



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Agenda Finance & Administration Council Committee

Tuesday, November 8, 2022

4:00 PM

Municipal Center, 300 S. Church

1. Call To Order

2. Roll Call by City Clerk April Leggett

3. Approval of minutes

MIN-22:098 Minutes for the Finance Committee meeting on October 25, 2022

Attachments: [Finance Minutes 10252022](#)

4. New Business

ORDINANCES TO BE INTRODUCED

ORD-22:045 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 A PAYMENT IN LIEU OF TAXES AGREEMENT 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 A LEASE AGREEMENT RELATING TO THE PROJECT; TO DECLARE AND EMERGENCY; AND FOR OTHER PURPOSES

Attachments: [Bond Purchase Agreement \(Camfil 2022\)](#)

[RNDA \(Camfil 2022\)](#)

[Trust Indenture \(Camfil 2022\)](#)

[Lease Agreement \(Camfil 2022\)](#)

[PILOT Agreement \(Camfil 2022\)](#)

RESOLUTIONS TO BE INTRODUCED

RES-22:205 RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE UNITED STATES DEPARTMENT OF TRANSPORTATION, OFFICE OF THE ASSISTANT SECRETARY

FOR RESEARCH AND TECHNOLOGY, FY22 STRENGTHENING MOBILITY AND REVOLUTIONIZING TRANSPORTATION (SMART) PROGRAM, PLANNING GRANT.

Sponsors: Grants

Attachments: [Signal Optimization Solution \(HWY 49\) Budget](#)

RES-22:206

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH CREWS & ASSOCIATES, INC. TO PROVIDE PROFESSIONAL FINANCIAL ADVISORY SERVICES WITH RESPECT TO FINANCIAL MATTERS OF THE CITY

Sponsors: Finance

Attachments: [2022 Jonesboro F A Agreement](#)

5. Pending Items

6. Other Business

7. Public Comments

8. Adjournment



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Text File

File Number: MIN-22:098

Agenda Date:

Version: 1

Status: To Be Introduced

In Control: Finance & Administration Council Committee

File Type: Minutes

Minutes for the Finance Committee meeting on October 25, 2022



City of Jonesboro

Municipal Center
300 S. Church Street
Jonesboro, AR 72401

Meeting Minutes Finance & Administration Council Committee

Tuesday, October 25, 2022

4:00 PM

Municipal Center, 300 S. Church

1. Call To Order

2. Roll Call by City Clerk April Leggett

Present 6 - Charles Coleman; Ann Williams; John Street; LJ Bryant; Joe Hafner and Brian Emison

Absent 1 - David McClain

3. Approval of minutes

[MIN-22:092](#)

Minutes for the Finance Committee Meeting on October 11, 2022

Attachments: [Minutes](#)

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Passed. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Brian Emison

Absent: 1 - David McClain

4. New Business

RESOLUTIONS TO BE INTRODUCED

[RES-22:196](#)

RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FY22 RECONNECTING COMMUNITIES PILOT PROGRAM GRANT.

Chairman Joe Hafner said, I will say that I think this is a very important part of the Jonesboro connectivity master plan and will definitely be an attraction between here and ASU. I think it will actually help ASU quite a bit too with attracting students.

A motion was made by Councilperson John Street, seconded by Councilperson LJ Bryant, that this matter be Recommended to Council. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:197](#)

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF POLICE PACKAGE AND FIRE PACKAGE CHEVROLET TAHOES AND POLICE UNITS EQUIPMENT

Councilmember Charles Coleman said, I have one question, Chief. Are they going to be totally fitted and ready to go? Police Chief Rick Elliott said, yes sir, just like this past year. Superior is a dealer plus they also up fit them. So, when they deliver them to us, the vehicle will be ready except for the stripe package and radio. All the other equipment will be completely installed. Councilmember Coleman said, okay, that's good. Chief Elliot said, yes sir.

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:198](#)

A RESOLUTION BY THE JONESBORO CITY COUNCIL TO WAIVE FORMAL BIDDING AND AUTHORIZE THE MAYOR TO ENTER INTO AN AGREEMENT WITH PLAY IT AGAIN SPORTS FOR PORTABLE BASEBALL MOUNDS AT JOE MACK CAMPBELL SPORTS COMPLEX FOR THE PARKS DEPARTMENT

Attachments: [Mound Bids](#)
 [Mound Quotes](#)

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:199](#)

A RESOLUTION AUTHORIZING THE ENTRY INTO AN AGREEMENT TO ISSUE BONDS FOR THE PURPOSE OF ASSISTING IN THE FINANCING OF INDUSTRIAL FACILITIES WITHIN THE CITY OF JONESBORO, ARKANSAS, TO BE LEASED TO CAMFIL USA, INC. OR ITS AFFILIATE, 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: [Exhibit A_Camfil 2022](#)

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:200](#)

A RESOLUTION AUTHORIZING THE CITY OF JONESBORO TO ENTER INTO A TWO YEAR LEASE CONTRACT FOR THE PURCHASE OF THREE SANITATION SIDE

LOAD TRUCKS

Attachments: [Arvest Proposal 2022 3 Mack Automated](#)

Chairman Joe Hafner said, I will say, it looks like the monthly payment on two of these would be \$9,431.05 and the other one would be \$7,281.44. And, the fact that you are able to find three trucks right now is really good.

Councilmember Ann Williams said, you know the new truck, the one that picks up limbs, or I guess it's relatively new, I've been impressed seeing it in operation. You know the one I'm talking about? Chairman Hafner said, yeah, the grapple truck? Councilmember Williams said, yeah, that's it. I couldn't think of the technical term.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:201](#)

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE PURCHASE OF A NEW VEHICLE FOR THE TRANSIT DEPARTMENT.

Attachments: [Master's Pricing X2C Arkansas 10-13-2022](#)

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:202](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO CONTRACT WITH ICE CREAM JOINT LLC FOR SPONSORSHIP OF ONE ATHLETIC FIELD AT THE JOE MACK CAMPBELL SPORTS COMPLEX

Attachments: [ICE CREAM JOINT LLC Soccer 10 19 2022](#)

Chairman Joe Hafner said, this is for \$2,500 a year for a period of five years.

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Recommended to Council. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

5. Pending Items

6. Other Business

Chairman Joe Hafner said, I have been asked to waive the rules and walk on RES-22:203 and RES-22:204.

Councilmember Dr. Charles Coleman motioned, seconded by Councilmember Brian Emison, to suspend the rules and walk on RES-22:203 and RES-22:204. All were in favor by saying Aye.

[RES-22:203](#)

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A CONTRACT WITH ARKANSAS BLUE CROSS BLUE SHIELD TO PROVIDE MEDICAL INSURANCE COVERAGE FOR CITY EMPLOYEES FOR 2023

Councilmember Dr. Charles Coleman motioned, seconded by Councilmember Brian Emison, to suspend the rules and walk on RES-22:203 and RES-22:204. All were in favor by saying Aye.

Chairman Joe Hafner said, I do have I guess a question for I don't know if it's for Brian or the mayor, but just for clarifications. The last sentence of section one, it says these renewal rates result in a 5% increase in monthly contributions. Is that premiums? Mayor Harold Copenhaver said, if you don't mind, Mr. Chair, let me just kind of go through it real quick. Of course, you know that there negotiations obviously when it comes to health insurance that are very pressing. We started those negotiations what three, four months ago? That rate came in at a 16.7% rate increase and stating that we had over a million dollars more paid out in claims than what our premium was. So, coming down to this point, we felt that it was important that we were able to get it down to 5%. Now, let's note that all the other ancillary products (vision, dental, all those), we got those negotiated at the same rate as they were last year. What this comes down to for the employees, per pay period, this 5% increase, on an individual, their increase per pay period is \$3.76 a pay period. For family, it would be \$8.08 per pay period. So, remember the city pays 71% of that increase and so this is the reflection to each employee what that would be. We are also looking at what alternatives such as a high deductible plan that could be done in addition, but next year it is going to be wellness. We are going to have to totally reevaluate this. The concern we have is that many insurance companies did not quote us because we are not favorable when it comes to our outlay of premiums. We have to be a healthier group and we have to be more proactive in that. So, we are going to be initially starting, in early March, to assess how we can move forward and make adjustments for the next year's plan. We are excited, honestly, to be down at a 5% increase considering we started at a 16.7% increase. Chairman Hafner said, yeah, I think that goes without saying. I know our little company, not Arkansas Glass, but the other one I'm involved in, we are looking at a 12% increase. I would have been thrilled with a 5% increase.

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

Aye: 5 - Charles Coleman;Ann Williams;John Street;LJ Bryant and Brian Emison

Absent: 1 - David McClain

[RES-22:204](#)

A RESOLUTION TO WAIVE COMPETITIVE BIDDING AND AUTHORIZE A CONTRACT WITH DELTA DENTAL TO PROVIDE DENTAL INSURANCE COVERAGE FOR CITY EMPLOYEES FOR 2023

Councilmember Dr. Charles Coleman motioned, seconded by Councilmember Brian Emison, to suspend the rules and walk on RES-22:203 and RES-22:204. All were in favor by saying Aye.

