Indenture at the time of purchase, the purchase price of the Leased Premises (the "Purchase Price") shall be One Hundred Dollars (\$100.00); and
- (ii) if Bonds are outstanding under the Trust Indenture at the time of the purchase, the purchase price of the Leased Premises shall be One Hundred Dollars (\$100.00), and in addition, either (x) contemporaneous with or prior to the date determined in Section 2(b), the full amount necessary under the provisions of the Trust Indenture to pay or redeem (on the first date thereafter on which all outstanding Bonds may be paid and redeemed after giving the necessary notice) all Bonds outstanding under the Trust Indenture (including, without limitation, principal, interest, and expenses of redemption), but after deduction of any amount then in the Bond Fund and available for such payment and redemption shall have been paid or otherwise satisfied pursuant to the terms of the Trust Indenture or (y) the Grantee shall assume all obligations with respect to repayment of the Bonds.

5. Prepayment of Purchase Price; Consideration. Contemporaneous with the execution of this Option Agreement, Grantee has paid One Hundred Dollars (\$100) to Grantor, and Grantor acknowledges receipt of such amount contemporaneous with the execution of the Option Agreement. Grantee and Grantor agree and acknowledge that the consideration for the Purchase Option and the Purchase Price for the Leased Premises includes the mutual benefits and covenants of the Lease Agreement, the issuance, purchase and repayment of the Series 2016 HMD Bonds, and the accomplishment of the Project, including, but not limited to, the Project's construction and operation by the Grantee.

6. Reserved.

7. Escrow of Transfer Documents. Contemporaneous with the execution of this Option Agreement, Grantor shall deliver into escrow a quitclaim deed, bills of sale and other appropriate conveyance instruments transferring title to the Leased Premises in a form consistent with Section 2(b) (collectively, the "Conveyance Documents"). The "Escrow Agent" shall be the Trustee for the Bonds or any successor trustee appointed pursuant to the Trust Indenture. The Escrow Agent shall hold the Conveyance Documents in escrow until the Purchase Option is exercised by the Grantee. Upon receipt of the notice specified in Section 2(b), the Escrow Agent is authorized to release the Conveyance Documents to or upon the direction of Grantee or any leasehold mortgagee succeeding to the rights of Grantee. Notwithstanding the escrow of the Conveyance Documents, upon exercise of the Purchase Option, Grantor shall execute and deliver new Conveyance Documents to Grantee at Grantee's request. It is agreed by Grantee and Grantor that the Escrow Agent shall be liable as a depository only and shall be and is hereby discharged from any and all liability for any act or omission done in good faith. The Escrow Agent may rely upon any paper, document or other writing reasonably believed to be authentic. The Escrow Agent shall not be required to construe this Option Agreement or any other instrument deposited herewith.

8. Notices. All notices, requests, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid, first-class, certified or express mail, return receipt requested, postage prepaid, to the addresses specified in the Lease Agreement or the Trust Indenture, as applicable.

9. No Recordation. This Option Agreement shall not be recorded. Grantor and Grantee shall sign and record a Memorandum of Lease and Option Agreement as well as every assignment and modification of either the Lease Agreement or the Option Agreement in the office of the Circuit Clerk and Ex-Officio Recorder of Craighead County, Arkansas.

10. General. Time is of the essence with respect to this Option Agreement. This option to purchase shall be governed by and construed under Arkansas law and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Option Agreement to be signed in several counterparts, each of which may be considered an original without the presentation of the others, by their duly authorized officials and officers as of the day and year first hereinabove written.

CITY OF JONESBORO, ARKANSAS, Lessor

By: _____
Harold Perrin, Mayor

ATTEST:

By: _____
Donna Jackson, City Clerk

(S E A L)

HMD JONESBORO, LLC, Lessee
a Tennessee limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by Escrow Agent:

[TO BE DETERMINED]

By: _____
Name: _____
Title: _____

STATE OF ARKANSAS)
) ss: **ACKNOWLEDGMENT**
COUNTY OF CRAIGHEAD)

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **Harold Perrin** and **Donna Jackson** to me personally well known, who stated that they are the Mayor and City Clerk, respectively, of the **CITY OF JONESBORO, ARKANSAS**, a city of the first class, and were duly authorized in those capacities to execute the foregoing instrument for and in the name and behalf of said City, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

STATE OF _____)
) ss:
COUNTY OF _____)

ACKNOWLEDGMENT

On this day, before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _____, to me personally well known, who stated that he was the _____ of **HMD JONESBORO, LLC**, a Tennessee limited liability company, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said limited liability company, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2016.

Notary Public

My commission expires:

(S E A L)

EXHIBIT D

Existing Lease

Lease Agreement dated _____, 2016 between FMH Conveyors LLC, a Delaware limited liability company, as tenant, and HMD Developers, LLC, a Tennessee limited liability company, as landlord



Legislation Details (With Text)

File #:	RES-16:120	Version:	1	Name:	Agreement with EAPPD for the Miracle League Project
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	8/26/2016	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE EAST ARKANSAS PLANNING AND DEVELOPMENT DISTRICT FOR THE 2015 GENERAL IMPROVEMENT FUNDS (GIF) FOR THE MIRACLE LEAGUE PROJECT				
Sponsors:	Grants				
Indexes:	Contract, Grant				
Code sections:					
Attachments:	Grant 20155906 - Miracle League - 08162016				

Date	Ver.	Action By	Action	Result
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A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO AN AGREEMENT WITH THE EAST ARKANSAS PLANNING AND DEVELOPMENT DISTRICT FOR THE 2015 GENERAL IMPROVEMENT FUNDS (GIF) FOR THE MIRACLE LEAGUE PROJECT
WHEREAS, the City Council approved RES-16:060 on May 17, 2016 to apply for General Improvement Funds for surveillance system and remaining installation cost for the pavilion for the Miracle League Park, and

WHEREAS, the City of Jonesboro was awarded the FY2015 GIF Grant in the amount of \$7,000 in state funding for the aforementioned items in the initial grant application, and

WHEREAS, the City of Jonesboro will accept all accounting and reporting responsibilities for said grant during the grant period of one year.

