

MEMORANDUM OF INTENT

This MEMORANDUM OF INTENT is between the City of Jonesboro, Arkansas, party of the first part (hereinafter referred to as the "Municipality"), and Delta, Inc. of Arkansas, an Arkansas corporation, party of the second part (hereinafter referred to as the "Company").

IN CONSIDERATION of the undertakings of the parties set forth herein and the benefits to be derived therefrom and of other good and valuable considerations, receipt of which is hereby acknowledged by the parties, the Municipality and the Company AGREE:

1. Preliminary Statement. (a) The Municipality is a duly organized and existing city of the first class under the laws of the State of Arkansas and is authorized by the laws of the State of Arkansas, including particularly Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended ("Act 9"), to issue revenue bonds for financing costs of acquiring, constructing and equipping industrial facilities (as defined in and authorized by Act 9) and to lease and/or sell the same for such rentals and payments and upon such terms and conditions as the Municipality deems advisable.

(b) The Company operates an existing manufacturing plant, at the City and proposes to undertake an expansion program which will consist of lands, buildings, improvements, machinery, equipment and facilities, estimated at this time to cost, with related expenses, approximately \$1,000,000 (the "Industrial Facilities"). The acquiring, constructing and equipping of the Industrial Facilities will secure and develop industry and continue and make available employment and payrolls in furtherance of the public purpose of Act 9.

(c) The Company has requested a commitment from the Municipality that it will issue revenue bonds under Act 9 as the Company and the Municipality shall deem appropriate and make the proceeds available for the permanent financing of all or any part of the costs and expenses incurred in acquiring, constructing and equipping the Industrial Facilities.

(d) The Municipality is willing to so commit and to proceed with the issuance of such bonds, as and when requested by the Company, in principal amounts necessary to furnish such permanent financing subject to compliance with all conditions set forth in Act 9.

(e) The Municipality considers that the acquiring, constructing and equipping of the Industrial Facilities, and the leasing or sale to the Company of such part thereof as are financed by bonds will secure and develop industry and thereby promote the general health and economic welfare of the inhabitants of the Municipality and adjacent areas.

2. Undertakings on the Part of the Municipality. Subject to the conditions above stated, the Municipality agrees as follows:

(a) That when requested by the Company, it will authorize and take, or cause to be taken, the necessary steps to issue bonds under Act 9, in the aggregate principal amount requested by the Company for accomplishing all or any part of the Industrial Facilities (the "Bonds"). As stated above, it is estimated at this time that approximately \$1,000,000 will be needed, but Bonds will be issued under Act 9 in such amount as shall be requested by the Company for accomplishing all or any part of the Industrial Facilities, whether or not that amount is more or less than the above estimate.

(b) That it will, at the proper time and subject in all respects to the recommendation and approval of the Company, have the Bonds underwritten and will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, sale and issuance of the Bonds, the acquiring, constructing and equipping of the Industrial Facilities to be financed by Bonds, and for the

leasing or sale thereof to the Company, all in conformity with Act 9 and any other applicable federal and state laws upon terms and conditions mutually satisfactory to the Municipality and the Company.

(c) That the aggregate basic rents or payments (i.e., the rents or payments to be used to pay the principal of, premiums, if any and interest on the Bonds) payable under the lease or sale agreement between the Municipality and the Company, shall be sufficient to pay the principal of, premiums, if any, and interest on the Bonds when due. The lease or sale agreement shall contain such provisions as are deemed necessary or desirable by the Company and the Municipality, consistent with the authority conferred by Act 9.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Company. Subject to the conditions above stated, the Company agrees as follows:

(a) That it will cooperate with the Municipality in the sale and issuance of the Bonds to the end of achieving timely and favorable marketing thereof.

(b) That it will enter into such lease, sale agreement or other appropriate agreements with the Municipality under which the Company will obligate itself to pay to the Municipality rents or payments sufficient to pay the principal of, premiums, if any, and interest on the Bonds when due and containing such other provisions as are deemed necessary or desirable by the Company and the Municipality, consistent with the authority conferred by Act 9.

(c) That it will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

(d) The Company agrees that it will make payments in lieu of ad valorem taxes for distribution to the ad valorem taxing authorities on all facilities financed by the Bonds. In this regard, an appropriate agreement covering the details of the payment will be entered into and delivered at or before the closing of the Bond issue.

4. General Provisions. This Memorandum shall continue in full force and effect until the Industrial Facilities and their financing by Bonds, as herein specified, is accomplished, and in this regard it is understood that there may be separate issues of Bonds, and separate series within a particular issue, with different maturities, interest rates, redemption provisions and other details. In the case of each issue, and of each series, the Municipality will take appropriate action by ordinance or resolution to authorize and sell the Bonds and to authorize and execute such agreements and documents as may be determined necessary or desirable by the Municipality and the Company to carry out the intent and purposes of this Memorandum of Intent.

IN WITNESS WHEREOF, the parties hereto have entered into this Memorandum Agreement by their officers thereunto duly authorized as of the _____ day of _____, 1979.

CITY OF JONESBORO, ARKANSAS

ATTEST:

City Clerk

(SEAL)

DELTA, INC. OF ARKANSAS

ATTEST:

By _____

(title)

By _____

(title)

(SEAL)