A motion was made by Councilperson John Street, seconded by Councilperson Brian Emison, that this matter be Recommended to Council. The motion

PASSED with the following vote:

Aye: 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Brian Emison

Absent: 1 - David McClain

Councilmember Ann Williams said, I would like to bring up something. I have mentioned in previous Council and Committee meetings, the concern I have about pedestrians crossing at Johnson there at State Street. The distance between the Marion Berry traffic light and then the one at Patrick Street is a pretty long stretch. It seems like the logical crossing point is there at State Street by University Market. That was where a pedestrian solution was first attempted back in 2018. And, with the failure of it, which was a flashing light, there was a Garver Study released that recommended the pedestrian hybrid beacon called the HAWK, which I thought would probably be a good idea for us to pursue having witnessed firsthand the difficulty people have crossing there and it's really pretty bad. The first step toward the solution as far as safety there was lowering the speed limit, which we are glad the highway ARDOT agreed to do, but I felt like we needed to go ahead as quickly as possible and pursue getting this pedestrian crossing solution. They have five of these in Fayetteville currently, including one at State Highway 49B, which is a five lane highway with a 35 mph speed limit, which is very similar to Johnson, and that's where their nature trail crosses there. And I think Rogers now has one. So, I thought it would be good to contact Alec Farmer, our Highway Commissioner and talk to him about it, to see if he could help us, and he has. He has had Brad Smithee call, contact the Mayor's Office. Brad called me and said he was sending the email, which I've got a copy of that explains what is needed to apply for this particular pedestrian solution. And, it will involve a letter from the Mayor being sent to ARDOT with the requisite drawings and plans. And, they indicated they would try to move this along as quickly as they can, once we do our part. But in the discussion with Brad, he indicated to me that a crucial component is to have consistent compliance with the 35 mph speed limit. Starting with the advent, with the plans to install this, we need to have pretty consistent compliance with it, and therefore consistent enforcement. And, I know I had concerns about the fact that when the speed limit signs were first installed, there was an immediate effect on drivers, but I think, over time, they become lax and are ramping back up their speeds. So, I think that it would really be good to concentrate on, because also, being very close to that location myself, at half a block away, I go up and down that corridor quite a bit. I'm concerned that drivers are not complying with the speed limit. They may be complying at times with the previous speed limit of 45, but I am passed quite often by people going pretty fast. I think Dr. Coleman has indicated this too, I mean you have had from your personal observation. Councilmember Charles Coleman said, yeah. Councilmember Williams said, Brad Smithee indicated to me, since he travels that corridor a lot between here and Paragould, he said that he is pretty certain that he has been passed by people going 50+ on that stretch. So, he really emphasized that we need to enforce in preparation of the plans to install this because keeping the speed limit as close to 35 mph as possible is really crucial to the success of this.

Mayor Harold Copenhaver said, Mr. Chair, if I can make a few comments, and I want to confirm exactly what Councilmember Williams just mentioned. We have received that request from Brad Smithee, and we are creating that request to ARDOT. We received that this afternoon and Engineering Director Craig Light and I visited about that. Also, we do have the capability and have shown Council, I believe, we can actually show in detail the number of vehicles and speeds those vehicles are traveling. So, we can get

a synopsis of the actual speed of what's going on in that area. I just wanted to confirm what Councilmember Williams has just said, and we'll move forward with her request. Councilmember Williams said, well, I'm real excited about it. I think this will be a good thing. It has been Fayetteville's experience once, and they've put out a lot of information, and Rogers, I saw on their Facebook page, were giving a lot of instructions, making people aware of how this works. Apparently, when the pedestrian activates it, first, there is a yellow light and then a few seconds later a red light. So, they're getting people educated in regards to the anticipation of this, but I think it will be a very good thing. I think it will be good for the university as well. Chairman Hafner said, thank you.

7. Public Comments

8. Adjournment

A motion was made by Councilperson Brian Emison, seconded by Councilperson John Street, that this meeting be Adjourned. The motion PASSED with the following vote.

Aye: 5 - Charles Coleman; Ann Williams; John Street; LJ Bryant and Brian Emison

Absent: 1 - David McClain



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Text File

File Number: ORD-22:045

Agenda Date:

Version: 1

Status: To Be Introduced

In Control: Finance & Administration Council Committee

File Type: Ordinance

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 A PAYMENT IN LIEU OF TAXES AGREEMENT 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 A LEASE AGREEMENT 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 et seq. and Ark. Code Ann. §§ 14-164-701 et seq., each as amended from time to time (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, Camfil USA, Inc. or its affiliate (the “Company”) has evidenced its interest in acquiring, constructing, and equipping an industrial facility in the City if permanent financing can be provided through the issuance of revenue bonds under the authority of the Act; and

WHEREAS, the City has agreed to cooperate with the Company in the acquisition, construction, and equipping of an industrial facility in the City and to finance acquisition and construction of manufacturing facilities, infrastructure and improvements and the acquisition and installation of facilities and equipment for the manufacture of dust, fume, and mist collection equipment and air filtration systems and related warehousing and distribution facilities located at 3200 Nestle Road, Jonesboro, Arkansas (the “Project”) relating to the operations of the Company; 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 its taxable industrial development revenue bonds under the provisions of the Act designated “City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Camfil Project), Series 2022,” or such other series

as are otherwise designated, in the principal amount of not to exceed \$50,000,000.00 (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 (the “Trustee”) to be selected upon the mutual agreement of the City and the Company; and

WHEREAS, the City and the Company intend to enter into a Lease Agreement (the “Lease Agreement”) relating to the real and personal property constituting the Project, which contemplates that the Project will be leased to the Company, 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 Bonds and all related costs; and

WHEREAS, 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, the City and the Company will enter into a Payment in Lieu of Taxes Agreement (the “PILOT Agreement”) in substantially the form presented at this meeting which provides 65% ad valorem tax abatement for a period of 20 years; and

WHEREAS, the City and the Company caused a form of a notice of public hearing to be published on November 4, 2022, 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 a representative of the City Council on November 15, 2022 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 Bonds to an affiliate of the Company (the “Purchaser”) pursuant to Bond Purchase Agreement by and between the City and the Purchaser; and

WHEREAS, the Company has obtained or may obtain 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 the Company, and acknowledges that the Company’s 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, the Company, and the lenders of the Company (or such lenders’ agents) benefitting from such lien, encumbrance or security interest (the “RNA Agreement”);

WHEREAS, copies of the herein described Bond Purchase Agreement, Indenture, Lease Agreement, RNA Agreement, and PILOT Agreement have been presented to and are before this meeting and a copy of each are on file with the City Clerk and available for inspection by any

interested person; and

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 Fifty Million and 00/100 Dollars (\$50,000,000.00), and the Bonds shall be sold to the Purchaser 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 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 document, their execution to constitute conclusive evidence of such approval, is hereby authorized and directed. An executed copy of the PILOT Agreement shall be filed in the City Clerk's office.
- (c) The acquisition, construction, and equipping of the Project, and, in connection therewith, to the extent convenient or necessary, the execution of any necessary architectural, engineering, or construction contracts or the acceptance of an assignment of any such contracts previously executed by the Company 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 Fifty Million and 00/100 Dollars (\$50,000,000.00) 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 Company) 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 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 Lease Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge,

and deliver the Lease Agreement for and on behalf of the City. The Lease Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, in order to complete the Lease 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 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 the Mayor is hereby authorized to confer with the Purchaser 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 RNA Agreement if the Company determines that such an agreement is required by its lenders. The Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the RNA Agreement for and on behalf of the City. The RNA Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and lenders of the Company (or such lenders' agents) in order to complete the RNA 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 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 Lease Agreement, (ii) the performance of the City's obligations under the Lease Agreement, (iii) the execution and delivery of the Trust Indenture, (iv) the performance of all obligations of the City under and pursuant to the Trust Indenture, (v) the execution and delivery of the Bonds, (vi) the execution and delivery of the PILOT Agreement, (vii) the performance of the City's obligations under the PILOT Agreement, (viii) the execution and delivery of the Bond Purchase Agreement, (ix) the performance of the City's obligations under the Bond Purchase Agreement, (x) the execution and delivery of the RNA Agreement, (xi) the performance of the City's obligations under the RNA Agreement, and (xii) 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 a Home Office Payment Agreement, a Memorandum 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. The City hereby confirms and consents to the Company's request with respect to the Bonds for Mitchell, Williams, Selig, Gates & Woodyard, PLLC to serve as Bond Counsel.

Section 9. All actions heretofore taken by the City, the Company, and the Purchaser 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 10. 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 11. Repealer. All ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. Emergency Clause. 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.