NOW, THEREFORE, LET IT BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro will enter into agreement with the East Arkansas Planning and Development District in the amount of \$7,000.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.

East Arkansas Planning & Development District
General Improvement Fund Grant Program
Grant Agreement

Grantee: City of JonesboroGrant #: 20155906Grant Amount: \$7,000.00Purpose: **Funds will be used to install a surveillance system.****GRANTOR**

East Arkansas Planning & Development District
PO Box 1403
Jonesboro, AR 72403
Phone: 870.932.3957

GRANTEE

City of Jonesboro
PO Box 1845
Jonesboro, AR 72403
Phone: 870-336-7229

1. PURPOSE

This Agreement is entered into by East Arkansas Planning & Development District (EAPDD), herein referred to as Grantor, and City of Jonesboro, herein referred to as Grantee. The Grantor has received General Improvement Funds from the Arkansas General Assembly to be utilized to assist local public governmental jurisdictions and/or non-profit organizations to plan, develop, promote, and/or implement economic and community development projects/activities designed to improve the economic, community and/or social well-being of the citizens of Arkansas. Projects should complement Arkansas's Economic and Community Development Goals and Objects. The Grantee agrees to implement and complete a General Improvement Fund Program project within one year of award date and in accordance with the provisions of this Agreement. In the event that Grantee fails to fully expend such sum within such one year period as a result of unforeseen circumstances beyond the control of the Grantee, then Grantor shall have the option, in its sole discretion, to extend such expenditure period for a reasonable period of time as determined by Grantor in its sole discretion.

2. LEGAL AUTHORITY

By signing this Agreement the Grantee certifies that it possesses legal authority to accept grant funds under the General Improvement Fund program. The act of signing will also certify that the Grantee will comply with all parts of this Agreement, and the Grantee accepts full legal responsibility for properly implementing the project described in the original grant application documents and agrees to expend funds in accordance with the original grant application form.

3. FINANCIAL MANGEMENT AND ACCOUNTING

The Grantee will establish and/or maintain a financial management and accounting system, which conforms to generally accepted accounting principles and complies with requirements of the State Purchasing Law, the General Accounting and Budgetary Procedures Law, and other applicable fiscal control laws of this State and regulations promulgated by the Department of Finance and Administration shall be observed in connection with the utilization of said grant funds.

4. RECORD KEEPING

Grantee will maintain records of all project expenditures on file for a period of three years or until the Grantee's audit for the period in which grant funds were utilized have been conducted. The Grantor and duly authorized officials of the State will have full access and the right to examine any pertinent documents of the Grantee or persons or organizations with which the Grantee may contract, which involve transactions related to this Agreement.

5. REPORTING

The Grantee agrees to provide Grantor with all documentation regarding grant expenditures and a final close-out report within sixty (60) days of project completion on which grant funds have been utilized.

6. INDEMNIFICATION

The Grantee agrees to follow all local and state laws and regulations. Furthermore, the Grantee agrees to hold harmless and indemnify the Grantor from any and all claims, suits, and actions arising from any act, omission, noncompliance, or misuse of grant funds by the Grantee or any employee or agent in the performance of this Grant Agreement.

7. POLITICAL ACTIVITY

No portion of the funds provided hereunder will be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

8. TERMINATION FOR CAUSE

This agreement may be terminated by Grantor, in its sole discretion, in whole or in part, prior to the completion of project activities when the Grantor determines that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Grantee will not incur new obligations for the terminated portion after the written notice from Grantor, and will cancel as many outstanding obligations as possible. The Grantor will make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination. If the Grantee fails to comply with the terms of this Agreement, or fails to use the grant for solely those purposes set forth therein, the Grantor may:

- (a) After written notice to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantor from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate.
- (b) Terminate the grant, in whole or in part, at any time before the final grant payment is made. The Grantor will promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Grantor will be in accordance with the legal rights and liabilities of the parties. Grantee agrees that regardless of its designation of any third party or parties to undertake all or part of the grant project, Grantee remains primarily liable and responsible for the recovery of and reimbursement to Grantor of any grant proceeds owed to Grantor as a result of any failure by the Grantee to comply with the terms of this Agreement.

9. RECOVERY OF GRANT FUNDS

In the event of a violation of the terms of this Agreement by the Grantee, the Grantor may institute actions to recover all or part of the project funds paid to the Grantee. Grantee shall be liable for all attorney fees and other costs incurred by Grantor in pursuing such remedies.

10. ENFORCEMENT

If the Grantor determines that a Grantee's performance fails to meet the terms and conditions of this Grant Agreement, several courses of action may be pursued in order to resolve the problem. The Grantor may take any one or more of the following actions, in its sole discretion:

- (a) Request additional information from the Grantee to verify the nature of inadequate performance;
- (b) Conduct a site visit to examine pertinent records and recommend remedial courses of action;
- (c) Issue a letter of warning, advising the Grantee of the deficiency, recommendations for corrections, date by which performance must be corrected and notice that more serious sanctions may be imposed if the situation continues or is repeated;
- (d) Suspend funding for questioned activities until remedies are effected;
- (e) Require reimbursement of funds improperly spent, including a demand that Grantee institute all necessary legal proceedings, at its expense, to recover funds improperly spent by any third party performing on behalf of the Grantee;
- (f) Institute appropriate legal actions against Grantee to recover improperly spent grant funds; and/or
- (g) Condition future receipt of EAPDD GIF Program funds upon assurances of corrective action and special conditions.

11. CONFLICT OF INTEREST

The Grantee shall secure all such services in accordance with applicable State law and the provisions of this Agreement, and shall notify the Grantor, in writing, of the method utilized to secure services, the name and address of the services provider(s), the scope of work anticipated, and the terms of compensation. No officer or employee of the Grantor, no member, officer, or employee of the Grantee or its designees or agents, no member of the governing body of the jurisdiction in which the project is undertaken or located, and no other official of such locality or localities who exercises any function or responsibilities with respect to the project during this tenure, will have any personal or pecuniary gain or interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this contract agreement. The Grantee will incorporate, or cause to incorporate, in all such contracts or subcontract a provision prohibiting such interest pursuant to the purpose of this provision. The Grantor reserves the right to waive certain provision of this clause in the event of a situation, once justified as unavoidable by the Grantee, and approved by the Grantor in writing which necessitates such a waiver.