CITY OF JONESBORO, ARKANSAS

Issuer

and

[Affiliate of Company]

Purchaser

BOND PURCHASE AGREEMENT

Dated _____, 2022

Not to Exceed
\$50,000,000
City of Jonesboro, Arkansas
Taxable Industrial Development Revenue Bonds
(Camfil Project)
Series 2022

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
100 EAST HUNTINGTON, SUITE C
JONESBORO, ARKANSAS 72401

BOND PURCHASE AGREEMENT

Not to Exceed
\$50,000,000
City of Jonesboro, Arkansas
Taxable Industrial Development Revenue Bonds
(Camfil Project)
Series 2022

_____, 2022

[Affiliate of Camfil]
3200 Nestle Road
Jonesboro, Arkansas 72401

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 (Camfil Project), Series 2022 in a principal amount not to exceed Fifty Million and No/100 Dollars (\$50,000,000.00) (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 _____, 2022, 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 _____, 2022, by and between the Issuer and _____, as trustee (the “**Trustee**”). The Bonds shall be issued as a single typewritten drawdown bond with a stated maximum principal of \$50,000,000; provided, however, that the principal amount due thereon shall be only such amount as has been drawn by Camfil USA, Inc. (the “**Company**”) as reflected on the Schedule of Draws and Redemptions attached to the Bonds. The Bonds shall bear interest on the principal amount drawn by the Company, at the rate of ____% per annum, payable annually on _____, commencing on _____, 2022. The Bonds will mature on _____, 20____. The proceeds from the sale of the Bonds shall be applied to acquire, construct and equip certain industrial facilities (the “**Project**”) within the corporate boundaries of the Issuer (or to reimburse the Company for said costs). The Issuer shall lease the Project to the Company, pursuant to the terms of a Lease Agreement dated as of _____, 2022 (the “**Lease Agreement**”). The 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 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 Bonds to [Affiliate of Camfil] (the “**Purchaser**”) 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 the Company 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 _____, 2022 (the “**Closing Date**”), at the offices of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., 100 East Huntington, Suite C, Jonesboro, Arkansas 72401, or at such other time and place as shall be subsequently agreed upon by the parties. At the closing and upon each subsequent draw, the Company 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 the Company, 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, the Purchaser, the Company, 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 the Company 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 Lease Agreement, the Indenture, the Home Office Payment Agreement, or an Agreement for Payment in Lieu of Taxes to be dated as of the date of its delivery by and between the Issuer and the Company (the “**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 Lease Agreement, the Indenture or the 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 Lease Agreement, the Indenture, the Home Office Payment Agreement, and the 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 of the Bonds and their assigns will be entitled to the benefits of this Agreement, the Lease Agreement, the Home Office Payment Agreement, and the Indenture.

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 Bonds 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 Lease Agreement and the Indenture) on such date; and you shall have received a certificate of the Company to such effect.

3.3. Execution and Delivery of Documents. The Lease Agreement, the Indenture, the Home Office Payment Agreement, and the 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 Lease Agreement and the lien of the Indenture and the security interests created by the Lease Agreement and the Indenture 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 Lease Agreement, the Indenture, the 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 the Company.

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 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. The Company 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 300 South Church Street, Jonesboro, Arkansas 72401, Attention: Mayor; with a copy to Carol Duncan, City Attorney, 401 W. Washington Ave., Jonesboro, Arkansas 72401; and if to the Company, to 3200 Nestle Road, Jonesboro, Arkansas 72401, Attention: _____ 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 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 and the Company, 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 Purchaser. 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 Copenhaver, Mayor

ATTEST:

By: _____
April Leggett, City Clerk

ACCEPTED:

[Affiliate of Camfil]

a [state][entity]

By: _____
Name: _____
Title: _____

APPROVED:

CAMFIL USA, INC.

a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF INVESTOR LETTER

[Prepared on Letterhead of Bond Purchaser]

_____, 2022

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

[Trustee]

City of Jonesboro, Arkansas
Attention: Mayor
300 South Church Street
Jonesboro, Arkansas 72401

Camfil USA, Inc.
Attention: _____
3200 Nestle Road
Jonesboro, Arkansas 72401

Not to Exceed
\$50,000,000
City of Jonesboro, Arkansas
Taxable Industrial Development Revenue Bonds
(Camfil Project)
Series 2022

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**”), Camfil USA, Inc. (the “**Company**”), _____ (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 _____, 2022 (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 have knowledge and experience in business and financial matters, so 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 the paragraphs above. We are duly and validly organized as a [limited liability company/corporation] under the laws of the State of [] and can bear the economic risk of the purchase of the Bonds.

5. 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.

6. We are duly and legally authorized to purchase or invest in obligations such as the Bonds.

7. 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.

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

9. We have carefully read the Bond Documents and the Additional Information in their 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.

10. 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.

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

[Affiliate of Camfil]
A [state][entity]
Bond Purchaser

By: _____
Name: _____
Title: _____

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

Michele Simmons Allgood
Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.
100 East Huntington, Suite C
Jonesboro, Arkansas 72401

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

THIS RECOGNITION OF PRIOR INTERESTS, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2022, among **CAMFIL USA, INC.**, a Delaware corporation (“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 and construction of manufacturing facilities, infrastructure and improvements and the acquisition and installation of facilities and equipment for the manufacture of dust, fume, and mist collection equipment and air filtration systems and related warehousing and distribution facilities to be located at 3200 Nestle Road, 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 Copenhaver, Mayor

ATTEST:

By: _____
April Leggett, City Clerk

(S E A L)

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

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 COPENHAVER** and **APRIL LEGGETT**, 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 _____, 2022.

(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: Camfil USA, Inc.
3200 Nestle Road
Jonesboro, AR 72401
Attention: _____

with a copy to: [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

as Trustee

for

\$50,000,000

City of Jonesboro, Arkansas

Taxable Industrial Development Revenue Bonds

(Camfil Project)

Series 2022

Dated: _____, 2022

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
100 EAST HUNTINGTON, SUITE C
JONESBORO, ARKANSAS 72401

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TRUST INDENTURE

THIS TRUST INDENTURE (this “**Indenture**”) executed as of the ___ day of _____, 2022, by and between the **CITY OF JONESBORO, ARKANSAS**, a city of the first class and a 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 _____, an _____ with a corporate trust office in _____, Arkansas (the “**Trustee**”), as party of the second part;

RECITALS:

A. The Issuer is authorized by the provisions of Amendment 65 to the Arkansas Constitution and Title 14, Chapter 164, Subchapter 2 of the Arkansas Code Annotated specifically Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, each as amended from time to time (collectively, 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

B. Pursuant to and in accordance with the Act, the Issuer proposes to issue its industrial development revenue bonds and to loan the proceeds thereof to Camfil USA, Inc., a New York corporation (the “**Company**” or the “**Borrower**”), for the purposes of financing the costs of acquiring, constructing, and equipping certain industrial facilities located within the corporate boundaries of the City of Jonesboro, Arkansas, such loan to be upon the terms and conditions set forth in the Lease Agreement dated as of _____, 2022, by and between the Issuer and the Company (the “**Lease Agreement**”); and

C. 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 (Camfil Project), Series 2022 under the provisions of the Act in a principal amount not to exceed Fifty Million and No/100 Dollars (\$50,000,000.00) (the “**Bonds**”); and

D. 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

E. 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 ____ day _____, 2022; and

F. 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 Agreement between the Issuer and the Borrower (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 Agreement, 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” – Collectively, the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated, specifically Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, as amended from time to time.

“Advance” – The advancement from time to time of the proceeds of the Bonds to the Borrower pursuant to requisitions submitted in accordance with Section 6.03 hereof.

“Agreement” or **“Lease Agreement”** – The Lease Agreement dated as of _____, 2022, between the Issuer and the Company providing for a loan to the Company for payment of a portion of the Project costs.

“Bond Fund” – The fund of the Issuer created by Section 5.01 of this 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 (Camfil Project), Series 2022 issued under and secured by the Indenture, in the principal amount of not to exceed \$50,000,000.

“Borrower” – Camfil USA, Inc., a New York corporation.

“Borrower Representative” – The person or persons at the time designated to act on behalf of the 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 Purchaser.

“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 that date shall be determined by the Borrower 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 Agreement among the Issuer, the Borrower, the Trustee, the Purchaser and any Bondholder evidencing the intent of the parties with respect to payment obligations under this Indenture, the Bond Purchase Agreement, and the Lease Agreement.

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

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

“Loan Fund” – The fund created by Section 5.06 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.

“Purchaser” or **“Bondholder”** – [Affiliate of Borrower], a [state][entity]. The Purchaser is the original purchaser 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 Agreement.

“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 Purchaser.

“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 _____, an _____ authorized to exercise corporate trust powers in the State of Arkansas, and being duly qualified to accept and administer the trusts hereby created,. 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 the 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, an issue of industrial development revenue bonds is hereby authorized in the aggregate principal amount of \$50,000,000. 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 (Camfil Project), Series 2022,” in the principal amount of not to exceed \$50,000,000. The Bonds will be dated _____, 2022, and interest thereon shall be payable as set forth in the forms of Bond attached hereto as Exhibit A and 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 not to exceed \$50,000,000, 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 the Borrower, to the Trustee pursuant to the provisions of Section 6.03 hereof and Article II of the Lease Agreement. Upon receipt of a Draw Certificate and Notice of Funding, substantially in the form of Exhibit C attached hereto, 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 Bonds not sold to the Bondholder and any portion of the corresponding proceeds not delivered to the Borrower 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 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 Fifty (365) or three hundred sixty-six (366) days, as applicable.

Section 2.03. Maturity; Interest Payment Dates. The Bonds shall mature on _____, 20__ and bear interest payable annually on each _____ (each an “**Interest Payment Date**”), commencing _____, 2022 and continuing through _____, 20__ with the final principal payment due on maturity, _____, 20__, at the rate per annum of _____ 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 Bond originally issued and delivered shall be substantially in the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by this Indenture. The Bonds exchanged for the originally issued Bonds and delivered on and after the Completion Date shall be substantially in the

form set forth in Exhibit B 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, with the direction of the Purchaser, either deliver them to the Purchaser or maintain custody of the Bond as agent of the Purchaser upon payment of the initial Advance, 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 and such amount shall be deemed to be conclusive evidence of the principal amount purchased by the Purchaser, absent manifest error.

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.

On and after the Completion Date, Bonds may be exchanged, and upon receipt of notice of the Completion Date as provided in Section 2.03 of the Lease Agreement, will 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 from and after the date of maturity or date fixed for redemption.

Section 2.11. Interest Commencement Date. The 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. 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. On or before each Interest Payment Date, the Borrower or the Bondholder shall provide written notice to the Trustee, substantially in the form of Exhibit D attached hereto and incorporated herein, evidencing the amount of principal outstanding and the interest that has accrued and is payable as of such Interest Payment Date (the "Interest Notice"). Upon delivery of the Interest Notice, Borrower shall remit the amount of interest payable to the Trustee for deposit in the Bond Fund, and the Trustee shall transmit interest due and payable to the Bondholder. Provided, however, that so long as a Home Office Payment Agreement (as defined in Section 2.16 hereof) is in effect, Trustee may presume that interest payments have been made directly to the Bondholder by the Borrower, and no further action shall be required of the Trustee after delivery of the Interest Notice.

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, upon request, 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, upon request, 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 Agreement, the Trustee shall give notice thereof to the registered owner of the Bonds. Such notice shall be given by mail or by other acceptable method, including facsimile or e-mail, 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 Borrower and the owner of any Bond providing for the making to such owner of all payments of principal (whether at maturity or redemption) and interest on such Bond or any part 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, if the Trustee is the custodian of the Bond for the Bondholder, or the transferor, 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 or redemptions 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. The Trustee may conclusively rely on the Issuer's, the Borrower's and the Bondholder's intent to comply with and make all payments pursuant to the Lease Agreement, this Trust Indenture and the Bonds in conformity and compliance with the Home Office Payment Agreement until notified in writing that the Home Office Payment Agreement has been terminated. The Borrower and Bondholder may terminate the Home Office Payment Agreement at any time in their sole and absolute discretion, and the Home Office Payment Agreement may not be terminated without the written consent of both Borrower and Bondholder.

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 or e-mail, to the owner or owners of the Bonds not less than thirty (30) days prior to the date fixed for redemption, or such shorter period of time as is acceptable to the owner or owners of the Bonds and the Trustee. 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.

Failure to give notice to the Owner of any Bond designated for redemption 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. 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 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 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 Agreement (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 Agreement for such maintenance, pursuant to the terms of which the Borrower is obligated to maintain the Project as set forth in the Lease Agreement, and so long as the Lease Agreement is 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. If any such filing is required to be made by the Issuer, the Issuer shall provide the Trustee with file-marked copies thereof.

Section 4.07. Rights under Lease Agreement. The Lease Agreement, duly executed counterparts of which have been filed with the Trustee, sets forth covenants and obligations of the Issuer and the Borrower. 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 Borrower under and pursuant to the Lease Agreement, for and on behalf of the bondholder, 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 Agreement. It is understood that the Issuer has made provisions in the Lease Agreement for such insurance, pursuant to the terms of which the Borrower is obligated to keep the property insured as set forth in the Lease Agreement, and so long as the Lease Agreement is in force and effect, the Issuer shall be deemed to be in compliance with its obligations under this Section 4.10.

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; and
- (b) City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bond (Camfil Project) Fund, Series 2022 (the “**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 Bond Fund as and when received:

- (a) That portion of the proceeds of the sale of the Bonds as set forth in the Delivery Instructions;
- (b) The payments and other moneys paid by the Borrower, pursuant to the Lease Agreement;
- (c) Amounts transferred to the Bond Fund 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 Bond Fund.

Money in the 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 Bond Fund sufficient moneys from payments and other moneys paid by the Borrower pursuant to the Lease Agreement 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 Agreement 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 Bond Fund, including, but not limited to, documents held pursuant to the Option Agreement (as defined in the Lease Agreement).

Section 5.03. Use of Moneys in Bond Fund.

The Bond Fund shall be in the name of the Issuer, and the Issuer hereby irrevocably authorizes and directs the Trustee to withdraw from the Bond Fund sufficient funds to pay the principal of, premium, if any, and interest on the 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 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 Bonds as the same become due, such surplus shall be applied to investments as permitted under Article VII herein.

Subject to the provisions of the Home Office Payment Agreement, the Trustee shall cause to be transferred from the 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 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 Bond Fund at least one (1) day before the maturity or redemption date of any 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 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 Costs, 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. The Trustee shall be fully protected in disbursing amounts in accordance with properly signed requisitions and the Delivery Instructions and has no duty or obligation to confirm that any such requested disbursements constitute Issuance Costs.

Section 5.06. 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. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

Section 5.07. Any Fees, Charges and Expenses of Trustee and Paying Agent. It is understood and agreed that pursuant to the provisions of the Lease Agreement, the Borrower agrees to pay the reasonable fees, expenses and charges of the Trustee and Paying Agent as authorized and provided by this Indenture. The Borrower is to make payments on statements rendered by the

Trustee. All such additional payments under the Lease Agreement which are received by the Trustee shall be paid into the Bond Fund to make payment therefrom for said purposes.

Section 5.08. 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 Agreement calling for the Trustee to hold, administer and disburse the same in accordance with the specific provisions of the Lease Agreement shall be held, administered and disbursed pursuant to the provisions, and where required by the provisions of the Lease Agreement, 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 Agreement, 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 Agreement ceases 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 Agreement that would be applicable if the Lease Agreement 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 5.09. 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 Agreement, the Trustee is authorized to refund to the Borrower within two weeks after the principal payment date annually all excess amounts remaining in the Bond Fund 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 the Bond Fund being held pending redemption of the Bonds shall not be refunded to the 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. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

Section 6.03. Disbursements from the Loan Fund. Moneys in the Loan Fund shall be disbursed to the 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 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 Borrower (which designation shall be in writing and filed with the Trustee). In addition to the requirements of the Lease Agreement, 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 properly executed draw request and receipt of the Advance from the Purchaser, the Trustee shall 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. Issuer and Trustee shall be fully protected in relying upon certifications of the Borrower and/or the Bondholder that deposits to and withdrawals from the Loan Fund were evidenced on the books and records of the Borrower and Bondholder in a manner consistent with the Home Office Payment Agreement and have no duty or obligation to confirm such consistency and compliance.

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 Bond Fund and used to redeem Bonds on the first Interest Payment Date following notification. If the balance is less than \$5,000, it shall be transferred to the Bond Fund, 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 Borrower.

**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 Borrower under the Lease Agreement 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 Borrower 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 Agreement 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 appraisalment, 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 appraisalment 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 the fees of the Trustee and the 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 and the creation of a reasonable reserve for anticipated fees, costs and expenses.

(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 duties and obligations of the Trustee under this Indenture 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; provided, however, if there is a Home Office Payment Agreement in effect the Trustee shall only be deemed to have notice of the failure by the Issuer to make or cause to be made any of the payments required to be made under Article IV hereof if the Trustee is 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.

(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 (but no duty or obligation) 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.

(m) The Trustee shall have no duty to risk, advance or expend its own funds in the performance of the duties and obligations of the Trustee hereunder.

(n) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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 Agreement 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, solely to the extent indemnified to the satisfaction of the Trustee from and against any losses, costs, claims, liabilities or expenses, including fees and expenses of its attorneys and agent incurred by the Trustee related to or arising from such action by the Trustee. 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.