12. METHOD OF PAYMENT

The Grantor shall make payment of authorized grant funds upon proper execution of this Grant Agreement by the Grantee. The Grantor reserves the right to determine the most appropriate distribution of payments, based upon the nature of the approved project. The method of payment may include either a one-time disbursement or a number of cost reimbursements based upon submitted invoices. In no

Grantee: City of Jonesboro

Grant #: 20155906

event will the total amount of grant funds to the Grantee for allowable expenses incurred in relation to the project exceed the amount noted on Page 1 of this Agreement as the Grant Amount.

13. PROCUREMENT PROCEDURES

The Grantee agrees to comply with all procurement procedures required by applicable State and Federal laws and will maintain a record of this compliance.

14. MODIFICATIONS

The Grant Agreement may not be modified, without the prior written consent of Grantor and Grantee.

15. WAIVERS

No conditions or provisions of the Agreement may be waived unless approved by the Grantor in writing.

This Agreement is entered into as of the Grantor's signature date below, and is considered to be in effect until the Grantor notifies the Grantee in writing that the Agreement is terminated.

Approved for the Grantor

Approved for the Grantee

BY:

BY:

East Arkansas Planning & Development
District

City of Jonesboro

Melissa Rivers
Executive Director

Harrold Perrin

Date

Date



Legislation Details (With Text)

File #: RES-16:124 **Version:** 1 **Name:** Memo of Understanding with Mid-South Health for rehab activities

Type: Resolution **Status:** To Be Introduced

File created: 9/6/2016 **In control:** Finance & Administration Council Committee

On agenda: **Final action:**

Title: A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH MID-SOUTH HEALTH SYSTEMS TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR RESIDENTIAL FACILITIES FOR THE 2016 CDBG ACTION PLAN

Sponsors: Grants

Indexes: Contract

Code sections:

Attachments: [MOU for MidSouth Health](#)

Date	Ver.	Action By	Action	Result
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A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH MID-SOUTH HEALTH SYSTEMS TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR RESIDENTIAL FACILITIES FOR THE 2016 CDBG ACTION PLAN
 WHEREAS, by RES-16:105 for the agreement between HUD and the City for the approval of the 2016 CDBG Action Plan was approved on September 6, 2016; and

WHEREAS, the City has approved the submission of the 2016 CDBG Action Plan that included the rehabilitation of three housing units are brought into standardized and healthy environments for low to moderate income individuals with mental disabilities as prescribed in the National Objectives set forth by HUD, and

WHEREAS, Mid-South Health Systems has agreed to provide these services for CDBG by performing rehabilitation efforts of the said properties in order for these individuals to live in standardized and healthy homes that will prevent homelessness which is set forth by federal, state and local laws and regulations.

NOW, THEREFORE, LET IT BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro will enter into a Memorandum of Understanding agreement with the Mid-South Health Systems for the performance of the aforementioned homelessness prevention activities for the FY2016 CDBG Action Plan.

SECTION 2: The Mayor and City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



MEMORANDUM OF UNDERSTANDING

IMPROVEMENT OF RESIDENTIAL FACILITY WITHIN THE CITY OF JONESBORO

BETWEEN CITY GOVERNMENT AND PRIVATE NON- PROFIT ORGANIZATION TO PREVENT HOMELESSNESS

This Memorandum of Understanding (“MOU”) is entered into jointly by the City of Jonesboro (City) and Mid-South Health Systems (MSHS).

I. Purpose

The purpose of this MOU is to formalize the commitment among the listed entities to work in a partnering process to coordinate and leverage funds to complete the shared projects that apply jointly to the entities in order to provide sustainable living environment in conjunction with the Community Development Block Grant (CDBG) funds. This partnership will facilitate a coordinated effort that ensures the residential facilities are remediated and brought to standard according to the federal, state and local laws. This MOU shall be applicable to projects outlined in the 2016 CDBG Action Plan.

II. Background

The goal of the 2016 CDBG Action Plan (“Project”) is to meet the CDBG program’s National Objectives by (1) benefit to low- and- moderate income persons; (2) aid in the prevention or elimination of slums or blight; and (3) ensure community development needs having a particular urgency, as defined in 24 CFR§570.208. Among other things, the project will include rehabilitation of residential facilities for the 2016 CDBG program year. Funding for the Project under this MOU will be derived from several funding sources, which includes federal, state and local contributions. As a result, the City and MSHS are required to comply with all federal, state and local regulations with use of federal funding.

The need for coordination to streamline the project for the reconstruction is seen as necessary by the parties to fulfill as mandated through National Objectives set forth by U.S. Department of Housing and Urban Development for the CDBG program.

III. Statutory and Regulatory Authority

WHEREAS, federal funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, Title VIII of the Civil Rights Act of 1968, as amended in 1988, or the Fair Housing Act (FHA) prohibits discrimination in the sale, rental, and financing of dwellings and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18) and disability.

WHEREAS, Title VI of the Civil Rights Act of 1964 prohibits the discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

WHEREAS, Title II of the Americans with Disabilities Act of 1990 prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

WHEREAS, Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability in any program or activities receiving federal financial assistance.

WHEREAS, Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

WHEREAS, Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency) eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

WHEREAS, in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of services through federally funded activities.

NOW, THEREFORE:

IV. Commitment of the Entities

To facilitate preparation of the facility improvement, the City and MSHS hereby commit as follows:

- MSHS must notify and submit appropriate documentation indicating the qualification of residents, as applicable.
- MSHS must comply with City's policy and procedures in accordance with 24 CFR §570 and 2 CFR §200, as applicable.
- MSHS shall maintain all records required by the Federal regulations specified in 24 CFR §570.506 that are pertinent to the aforementioned activities.
- MSHS shall maintain real property inventory records, which clearly identify properties purchased, improved, or sold that receive federal financial assistance. Those properties shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions in 24 CFR §570.503(b) (8), as applicable.