Section 10.15. Borrower and Bondholder Rights. Notwithstanding any provision hereof to the contrary, Borrower and Bondholder may hire a successor Trustee to replace any existing Trustee. Further, upon the written direction of the Borrower and the owners of one hundred percent (100%) of the principal amount of the Bonds at the time outstanding and evidence that written notice of such direction has been provided to the Issuer, the Trustee may conclusively rely on such written notice and may take such action as is thereby directed; provided, however, that such action is not in the reasonable judgment of the Trustee to the prejudice of the Trustee.

ARTICLE XI. SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE AGREEMENT

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, and upon the written direction of the Borrower, 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 Agreement 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, with the written consent of the Borrower, the owners of one hundred percent (100%) of the 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 Bondholder 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 Bondholder or the Borrower 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 Borrower 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 or e-mail, to each owner at his, her or its address on the Bond registration book maintained by the Trustee. Such notice shall be prepared by the Issuer, Bondholder or Borrower and 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 disseminate such notice, and any such failure shall not affect the validity of such supplemental indenture consented to and approved as provided in this Section. 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 Agreement. Upon the written request of the Borrower, with written notice to the Issuer in conformity with the Lease Agreement, the Trustee may from time to time, and at any time, consent to any amendment, change or modification of the Lease Agreement 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 Agreement without the approval or consent of the owners of one hundred percent (100%) of the principal amount of the Bonds at the time outstanding.

Section 11.04. Procedure for Amendments. If at any time the Issuer or the Borrower 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
300 South Church Street
Jonesboro, Arkansas 72401
Attention: Mayor

With a copy to: Carol Duncan
City Attorney
401 W. Washington Ave.
Jonesboro, Arkansas 72401
E-mail: cduncan@jonesboro.org

If intended for the Trustee: _____

Attn: Corporate Trust Department

If intended for Company: CAMFIL USA, INC.
3200 Nestle Road
Jonesboro, Arkansas 72401
Attention: _____

If intended for the Bondholder: _____

Attention: _____

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 City Council 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 Copenhaver, Mayor

ATTEST:

By: _____
April Leggett, City Clerk

(S E A L)

_____, as Trustee

By: _____
_____, _____

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

On this day, before me, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named **HAROLD COPENHAVER** and **APRIL LEGGETT**, 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 WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2022.

Notary Public

My commission expires:

(S E A L)

STATE OF ARKANSAS)
) ss.
COUNTY OF PULASKI)

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 _____, a banking corporation, 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 _____ 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 _____, 2022.

Notary Public

My commission expires:

(S E A L)

Exhibit A

Form of Initial Bond

R-1

\$50,000,000

**UNITED STATES OF AMERICA
STATE OF ARKANSAS
\$50,000,000
CITY OF JONESBORO, ARKANSAS
TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS
(CAMFIL PROJECT)
SERIES 2022**

INTEREST RATE MATURITY DATE: ISSUE DATE

_____ % _____, 20__ _____, 2022

REGISTERED OWNER: [AFFILIATE OF COMPANY]

**PRINCIPAL AMOUNT: FIFTY MILLION AND NO/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 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 _____, 2022 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 _____, 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 Little Rock, 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 Fifty Million and No/100 Dollars (\$50,000,000.00) (the “**Bonds**”) which are issued for the

purpose of providing funds for the making of loans to Camfil USA, Inc. (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 _____, 2022, 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.

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

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 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) At any time, 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) At any time, upon the written direction of the Borrower, 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 with the written consent of the Borrower, 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 or e-mail, 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 or such shorter period of time as is acceptable to the Trustee and the owner hereof. 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, or the Trustee if the Bond is in the Trustee's possession, 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 _____, 2022.

CITY OF JONESBORO, ARKANSAS

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

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

_____, as Trustee

By: _____
Authorized Signatory

Dated: _____, 2022

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.

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.

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

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 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) At any time, 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) At any time, upon the written direction of the Borrower, 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 with the written consent of the Borrower, 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 or e-mail, 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 or such shorter period of time as is acceptable to the Trustee and the owner hereof. 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, or the Trustee if the Bond is in the Trustee's possession, 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

CERTIFICATE OF AUTHENTICATION

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

_____, 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 C

DRAW CERTIFICATE
AND
NOTICE OF FUNDING

[Date]

Not to Exceed
\$50,000,000
City of Jonesboro, Arkansas
Taxable Industrial Development Revenue Bonds
(Camfil Project)
Series 2022

Attn: Corporate Trust

Camfil USA, Inc.
3200 Nestle Road
Jonesboro, Arkansas

Ladies and Gentlemen:

The undersigned, a Borrower Representative, as defined in the Trust Indenture dated as of _____, 2022 (the “Indenture”), between the City of Jonesboro, Arkansas (the “Issuer”) and _____ (the “Trustee”), providing for the issuance of the captioned bonds (the “Bonds”), hereby certifies to and represents to the Trustee and [Bondholder] (the “Bondholder”) as follows:

1. Pursuant to this Certificate and in compliance with Article VI of the Indenture, Camfil USA, Inc. (the “Company”) requests a draw under the Bonds on the date hereof in the amount of \$ _____ (the “Draw”).

2. The Draw will be used to reimburse the Company for Project Costs pursuant to Article II of the Lease Agreement between the Issuer and the Company dated as of _____, 2022 (the “Lease Agreement”).

3. The requested amount of this Draw, when added to the amount of all prior Draws under the Indenture, does not exceed \$50,000,000. Further, the requested Project Costs have not been previously reimbursed.

4. The undersigned has examined the provisions of the Indenture and the Lease Agreement and certifies that the Company has complied with the conditions thereof. This disbursement is for a proper expense of or pertaining to the Project.

5. A summary of the Project Costs to be reimbursed is attached hereto as **Exhibit “A”**. For those Project Costs identified in **Exhibit “A”** that are in excess of \$100,000, at the direction of the Company, an invoice, purchase order or other appropriate documentation may be attached as support for the expense. The assets identified in **Exhibit “A”** and its supporting documentation have

been purchased with Bond proceeds, are contemporaneously transferred to the Issuer, and leased to the Company pursuant to the Lease Agreement. For purposes of clarification, **Exhibit “B”** identifies equipment that is fully assembled and operations; however, the component parts of such equipment may have been identified on **Exhibit “A”** to prior Draw Notices. To the extent that any of the assets listed in **Exhibit “B”** are “personal property,” these assets are intended to be and are part of the Personal Property described in Exhibit B to the Bill of Sale and Blanket Assignment delivered by the undersigned to the Issuer on _____, 2022 and are part of the Leased Premises referenced in Section 3.01 of the Lease Agreement and more specifically described on Exhibit A to such Lease Agreement. Issuer and Company acknowledge and agree that the referenced Exhibit B to the Bill of Sale and Blanket Assignment and Exhibit A to the Lease Agreement are hereby modified and amended to include the assets described on **Exhibit “B”** hereto. The assets described in **Exhibit “A”** and **Exhibit “B”** are subject to prior encumbrances specific to each asset.

6. The Bondholder is requested to make appropriate accounting entries to reflect the additional funding of the Bonds.

7. The Trustee is requested to make appropriate notation on the Draw of Schedule A of the Bonds.

CAMFIL USA, INC.

By: _____

Name: _____

Title: _____

The foregoing is acknowledged by the Trustee as of _____, 20____.

By: _____

Name: _____

Title: _____

EXHIBIT "A"
TO DRAW CERTIFICATE AND NOTICE OF FUNDING
PROJECT COSTS

[To be inserted at the time of the draw.]

EXHIBIT "B"
TO DRAW CERTIFICATE AND NOTICE OF FUNDING
ADDITIONS TO LEASED PREMISES

[To be inserted at the time of the draw.]

Exhibit D

ANNUAL PAYMENT CONFIRMATION

Not to Exceed
\$50,000,000
City of Jonesboro, Arkansas
Taxable Industrial Development Revenue Bonds
(Camfil Project)
Series 2022

Attn: Corporate Trust

Pursuant to the Home Office Payment Agreement between the City of Jonesboro, Arkansas (“Issuer”), [Bondholder] (“Bondholder”) and Camfil USA, Inc. (“Borrower”), Borrower confirms that the following payments were made and documented in accordance with the referenced documents on the books and records of the Borrower and Bondholder as of _____, 20__:

<u>Applicable Document</u>	<u>Type of Payment</u>	<u>Amount</u>
Bond	Accrued Interest	\$ 1
Lease Agreement	Rent	\$ 2

Dated: _____

CAMFIL USA, INC.
As Borrower

By: _____

Name: _____

Title: _____

¹ Borrower may provide back-up documentation to the Trustee regarding the calculation of the Accrued Interest amount, but it is not required. Interest is calculated at the rate of _____% on the outstanding principal balance.

² Pursuant to the Lease Agreement, rental payments are equivalent to amounts due with respect to the Bond.

LEASE AGREEMENT
BY AND BETWEEN
CITY OF JONESBORO, ARKANSAS
AND
CAMFIL USA, INC.

Dated as of _____, 2022

MITCHELL | WILLIAMS

MITCHELL, WILLIAMS, SELIG, GATES & WOODYARD, P.L.L.C.
100 EAST HUNTINGTON, SUITE C
JONESBORO, ARKANSAS 72401

LEASE AGREEMENT

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LEASE AGREEMENT

This LEASE AGREEMENT (the “**Lease Agreement**”) is entered into and effective on this ___ day of _____, 2022, by and between the **CITY OF JONESBORO, ARKANSAS** (“**Lessor**” or “**Issuer**”) and **CAMFIL USA, INC.**, a corporation organized under and existing by virtue of the laws of the State of Delaware (“**Lessee**”);

RECITALS:

A. Lessor is a duly organized and existing 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 Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, as amended from time to time (collectively, the “**Act**”) and as interpreted by the Arkansas Supreme Court in *Wayland v. Snapp*, 232 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

B. 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 _____, 2022 (the “**Indenture**”) by and between the Issuer and [To be determined], as Trustee; and

C. 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 (Camfil Project), Series 2022 (the “**Bonds**”); and

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

E. Lessee is authorized under its Articles of Incorporation and Bylaws 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

F. 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; and

G. 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

H. 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 construction of infrastructure and improvements and acquisition and installation of equipment in Jonesboro, Arkansas, all as financed with the proceeds of the Bonds (the “**Project**”) which Project shall otherwise exclude building, machinery and equipment financed by Lessee from other sources, if any.

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 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 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Camfil Project), Series 2022.

“**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 personal property, land, facilities and related improvements covered by this Lease Agreement and defined in Section 3.01 hereof.

“Lessee”– Camfil USA, Inc., a Delaware corporation, 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 5.06 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, if any, (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 or landlords of Lessee as described in Section 6.05 hereof, and (vi) the 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.

“State” - The State of Arkansas.

“Trust Indenture” or **“Indenture”** - The Trust Indenture to be executed between the Issuer and the Trustee securing the Bonds.

“Trustee” - The Trustee for the time being, whether original or successor, with the original Trustee being _____, an _____ 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.

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 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 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 the Project, and 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 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 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 leasehold rights and/or land, as applicable, described in **Exhibit B**, and the improvements, machinery, equipment, furnishings, and other personal property described in **Exhibit A**, or elsewhere, including, without limitation, all replacements and substitutions which become the property of the Lessor, pursuant to the provisions of this Lease Agreement. If requested by Lessor in writing, all such machinery, equipment, furnishings and other personal property shall be described in a ledger maintained by Lessee on the Leased Premises.

The properties described in this Section 3.01 are herein collectively referred to as the “**Leased Premises.**” Lessor and Lessee acknowledge and agree that **Exhibits A and B** will be supplemented and amended during the term of this Lease to identify additional leasehold improvements and fee and leasehold interests in machinery, equipment and furnishings, other personal property, and fixtures that are acquired with the proceeds of the bonds after the commencement date of this Lease Agreement.

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 _____, 2022, 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. At any time following or contemporaneously with the redemption of the Bonds in full or the expiration of the term of this Lease Agreement, if the purchase option set forth in Article XX has not been exercised, Lessee shall have the unconditional right and obligation to purchase the Leased Premises for the Purchase Price (as defined and described in the Option Agreement), and this Lease Agreement will be terminated contemporaneous with the full exercise of the purchase option set forth in Article XX.

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, either at maturity or upon optional redemption, under the provisions of the Indenture. Basic Rent shall be payable annually on _____ commencing on _____, 20__ 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; provided that, Lessor acknowledges that no such expenses are contemplated to be incurred on the date hereof and that Lessor will provide Lessee with notice of such expenses prior to being incurred by the Lessor, or, if incurred without Lessor's direct involvement or knowledge, within a reasonable time thereafter, or as soon thereafter as Lessor becomes, or reasonably should have become, aware of such expenses. 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 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, including, but not limited to, compliance with standards and recommendations promulgated by the Financial Accounting Standards Board. 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 _____, 2022 (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. 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. So long as there is no reduction in the reasonable value and functional utility of the Project, as originally designed and completed and as originally approved by Lessor, 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 Lessee, at its sole option and discretion, may sublease tracts within the Leased Premises pursuant to Section 16.01 of this Lease Agreement (each, a “Future Sublease”). Lessor agrees for the benefit of 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 lessees and sublessees thereunder provided that such lessees 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 any Future Sublease. The liability of Lessor under 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 development, manufacture and delivery of premium quality wet wipes 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.

Section 7.04. Lessor to Grant Easements. The Lessor agrees that, when requested by the Lessee, it will take necessary steps to grant utility, road and other easements and rights of way over, along, across and under the Leased Premises. Instruments granting such easements and rights of way may be executed by the Mayor and City Clerk of the Lessor, who shall be entitled to rely upon and act in accordance with the written request of the Lessee signed by an authorized Lessee representative. Lessor shall not grant any utility, road and other easements and rights of way over, along, across and under the Leased Premises without the written consent of the Lessee.

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, after receipt of notice of the filing thereof or the assertion thereof against such rents, Lessee shall cause the same to be discharged promptly 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. Upon Lessor and/or Trustee tendering the defense of such claim to 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. Notwithstanding the foregoing, neither the Lessor nor the Trustee shall be entitled to indemnification for any claim arising out of its own gross negligence or willful misconduct.

**ARTICLE XI
RESERVED**

**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 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 to determine Lessee's compliance with the terms hereof. In making such inspections, the Lessor will observe the Lessee's prevailing security and safety arrangements and protocols. Nothing contained herein shall be construed to entitle the Lessor to any information or inspection involving the confidential know-how or other proprietary information of the Lessee.

ARTICLE XIV DAMAGE AND DESTRUCTION

Section 14.01. Restoration 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 a substantial portion of the Leased Premises by fire or other casualty, the Lessee shall notify the Lessor within a commercially reasonable period of time. In repairing any such damage, the Lessee may make such repairs in such manner and to such extent as it deems appropriate for its purposes and shall not be liable for the restoration of the Leased Premises to the condition existing prior to such casualty. 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, if any, 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 undertaken by the Lessee, the Lessee shall pay the deficiency and 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. 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. 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 all or any part of 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 Bonds, and the accomplishment 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

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 corporation 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, convert into, or merge into it; provided, however, the Lessee may consolidate with, convert into 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, conversion, 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. Thirty (30) days prior, or such other shorter period of time as is acceptable to Lessor, to any such consolidation, conversion, 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 Delaware 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 permitted by Section 6.05, 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 in public filings made by Lessee or its affiliates in compliance with its or their regulatory obligations, 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.

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 Copenhaver, Mayor

ATTEST:

By: _____
April Leggett, 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.

CAMFIL USA, INC., Lessee
a Delaware corporation

By: _____
Name: _____
Title: _____

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 COPENHAVER** and **APRIL LEGGETT**, 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 WITNESS WHEREOF, I have hereunto set my hand and official seal this ____ day of _____, 2022.

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 s/he was the _____ of **CAMFIL USA, INC.**, a Delaware corporation, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said corporation, and further stated and acknowledged that s/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 _____, 2022.

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 Bonds.

EXHIBIT B

Legal Description

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

[to be provided]

EXHIBIT C
Option Agreement
(See Attached)

OPTION AGREEMENT

This OPTION AGREEMENT (the "Option Agreement") is entered into and effective on the ____ day of _____, 2022, by and between the **CITY OF JONESBORO, ARKANSAS** ("**Grantor**") and **CAMFIL USA, INC.**, a Delaware corporation ("**Grantee**").

WHEREAS, Grantor, as Lessor, and Grantee, as Lessee, have entered into a Lease Agreement (the "**Lease Agreement**") dated as of _____, 2022 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 all or part of 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 all or part of 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 Agreement 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 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 sole discretion.

(b) **Exercise of Purchase Option.** The Purchase Option may be exercised by Grantee with respect to all of the Leased Premises by 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 in full 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) or such portion thereof as is allocated to the portion of the Leased Premises that is being purchased; 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) or

such portion thereof as is allocated to the portion of the Leased Premises that is being purchased, and in addition, if the entirety of the Leased Premises is being purchased, 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 Bonds, and the accomplishment of the Project, including, but not limited to, the Project's construction and operation by the Grantee.

6. Expiration of Lease Agreement. Upon the expiration of the Lease Agreement pursuant to its terms, Grantee shall have been deemed to have exercised its Purchase Option, and Escrow Agent shall deliver the Conveyance Documents to the Grantee.