- All records pertaining to the Project shall be made available to the City, the Federal agency and their designees, at any time during normal business hours, as deemed necessary, to audit, and make excerpts or transcripts of all relevant data.
- MSHS shall hold harmless, defend and indemnify the City, its agents, and employees from any suits and actions: including attorney's fees, all costs of litigation, and judgment brought against the City as a result of loss, damage or injury to persons or property arising out of or resulting from MSHS direct use and operation of programs in connection with the MSHS's performance or nonperformance of the services or subject matter called for in this MOU only if as a result of the MSHS's negligent or intentional acts.
- MSHS shall comply with the bonding and insurance requirements as outlined in 24 CFR §§84.31 and 84.48 and 2 CFR §§200.304, 200.310 and 200.447.
- The City may amend, in its discretion, this MOU to conform to all Federal, state or local governmental laws and regulations as deemed necessary. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the MOU, such modifications will be incorporated only by written amendment signed by both parties.
- In accordance with 2 CFR §200.213, non-federal entities are subject to the non-procurement debarment and suspension regulations that restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. MSHS and its agents under this MOU shall be registered with System for Award Management (SAM) prior to the commencement of activities.
- MSHS agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR §570.606(b); (b) the requirements of 24 CFR §570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR §570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for CDBG-assisted projects. MSHS also agrees to comply with applicable City ordinances, variances and policies concerning the displacement of persons from their residences.
- MSHS agrees to comply with the non-discrimination practices regarding employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR §570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are applicable.
- Both parties shall maintain documentation that demonstrates compliance with hour and wage requirements according to all federal, state and local laws and regulations. Such documentation shall be readily available upon request.

- MSHS shall not enter into any subcontracts with any agency or individual in the performance of this MOU without the written consent of the City prior to the execution of such agreement. MSHS will monitor all subcontracted services on a regular basis to assure compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of actions taken in correction areas of noncompliance. MSHS shall initiate all of the provisions of this MOU in its entirety to be included in any subcontract executed in the performance of said Project. MSHS shall undertake to ensure that all subcontracts consent to the performance of this MOU shall be awarded upon a fair and open competitive basis. Executed copies of all subcontracts shall be directed to the City along with documentation concerning the selection process as applicable.
 - MSHS agrees to abide by the provisions of 24 CFR §570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance. No persons having such a financial interest shall be employed or retained by either party hereunder. These conflict of interest provisions include any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City, or of any designated public agencies or MSHS that are receiving funds under the CDBG Entitlement program.
1. Both Parties agrees to comply with the following requirements insofar as they apply to the performance of this MOU:

Air and Water

- Clean Air Act, 42 U.S. C., 7401 *et seq.*
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued hereunder; and
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Entity shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

Lead-Based Paint

Any construction or rehabilitation of residential structures with assistance provided under this MOU shall be subject to HUD Lead-Based Paint Regulations at 24 CFR §570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed

prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures must be undertaken.

Historic Preservation

Compliance with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 38 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this MOU. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

IV. Conclusion

In signing this MOU, the undersigned recognize and accept the roles and responsibilities assigned to each party. Each of the parties agrees to pursue maximum cooperation and communication to ensure that the Project fully comply with all applicable federal requirements and minimizes duplication of effort.

City of Jonesboro

Mid-South Health Systems

Mayor

Executive Director

City Clerk

Date

Date



Legislation Details (With Text)

File #:	RES-16:125	Version:	1	Name:	Memo of Understanding with David Puryear Center for rehab activities
Type:	Resolution	Status:		Status:	To Be Introduced
File created:	9/6/2016	In control:		In control:	Finance & Administration Council Committee
On agenda:		Final action:		Final action:	
Title:	A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH FOUNDATION CARE, LLC (DAVID E. PURYEAR CENTER) TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR THE FACILITY IMPROVEMENTS FOR THE 2016 CDBG ACTION PLAN				
Sponsors:	Grants				
Indexes:	Contract				
Code sections:					
Attachments:	MOU for Foundation Care, LLC.				

Date	Ver.	Action By	Action	Result
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A RESOLUTION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH FOUNDATION CARE, LLC (DAVID E. PURYEAR CENTER) TO COLLABORATE IN THE REHABILITATION ACTIVITIES FOR THE FACILITY IMPROVEMENTS FOR THE 2016 CDBG ACTION PLAN

WHEREAS, by RES-16:105 for the agreement between HUD and the City for the approval of the 2016 CDBG Action Plan was approved on September 6, 2016; and

WHEREAS, the City has approved the submission of the 2016 CDBG Action Plan that included the rehabilitation of driveway and park area are brought into a standardized and sustainable environment for low to moderate income individuals with developmental disabilities as prescribed in the National Objectives set forth by HUD, and

WHEREAS, Foundation Care, LLC has agreed to provide these services for CDBG by performing rehabilitation efforts of the said property in order for these individuals to live in standardized and sustainable residence that is set forth by federal, state and local laws and regulations.

NOW, THEREFORE, LET IT BE RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro will enter into a Memorandum of Understanding agreement with the Foundation Care, LLC. for the performance of the aforementioned facility improvement activities for the FY2016 CDBG Action Plan.

SECTION 2: The Mayor and City Clerk are hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.



MEMORANDUM OF UNDERSTANDING

IMPROVEMENT OF RESIDENTIAL FACILITY WITHIN THE CITY OF JONESBORO BETWEEN CITY GOVERNMENT AND PRIVATE NON- PROFIT ORGANIZATION TO PROVIDE SUSTAINABLE LIVING ENVIRONMENT

This Memorandum of Understanding (“MOU”) is entered into jointly by the City of Jonesboro (City) and Foundation Care, Inc. (FC).

I. Purpose

The purpose of this MOU is to formalize the commitment among the listed entities to work in a partnering process to coordinate and leverage funds to complete the shared projects that apply jointly to the entities in order to provide sustainable living environment in conjunction with the Community Development Block Grant (CDBG) funds. This partnership will facilitate a coordinated effort that ensures the residential facility is remediated and brought to standard according to the federal, state and local laws. This MOU shall be applicable to projects outlined in the 2016 CDBG Action Plan.

II. Background

The goal of the 2016 CDBG Action Plan (“Project”) is to meet the CDBG program’s National Objectives by (1) benefit to low- and- moderate income persons; (2) aid in the prevention or elimination of slums or blight; and (3) ensure community development needs having a particular urgency, as defined in 24 CFR§570.208. Among other things, the project will include resurfacing of driveway and parking area of a residential facility for the 2016 CDBG program year. Funding for the Project under this MOU will be derived from several funding sources, which includes federal, state and local contributions. As a result, the City and FC are required to comply with all federal, state and local regulations with use of federal funding.

The need for coordination to streamline the project for the reconstruction is seen as necessary by the parties to fulfill as mandated through National Objectives set forth by U.S. Department of Housing and Urban Development for the CDBG program.

III. Statutory and Regulatory Authority

WHEREAS, federal funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and

WHEREAS, Title VIII of the Civil Rights Act of 1968, as amended in 1988, or the Fair Housing Act (FHA) prohibits discrimination in the sale, rental, and financing of dwellings and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status

(including children under age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18) and disability.

WHEREAS, Title VI of the Civil Rights Act of 1964 prohibits the discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

WHEREAS, Title II of the Americans with Disabilities Act of 1990 prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

WHEREAS, Section 504 of the Rehabilitation Act of 1973 prohibits discrimination based on disability in any program or activities receiving federal financial assistance.

WHEREAS, Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

WHEREAS, Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency) eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

WHEREAS, in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland “Anti-Kickback” Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of services through federally funded activities.

NOW, THEREFORE:

IV. Commitment of the Entities

To facilitate preparation of the facility improvement, the City and FC hereby commit as follows:

- FC must notify and submit appropriate documentation indicating the qualification of residents, as applicable.
- FC must comply with City’s policy and procedures in accordance with 24 CFR §570 and 2 CFR §200, as applicable.
- The City will enter in an agreement with the contractor(s) for certain activities of the Project and will be making direct payments to said contractor(s).
- FC shall maintain all records required by the Federal regulations specified in 24 CFR §570.506 that are pertinent to the aforementioned activities.

- FC shall maintain real property inventory records, which clearly identify properties purchased, improved, or sold that receive federal financial assistance. Those properties shall continue to meet eligibility criteria and shall conform to the “changes in use” restrictions in 24 CFR §570.503(b) (8), as applicable.
- All records pertaining to the Project shall be made available to the City, the Federal agency and their designees, at any time during normal business hours, as deemed necessary, to audit, and make excerpts or transcripts of all relevant data.
- FC shall hold harmless, defend and indemnify the City, its agents, and employees from any suits and actions: including attorney’s fees, all costs of litigation, and judgment brought against the City as a result of loss, damage or injury to persons or property arising out of or resulting from FC direct use and operation of programs in connection with the FC’s performance or nonperformance of the services or subject matter called for in this MOU only if as a result of the FC’s negligent or intentional acts.
- FC shall comply with the bonding and insurance requirements as outlined in 24 CFR §§84.31 and 84.48 and 2 CFR §§200.304, 200.310 and 200.447.
- The City may amend, in its discretion, this MOU to conform to all Federal, state or local governmental laws and regulations as deemed necessary. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of the MOU, such modifications will be incorporated only by written amendment signed by both parties.
- In accordance with 2 CFR §200.213, non-federal entities are subject to the non-procurement debarment and suspension regulations that restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in CDBG programs or activities. FC and its agents under this MOU shall be registered with System for Award Management (SAM) prior to the commencement of activities.
- FC agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR §570.606(b); (b) the requirements of 24 CFR §570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR §570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for CDBG-assisted projects. FC also agrees to comply with applicable City ordinances, variances and policies concerning the displacement of persons from their residences.
- FC agrees to comply with the non-discrimination practices regarding employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR §570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are applicable.

- Both parties shall maintain documentation that demonstrates compliance with hour and wage requirements according to all federal, state and local laws and regulations. Such documentation shall be readily available upon request.
 - FC shall not enter into any subcontracts with any agency or individual in the performance of this MOU without the written consent of the City prior to the execution of such agreement. FC will monitor all subcontracted services on a regular basis to assure compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of actions taken in correction areas of noncompliance. FC shall initiate all of the provisions of this MOU in its entirety to be included in any subcontract executed in the performance of said Project. FC shall undertake to ensure that all subcontracts consent to the performance of this MOU shall be awarded upon a fair and open competitive basis. Executed copies of all subcontracts shall be directed to the City along with documentation concerning the selection process as applicable.
 - FC agrees to abide by the provisions of 24 CFR §570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance. No persons having such a financial interest shall be employed or retained by either party hereunder. These conflict of interest provisions include any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City, or of any designated public agencies or FC that are receiving funds under the CDBG Entitlement program.
1. Both Parties agrees to comply with the following requirements insofar as they apply to the performance of this MOU:

Air and Water

- Clean Air Act, 42 U.S. C., 7401 *et seq.*
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued hereunder; and
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Entity shall assure that for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

Lead-Based Paint

Any construction or rehabilitation of residential structures with assistance provided under this MOU shall be subject to HUD Lead-Based Paint Regulations at 24 CFR §570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures must be undertaken.

Historic Preservation

Compliance with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 38 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this MOU. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

IV. Conclusion

In signing this MOU, the undersigned recognize and accept the roles and responsibilities assigned to each party. Each of the parties agrees to pursue maximum cooperation and communication to ensure that the Project fully comply with all applicable federal requirements and minimizes duplication of effort.

City of Jonesboro

Foundation Care, Inc.

Mayor

Executive Director

City Clerk

Date

Date



Legislation Details (With Text)

File #: RES-16:127 **Version:** 1 **Name:** Agreement to issue bonds for Frito-Lay
Type: Resolution **Status:** To Be Introduced
File created: 9/8/2016 **In control:** Finance & Administration Council Committee
On agenda: **Final action:**

Title: A RESOLUTION AUTHORIZING THE ENTRY INTO AN AGREEMENT TO ISSUE BONDS FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRIAL FACILITIES WITHIN THE CITY OF JONESBORO, ARKANSAS, TO BE LEASED TO FRITO-LAY, INC., PURSUANT TO THE AUTHORITY OF THE LAWS OF THE STATE OF ARKANSAS, INCLUDING PARTICULARLY AMENDMENT 65 TO THE ARKANSAS CONSTITUTION AND THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW.

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments: [Notice of Public Hearing \(Frito-Lay\)](#)
[PILOT Agreement \(Frito-Lay\)](#)
[Agreement to Issue Bonds \(Frito-Lay\)](#)

Date	Ver.	Action By	Action	Result
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A RESOLUTION AUTHORIZING THE ENTRY INTO AN AGREEMENT TO ISSUE BONDS FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRIAL FACILITIES WITHIN THE CITY OF JONESBORO, ARKANSAS, TO BE LEASED TO FRITO-LAY, INC., PURSUANT TO THE AUTHORITY OF THE LAWS OF THE STATE OF ARKANSAS, INCLUDING PARTICULARLY AMENDMENT 65 TO THE ARKANSAS CONSTITUTION AND THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW.

WHEREAS, the City of Jonesboro, Arkansas, is authorized under the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 to -224 (the “Act”), to own, acquire, construct, equip, and lease facilities to secure and develop industry by the issuance of bonds payable from the revenues derived from such facilities; and

WHEREAS, Frito-Lay, Inc. (the “Company”) has evidenced its interest in acquiring, constructing, and equipping an industrial facility within the City through the issuance of bonds (the “Bonds”) under the authority of the Act; and

WHEREAS, the City desires to assist the Company in order to secure and develop industry within the City and to issue its bonds under the provisions of the Act; and

WHEREAS, it is desirable that the City enter into an Agreement to Issue Bonds for such purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS that:

Section 1. The Mayor and the City Clerk of the City are hereby authorized to enter into an Agreement to Issue Bonds in substantially the form and substance attached as Exhibit A.

Section 2. Subject to compliance with the statutory notice requirements, a Payment in Lieu of Taxes Agreement (a “PILOT Agreement”) shall be considered for approval at the meeting of the City Council at which the ordinance authorizing the issuance of the Bonds is considered for approval.

Section 3. The City shall hold a public hearing on the question of the issuance of the Bonds on October 4, 2016. The City Clerk and bond counsel shall coordinate the publication of the notice of public hearing.

Section 4. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this resolution, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this resolution.

Section 5. Repealer. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held before the Jonesboro, Arkansas City Council on the question of the issuance of not to exceed \$150,000,000 in aggregate principal amount of City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Frito-Lay Project), Series 2016, or such other series as are otherwise designated (the "Bonds"), immediately prior to a regular meeting of the City Council to be held at 5:25 p.m. on October 4, 2016 at the Municipal Center, 300 South Church Street, Jonesboro, Arkansas. The Bonds will be issued to secure and develop the acquisition and construction of warehouse and manufacturing facilities, infrastructure and improvements and the acquisition and installation of equipment for the preparation, processing, packaging, handling and storage of food products to be located at 2810 Quality Way, Jonesboro, Arkansas (the "Project") relating to the operations of Frito-Lay, Inc. (the "Company"). The Project will be leased by the City to the Company. Any person interested may appear and express their views on the proposed issuance of the Bonds, and such views and comments will be considered by the Council. This notice is given pursuant to the Arkansas Revenue Bond Act of 1987 and the Municipalities and Counties Industrial Development Revenue Bond Law.

Dated this 20th day of September, 2016.

City of Jonesboro, Arkansas

/s/ Harold Perrin, Mayor

PAYMENT IN LIEU OF TAXES AGREEMENT

City of Jonesboro, Arkansas
300 South Church Street
Jonesboro, Arkansas 72401

Dated: _____, 2016

Attention: Mayor

Re: Not to exceed \$150,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Frito-Lay Project), Series 2016 (the "Bonds")

Ladies and Gentlemen:

The City of Jonesboro, Arkansas (the "City") proposes to issue the Bonds identified above in one or more series under the provisions of the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* (the "Act") for the purpose of securing and developing a substantial industrial project consisting of the acquisition and construction of warehouse and manufacturing facilities, infrastructure and improvements and the acquisition and installation of equipment for the preparation, processing, packaging, handling and storage of food products to be located at 2810 Quality Way, Jonesboro, Arkansas relating to the operations of Frito-Lay, Inc. (the "Project"). The Project will be leased and by the City to Frito-Lay, Inc. (the "Company") pursuant to a Lease Agreement (the "Lease Agreement") for a period of 20 years for rentals sufficient to pay debt service on the Bonds. The Company will use the Project as facilities for the warehousing and production of food products. The Project, as defined herein, is the "Leased Premises" as defined in the Lease Agreement.

Article IV of the Lease Agreement provides that the Company is obligated to pay all taxes and assessments levied and assessed on the Project during the term of the Lease Agreement. The Company is informed and understands that, notwithstanding the provision of Article IV of the Lease Agreement, under Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 233 Ark. 57, 334 S.W. 2d 633 (1960), and *Pulaski County v. Jacuzzi Bros. Div.*, 332 Ark. 91, 964 S.W.2d 788 (1998), and Ark. Code Ann. §§ 14-164-701 *et seq.*, the Project will be exempt from ad valorem taxes because it is owned by the City and used for a public purpose within the meaning of the applicable Constitutional and statutory provisions affording the exemption.

Thus, the Company understands that it, as Lessee of the Project owned by the City, will, in fact, pay no ad valorem taxes on the Project under the provisions of Article IV of the Lease Agreement. The taxing authorities (defined below) have indicated a reluctance to lose all tax revenues which would otherwise be received by it if the property involved was privately owned.

Therefore, to induce the City to proceed with the issuance of the Bonds for the purpose indicated, which will inure to the benefit of the Company, and for other valuable

consideration, the receipt and sufficiency of which is hereby acknowledged, the Company agrees with the City pursuant to this Payment in Lieu of Taxes Agreement (the "Agreement") as follows:

1. In lieu of ad valorem property taxes, the Company will pay to the City an annual sum equal to 35% of the amount which would be payable as ad valorem taxes that would have to be paid on the Project to the State of Arkansas, Craighead County, the Nettleton School District, and/or other political subdivisions of the State of Arkansas (the "taxing authorities") if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.* Payments are due not later than October 10 each year commencing after completion of construction. Payments not paid when due shall bear interest at 5% per annum until paid.

The payment is based on the land, buildings, improvements and equipment comprising the Leased Premises, excluding licensed vehicles. Any expansion or improvement of the Project will become subject to this Agreement using the same formula for the term of the Bonds.

2. The payments to be made pursuant to paragraph 1 are intended to be in lieu of all ad valorem taxes that would have to be paid on the Project to the taxing authorities if the Project were not exempt from ad valorem taxes under the provisions of Article 16, Section 5 of the Constitution of the State of Arkansas, as interpreted by the Supreme Court of the State of Arkansas in *Wayland v. Snapp, supra*, and *Pulaski County v. Jacuzzi Bros. Div., supra*, and Ark. Code Ann. §§ 14-164-701 *et seq.*, but are not intended to be in lieu of (i) any licenses, occupation or privilege tax, or fee imposed upon the Company for or with respect to its right to carry on its business in the State of Arkansas, (ii) any special benefit or local improvement tax or assessment, or (iii) fees or charges for utility services rendered, such as for water or sewer services.

3. The City agrees to distribute each payment under paragraph 1 among the taxing authorities in the proportion that the millage collected bears to the total millage collected by all during the year of distribution, unless all such taxing authorities, including without limitation the school district, shall otherwise agree and document the alternate basis upon which the payments shall be distributed.

4. The City and the Company agree to cooperate in sustaining the enforceability of this Agreement. However, if by reason of a change in the Constitution of the State of Arkansas, a change by the Supreme Court of the State of Arkansas in its interpretation of the Constitution, a change by the General Assembly of the State of Arkansas, or otherwise, the Company is required to pay any tax for which the payments specified in paragraph 1 are intended to be in lieu, the Company may deduct the aggregate of any such payments made by it from any amount herein agreed to be paid under paragraph 1. Furthermore, inasmuch as the payments in paragraph 1 herein agreed to be made are intended to be in lieu of taxes, it is agreed that said payments

shall not as to any year be in an amount greater than would otherwise be payable for such year in ad valorem taxes, in the aggregate, on account of its ownership of the Project.

5. Representatives of the Company will confer at least annually with the Craighead County Assessor and determine the assessed valuation of the real and personal properties comprising the Project. The determination shall be made by mutual agreement if possible, and if not, shall be made by the Craighead County Assessor as though the Project were privately owned. Because the valuation of such property is a key factor in calculating payments due, the City agrees to cooperate with the Company in any reasonable challenge to the valuation assigned to such property by the Craighead County Assessor to the fullest extent permitted by Arkansas law.

It is recognized by the City and the Company that the payments described in paragraph 1 hereof are to be calculated on the basis of annual amounts that would otherwise be payable as ad valorem taxes under Arkansas law on the Leased Premises if such property were on the tax rolls. The amount to be paid each year shall be determined by applying the millage that would be applicable to the Project for that year if the Project were privately owned. The Company shall be entitled to any refund occasioned by overpayment or a reduction in millage which requires a refund by the taxing authorities.

6. This Agreement shall terminate and be of no further force and effect from and after the date that the Lease Agreement shall terminate for any purpose other than a default on the part of the Company, including, but not limited to, the transfer of ownership of the Leased Premises to the Company. If such termination shall be at a point constituting a portion of a year, the Company shall pay for the year in which termination occurred that portion of the specified annual payment that the number of days in such year that the Project was exempt prior to the terminations bears to 365 days (366 days in a leap year).

7. This Agreement shall be binding upon the successors and assigns of the Company, but no assignment shall be effective to relieve the Company of any of its obligations hereunder unless expressly authorized and approved in writing by the City.

8. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original.

9. This Agreement shall be governed by, and interpreted in accordance with, the laws of the state of Arkansas.

When executed, this Agreement shall constitute a valid and binding contract between the Company and the City.

Very truly yours,

FRITO-LAY, INC.

By: _____
_____, _____

ACCEPTED:

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Perrin, Mayor

ATTEST:

Donna Jackson, City Clerk

AGREEMENT TO ISSUE BONDS

THIS AGREEMENT is made as of [September ____], 2016, by and between the City of Jonesboro, Arkansas, a city of the first class under the laws of the State of Arkansas (the “City”) and Frito-Lay, Inc. (the “Company”), for the purpose of carrying out the purposes set forth in the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* (the “Act”).

WITNESSETH:

WHEREAS, the City is authorized by Amendment 65 to the Arkansas Constitution and the Act to own, acquire, construct, reconstruct, extend, equip, improve, operate, maintain, sell, lease, or contract concerning, or otherwise deal in or dispose of any land, buildings, or facilities of any and every nature that can be used in securing or developing industry within or near the City; and

WHEREAS, the City has determined that such purposes may be served by cooperation with the Company in the acquisition, construction, and equipping of an industrial facility within the City, consisting of the acquisition and construction of warehouse and manufacturing facilities, infrastructure and improvements and the acquisition and installation of equipment for the preparation, processing, packaging, handling and storage of food products (the “Project”); and

WHEREAS, the City and the Company desire to cooperate in the acquisition, constructing, and equipping of the Project and to secure and develop the Project with the proceeds of revenue bonds of the City (the “Bonds”) to be issued in one or more series pursuant to the Act in an aggregate principal amount now estimated not to exceed \$150,000,000; and

WHEREAS, the City and the Company intend to enter into a lease agreement relating to the real and personal property constituting the Project, which contemplates that the Project will be leased to and operated by the Company and that the rental payments due thereunder together with other moneys available therefor shall be sufficient to pay debt service on the Bonds and all related costs.

NOW, THEREFORE, in consideration of the premises, mutual benefits, covenants, and agreements herein expressed and other good and valuable

consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Company agree as follows:

1. Proceedings. All proceedings in connection with the issuance of the Bonds shall be consistent with the requirements of the Act. All references contained herein to the issuance of the Bonds shall be subject to compliance with the formalities of the Act when the facts required to do so are determined.

2. Acquisition, Construction, and Equipping. The City and the Company will cooperate in causing to be commenced and continued the required acquisition, construction, and equipping of the Project, and the Company may provide, or cause to be provided, the necessary interim financing to permit work on the Project to commence and continue expeditiously pending the issuance of Bonds. Not later than the date of issuance of the Bonds, the Company will convey and transfer or cause to be conveyed and transferred to the City, the Project or portions thereof previously acquired, constructed, and equipped. There shall also be conveyed to the City any easements and rights-of-way necessary to permit construction, equipping, installation, operation, and maintenance of the Project. The City acknowledges that the Project, or portions of the Project, may be subject to liens or security interests in favor of third party creditors at the time that the Project is transferred to the City.

3. Lease. The City and the Company will enter into a lease agreement (the "Lease") relating to the real and personal property constituting the Project, which contemplates that the Project will be leased to and operated by the Company and that the rental payments due thereunder together with other moneys available shall be sufficient to pay debt service on the Bonds and all related costs. The Lease shall include such terms and conditions as are agreed to by the City and the Company, including, but not limited to, purchase options for nominal consideration and transferability of ownership.

4. Sale of Bonds, Security. The City will take such steps as are necessary to issue, sell, and deliver the Bonds, pursuant to the terms of the Act, for the purposes of financing the costs of the Project, in each case only upon receipt of the written designation by the Company of the purchasers thereof, such Bonds to be in such series, to be in such principal amount, to mature in such amount and times, to bear

interest at such rate or rates, to be payable on such dates, and to have such optional and mandatory redemption features and prices as are determined by the City and approved in writing by the Company. The City further agrees that it will enter into the Lease with the Company for the purpose of providing rental payments sufficient, with other amounts available from the Company or directly or indirectly from the proceeds of the Bonds, to pay the principal of and interest on the Bonds as they become due, and pledging and otherwise securing the payment of such rental payments for the benefit of the holder(s) of the Bonds. The City will cooperate in consummating the transactions so contemplated.

5. Bonds to be Special Obligations. The City shall have no financial responsibility with respect to the Project, the Bonds, or the costs associated with either, and the Bonds shall be special obligations of the City and shall never constitute a general obligation, indebtedness, or pledge of the credit of the City within the meaning of any constitutional or statutory provision and shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues or other funds of the City except those (including unexpended Bond proceeds) derived from or in connection with the sale or lease of the Project as provided for herein.

6. Conditions of Issuance. The Bonds may be issued either at one time or in several series from time to time, in such aggregate principal amount or amounts as the Company shall request in writing; provided, however, that all conditions of the Act shall have been met.

7. Costs to be Financed. The costs of the Project may include any costs permissible under the Act, including but not limited to reasonable and necessary costs, expenses, and fees incurred by the City in connection with the issuance of the Bonds or in connection with the Project, including, but not limited to, fees and out-of-pocket expenses of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C. (“bond counsel”) and other counsel to the Company. The City will upon request provide or cause to be provided any data or information which may be reasonably required to verify any of the costs, expenses, and fees enumerated above.

8. Termination. In the event that the Bonds shall not be sold within three years from the date hereof, this Agreement shall automatically terminate unless the parties

hereto shall agree in writing to its extension for a further period of time specified in such writing, which agreement on the part of the City shall not be unreasonably withheld. The Company may unilaterally terminate this Agreement without liability to the City (except for any amounts due and owing by the Company to the City arising out of the transactions occurring on or before the time of such termination, which shall be promptly paid by the Company to the City) by giving notice by ordinary mail, postage prepaid, to the City specifying therein the date of termination, which may be the date of the notice.

9. Protection to the City. The Company shall pay all of the City's costs and expenses reasonably and necessarily incurred in connection with this Agreement or any other related document or instrument.

10. Ad Valorem Taxation Exemption. The City and the Company recognize that under the Arkansas Constitution and decisions of the Supreme Court of Arkansas and in accordance with Ark. Code Ann. §§ 14-164-701 to -704, the Project will be exempt from ad valorem taxation. The City agrees that the Company shall be required to enter into a Payment in Lieu of Taxes Agreement (a "PILOT Agreement") with the City providing for payments in lieu of a portion of the ad valorem taxes that would otherwise be levied by local public bodies with taxing authority. The City and the Company agree that the final form of PILOT Agreement will be considered for approval at the meeting of the City Council at which the ordinance authorizing the issuance of the Bonds is considered for approval, subject to compliance with the terms of the Act, including, but not limited to statutory notice requirements.

11. Purpose and Effect. The Bonds are to be issued, sold, and delivered under the authority of the Act and all related actions and documents shall be in conformity therewith. The City intends this Agreement to be the expression of its present intent, pursuant to the terms hereof, to issue the Bonds in an aggregate amount not to exceed \$150,000,000 and to expend the Bond proceeds to defray the costs of the Project.

12. Assignment. The Company may assign this Agreement in whole or in part to an affiliate of the Company without the prior written consent of the City and to an entity which is not an affiliate of the Company with the prior written consent of the City, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no

assignment and no dealings or transactions between the City and any assignee shall relieve the Company of any of its obligations under this Agreement.

IN WITNESS WHEREOF, the City of Jonesboro, Arkansas, acting pursuant to a Resolution of its City Council, has caused its name to be hereunto subscribed by its Mayor and City Clerk and the Company has caused its corporate name to be subscribed hereto by its duly authorized officer, all as of the year and date first above written.

CITY OF JONESBORO, ARKANSAS

ATTEST:

APPROVED:

Donna Jackson, City Clerk

Harold Perrin, Mayor

FRITO-LAY, INC.

By: _____

Name: _____

Title: _____