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 (i) the Purchase Option for the entirety of the Leased Premises is exercised by the Grantee and notice of the same is provided pursuant to Section 2(b), (ii) the Bonds are fully redeemed, or (iii) receipt of written notice from the Grantee that the term of the Lease Agreement has expired pursuant to its terms. Upon receipt of the notice specified in Section 2(b), redemption in full of the Bonds, or expiration of the term of the Lease Agreement, 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 for all or part of the Leased Premises, 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, Option and PILOT 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 Copenhaver, Mayor

ATTEST:

By: _____
April Leggett, City Clerk

(S E A L)

CAMFIL USA, INC., Lessee
a Delaware corporation

By: _____
Name: _____
Title: _____

Acknowledged by Escrow Agent:

By: _____
_____, Corporate Trust Officer

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 COPENHAVER** and **APRIL LEGGETT**, 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 WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of _____, 2022.

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 s/he was the _____ of **CAMFIL USA, INC.**, a Delaware corporation, and was duly authorized in that capacity to execute the foregoing instruments for and in the name and behalf of said corporation, and further stated and acknowledged that s/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 _____, 2022.

Notary Public

My commission expires:

(S E A L)

PAYMENT IN LIEU OF TAXES AGREEMENT

City of Jonesboro, Arkansas
300 South Church Street
Jonesboro, Arkansas 72401
Attention: Mayor

Dated: _____, 20__

Re: Not to exceed \$50,000,000 City of Jonesboro, Arkansas Taxable Industrial Development Revenue Bonds (Camfil Project), Series 2022 (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.* and Ark. Code Ann. §§ 14-164-701 *et seq.* (collectively, the “Act”) for the purpose of financing a substantial industrial project consisting of the acquisition and construction of manufacturing facilities, infrastructure and improvements and the acquisition and installation of facilities and equipment for the manufacture of dust, fume, and mist collection equipment and air filtration systems and related warehousing and distribution facilities to be located at 3200 Nestle Road, Jonesboro, Arkansas (the “Project”) relating to the operations of Camfil USA, Inc. or its affiliate (the “Company”). The Project will be leased by the City to 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 development, manufacture and delivery of premium quality wet wipes. 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*, 232 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 City, 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 15 each year commencing after completion of construction. Payments not paid when due shall bear interest at 10% 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 termination 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.

[Signature Page Follows]

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

Very truly yours,

CAMFIL USA, INC.

By: _____

Name: _____

Title: _____

ACCEPTED:

CITY OF JONESBORO, ARKANSAS

By: _____
Harold Copenhaver, Mayor

ATTEST:

April Leggett, City Clerk



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Text File

File Number: RES-22:205

Agenda Date:

Version: 1

Status: To Be Introduced

In Control: Finance & Administration Council Committee

File Type: Resolution

RESOLUTION AUTHORIZING THE CITY OF JONESBORO, ARKANSAS GRANTS AND COMMUNITY DEVELOPMENT DEPARTMENT TO APPLY FOR THE UNITED STATES DEPARTMENT OF TRANSPORTATION, OFFICE OF THE ASSISTANT SECRETARY FOR RESEARCH AND TECHNOLOGY, FY22 STRENGTHENING MOBILITY AND REVOLUTIONIZING TRANSPORTATION (SMART) PROGRAM, PLANNING GRANT.

WHEREAS, the U.S. Department of Transportation, Office of the Assistant Secretary for Research and Technology is accepting planning grant applications for the FY22 Strengthening Mobility and Revolutionizing Transportation Program; and,

WHEREAS, the City of Jonesboro, AR strives to implement innovative technology to improve transportation safety and efficiency in highly congested roadways and intersections; and,

WHEREAS, the City Engineering Department will conduct a Travel Time Delay Study at four intersections along Arkansas Highway 49 to identify the best traffic signal optimization solution. The study strives to address traffic congestion and safety concerns caused by traffic signal delays in this area. The intersections selected for the study are, (1) Red Wolf Blvd and Aggie Rd, (2) Red Wolf Blvd and Johnson Ave, (3) Johnson Ave and N. Old Greensboro Rd, and (4) Johnson Ave and Airport Rd; and,

WHEREAS, the City of Jonesboro is requesting \$398,189 in Federal funding with no local match to conduct the Travel Time Delay Study; and,

WHEREAS, if the City of Jonesboro, AR is awarded the SMART Planning Grant, and the study demonstrates the success of new traffic signal technology, the city becomes eligible to apply for the SMART Implementation Grant for citywide installation.

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

SECTION 1: The City of Jonesboro, Arkansas supports the submission of the FY22 Strengthening Mobility and Revolutionizing Transportation Program, Planning Grant, application to the U.S. Department of Transportation, Office of the Assistant Secretary for Research and Technology for the Travel Time Delay Study at four intersections on Arkansas Highway 49.

SECTION 2: The Mayor and the City Clerk are hereby authorized by the City Council for the City of Jonesboro, Arkansas to execute all documents necessary to effectuate this application.

SECTION 3: The Grants and Community Development Department is hereby authorized by the City Council for the City of Jonesboro, Arkansas to submit all necessary documents for this Federal program.

Signal Optimization Solution (HWY 49)

Task	Total
Project/Data Management Plan	\$ 2,875.00
ARDOT Permit Process	\$ 2,875.00
Travel Time Delay Study (Baseline)	\$ 23,000.00
Equipment Purchase (Bid Process)	\$ 258,750.00
Equipment Install/Calibrate	\$ 28,750.00
Travel Time Delay Study (Post Install)	\$ 23,000.00
Data Analysis and Reporting	\$ 17,250.00
Citywide Implementation Plan	\$ 17,250.00
Travel	\$ 24,439.00
Total	\$ 398,189.00



City of Jonesboro

300 S. Church Street
Jonesboro, AR 72401

Text File

File Number: RES-22:206

Agenda Date:

Version: 1

Status: To Be Introduced

In Control: Finance & Administration Council Committee

File Type: Resolution

A RESOLUTION TO THE CITY OF JONESBORO, ARKANSAS TO ENTER INTO AN AGREEMENT WITH CREWS & ASSOCIATES, INC. TO PROVIDE PROFESSIONAL FINANCIAL ADVISORY SERVICES WITH RESPECT TO FINANCIAL MATTERS OF THE CITY

WHEREAS, the City of Jonesboro desires to enter into an agreement for professional financial advisory services for financial matters of the City; and,

WHEREAS, pursuant to BID 2022-95, the Selection Committee has determined that Crews & Associates, Inc. is the most qualified for the project; and,

WHEREAS, Crews & Associates, Inc. has agreed to provide the services detailed in Exhibit A of the attached agreement; and,

WHEREAS, it is anticipated that funding for the execution of the agreement shall come from relating Debt Obligations.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF JONESBORO, ARKANSAS THAT:

SECTION 1: The City of Jonesboro shall enter into an agreement with Crews & Associates, Inc. to provide professional financial advisory services for financial matters of the City.

SECTION 2: Funding for the execution of the agreement shall come from relating Debt Obligations and compensation shall be paid in accordance with the agreement.

SECTION 3: The Mayor is hereby authorized by the City Council for the City of Jonesboro to execute all documents necessary to effectuate this agreement.

FINANCIAL ADVISORY AGREEMENT CITY OF JONESBORO, ARKANSAS

THIS FINANCIAL ADVISORY AGREEMENT (the “Agreement”) is made and entered into by and between the CITY OF JONESBORO, ARKANSAS, an Arkansas municipal corporation (the “City”) and CREWS & ASSOCIATES, INC., an Arkansas corporation (the “FA”) for a three (3) year term, beginning November 1, 2022 (the “Effective Date”) and ending on that date thirty-six (36) months thereafter (the “Term”).

WHEREAS, the City requires the services of a financial services firm to advise it with respect to financial matters of the City, and desires to obtain financial advisory services as herein described; and

WHEREAS, FA is willing to provide its professional services as financial advisor in connection with all programs of financing as may be requested, considered and authorized by the City.

NOW THEREFORE, in consideration of the mutual promises and obligations of the respective parties and intending to be legally bound, the parties agree as follows:

1. Engagement of FA. the City hereby engages the FA to perform all financial advisory services for the City as described in this Agreement on an exclusive basis for the Term of this Agreement.
2. Term and Renewal. This Agreement shall be for a term commencing on the Effective Date and ending on that date thirty-six (36) months thereafter. The Term shall be automatically extended for successive three (3) year terms unless either party gives the other party written notice of termination at least ninety (90) days prior to the end of the Term then ending.
3. Scope of General Financial Advisory Services Provided. During the Term and upon the City's request, the FA will provide any of the general financial advisory services in Exhibit A. The scope of services may be amended by mutual consent of the City and the FA.
4. Agreement to Provide Accurate Information. The City agrees to provide FA with timely, accurate, complete and material information and reasonable access to relevant documents, other information and personnel as shall be necessary in furtherance of the services provided by FA as set forth herein and in the attached exhibits.
5. Certain Disclosures Regarding Conflicts of Interest and Other Matters. FA has made certain disclosures to the City which are attached hereto and incorporated herein as Exhibit B. The City acknowledges that it has received those disclosures set forth in Exhibit B, that it has been given the opportunity to discuss such disclosures with FA, that it hereby waives any such conflicts set forth in Exhibit B, and hereby authorizes FA to provide services pursuant to this Agreement.

6. Required Disclosures. FA is required to provide the City with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in this Agreement and in the FA’s response to the City’s Request for Proposals for Financial Advisory Services, dated August 4, 2022.

7. Miscellaneous Provisions. This Agreement has been executed in and shall be construed under the laws of the State of Arkansas and shall be binding upon the parties and their respective successors and assigns. This Agreement is the entire agreement of the parties and may be modified only by a writing executed by both parties. If any provision of this Agreement is declared by a court of competent jurisdiction to be unenforceable, such determination shall not affect the remaining provisions which shall remain in full force and effect. The parties agree to be bound by their respective facsimile signatures on this Agreement. All notices required or permitted by this Agreement shall be given to the respective parties at the addresses set forth on the signature page of this Agreement. The Scope of General or Other Financial Advisory Services provided may be changed only by written amendment or supplement to this Agreement. The parties agree to amend or supplement this Agreement promptly to reflect any material changes or additions to this Agreement including the disclosures referenced in Sections 5 and 6.

The City acknowledges by the signatures below that the execution and delivery of this Agreement has been duly and validly authorized by the City.

DATED this _____ day of _____, 2022 (the “Effective Date”).

CITY OF JONESBORO, ARKANSAS

By: _____

Title: Mayor

CREWS & ASSOCIATES, INC.

By: _____

Title: Senior Managing Director

Address: 521 President Clinton Ave, Ste 800
Little Rock, AR 72201

Email: pphillips@crewsfs.com

EXHIBIT A

Debt Issuance Financial Advisory Services and Fee Schedule

FA will perform the following Debt Issuance Financial Advisory Services related to debt obligations (the “Debt Obligations”) of the City:

1. Provide general financial advice relative to any Debt Obligation and assist the City in developing and executing financing plans;
2. Advise the City regarding the structure and suitability of the financing options available including revenue bonds, general obligation bonds, sales and use tax bonds, certificates of participation, private placements, promissory notes and other types of financing alternatives that may be available and appropriate for a particular issuance by the City;
3. Recommend to the City an amount, the maturity structure, call provisions, pricing and other terms and conditions of the Debt Obligation;
4. Prepare and present a calendar of events and timeline for the bond issue;
5. Advise the City on current market conditions and other general information and economic data that might normally be expected to influence the interest rates of a financing;
6. Assist the City in the analysis of and the selection of a credit rating firm of firms for the Debt Obligation and further assist in the development and presentation of information to obtain a credit rating or ratings for the Debt Obligation;
7. Advise the City on utilizing credit enhancement, provide assistance in seeking such credit enhancement and assist in evaluating the cost-benefit of such credit enhancement;
8. Assist the City in coordinating the financing activities and responsibilities of the various parties involved in the Debt Obligation;
9. Assist the City in selecting the members of the working group including but not limited to: bond counsel, special tax counsel, disclosure counsel, trustee; paying agent, underwriter(s), and, printing services;
10. Assist with the review of the financing documents including but not limited to the preliminary and final official statement, resolutions, ordinances, bond purchase agreement, trust indenture and other documents as necessary for a particular Debt Obligation;
11. Present to the City a final recap of the completed transaction and assist bond counsel as needed for execution of all the closing documents;
12. Coordinate with the financing team and other parties, as necessary, to coordinate and ensure the timely delivery of the Debt Obligation;

13. Compensation and fee schedule relating to City Debt Obligations:

Principal Amount of Bond Issue		Base Fee	Max. Fee	Additional Above Base Per (\$000)	Percentage Fee on Max. Prin. Amt.
From	To				
\$ -----	\$ 1,000,000	\$ 9,000	\$ 9,000	\$ -----	
\$ 1,000,000	\$ 5,000,000	\$ 9,000	\$ 25,000	\$4.00	0.5000%
\$ 5,000,000	\$ 10,000,000	\$ 25,000	\$ 35,000	\$2.00	0.3500%
\$ 10,000,000	\$ 50,000,000	\$ 35,000	\$ 75,000	\$1.00	0.1500%
\$ 50,000,000	Up	\$ 75,000		\$0.75	

If the required services are not expected to be funded as part of a planned Debt Obligation (i.e. non-transaction services), the hourly fee is \$300.

EXHIBIT B

Certain Disclosures

1. Conflicts of Interest. FA is required to disclose any actual or potential conflicts of interest that might impair its ability to render unbiased and competent advice to or on behalf of the City during the term of this Agreement, as well as how FA intends to mitigate or manage each actual or potential conflict of interest it has identified after reasonable inquiry. FA will mitigate any actual or potential conflicts of interest disclosed herein by adhering to its duty of care and duty of loyalty to the City to deal honestly and with the utmost good faith and to act in the City's best interests without regard to the financial or other interests of the FA. Because FA is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of FA is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitably built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, FA's municipal advisory supervisory structure, leveraging its long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of FA potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

(a) Compensation for the services described in Exhibit A is based on the size of the issue and the payment of such fees shall be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for FA to recommend unnecessary financings or financings that are disadvantageous to the City, or to advise the City to increase the size of the issue. FA mitigates this conflict through its adherence to its fiduciary duty to the City as described above.

(b) The FA is an affiliate of First Security Bank, an Arkansas banking corporation. In the event that FA makes a recommendation to the City that could influence the level of business with its affiliate, FA will consider alternatives to such recommendation, which will be disclosed to The City along with the impact that the recommendation and its alternatives would have on the business activities of the City with the affiliate. Furthermore, this potential conflict is mitigated by the fact that First Security Bank is subject to its own comprehensive regulatory regime as a banking corporation under the applicable federal banking laws under which it operates.

(c) FA serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the City. For example, FA serves as municipal advisor to other Cities and, in such cases, owes a regulatory duty to such other Cities just as it does to the City under this Agreement. These other Cities may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various municipal clients, FA could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of FA to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that FA serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair FA's ability to fulfill its regulatory duties to the City.

(d) FA is also a broker-dealer that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities, including securities of the City, may be undertaken on behalf of, or as counterparty to, the City, personnel of the City, and current or potential investors in the securities of the City. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the City, such as when their buying or selling of the City's securities may have an adverse effect on the market for the City's securities, and the interests of such other clients could create the incentive for FA to make recommendations to the City that could result in more advantageous pricing for the other clients. Additionally, FA, in connection with its sales and trading activities, may take a principal position in securities, including securities of the City, and therefore FA could have interests in conflict with those of the City with respect to the value of the City's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, FA or its affiliates may submit orders for and acquire the City's securities issued in an Issue under the Agreement, not in a principal transaction but as a member of a selling group, or from an underwriter, or an underwriter who is a member of an underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the City in that it could create the incentive for FA to make recommendations to the City that could result in more advantageous pricing of the City's bond in the marketplace. In addition to its adherence to its fiduciary obligations to the City, these potential conflicts are mitigated by means of such activities being engaged in on customary terms through units of the FA that operate independently from FA's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by FA to the City.

(e). Relating to advice for investments of bond and/or city funds, any conflicts are mitigated by the limitations on investments the City is allowed due to State law.

2. Professional Liability Insurance. The FA does not maintain insurance coverage for errors and omissions, improper judgments or negligence.

3. Qualifications of FA. FA represents and warrants to the City that FA and all of its employees and agents have in effect and shall maintain in full force throughout the Term of this Agreement all licenses, credentials, permits and any other legal qualifications required by law or regulation to perform the services set forth herein. FA represents and warrants that it is a "Municipal Advisor" registered with the United States Securities and Exchange Commission and complies with all of the rules of the Municipal Securities Rulemaking Board pertaining to Municipal Advisors, and that it possesses the degree of knowledge and expertise needed to provide the municipal entity with informed advice.

4. Event Disclosure. The United States Securities and Exchange Commission ("SEC") Form FA and Form MA-I require FA to provide information about criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. There are no legal or disciplinary events that are material to the City's evaluation of FA or the integrity of FA's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC. FA's most recent form MA and Form MA-I are available online and may be accessed at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. FA's filings are under Crews & Associates, Inc., or to use the "Fast Search by Company CIK," enter "0000312603" where indicated. The SEC permits certain items of information required on Form MA or MA-I to be

provided by reference to such required information already filed by FA in its capacity as a broker-dealer on Form BD or Form U4. Information provided by FA on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>. FA's CRD number is 8052.

5. Investor and Municipal Advisory Client Education and Protection. Crews & Associates, Inc. is a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). The website address for the MSRB is www.msrb.org. The MSRB posts and makes available to you an investor brochure on the website of the MSRB that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority.