



# City of Jonesboro

Municipal Center  
300 S. Church Street  
Jonesboro, AR 72401

## Meeting Agenda Public Works Council Committee

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Tuesday, September 19, 2017

5:15 PM

Municipal Center

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### Special Called Meeting

#### 1. Call To Order

#### 2. Roll Call by City Clerk Donna Jackson

#### 3. New Business

#### *RESOLUTIONS TO BE INTRODUCED*

##### RES-17:145

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE EXECUTION OF THE LEASE AND AGREEMENT BY AND BETWEEN THE CITY OF JONESBORO AND COLSON CORPORATION FOR THE PURCHASE OF THE LEASED PREMISES

**Sponsors:** Mayor's Office

**Attachments:** [Colson Lease.pdf](#)  
[Colson Exhibit A.pdf](#)  
[Colson Purchase Option Letter.pdf](#)  
[Building Facilities Minutes September 13 2017](#)

#### 4. Adjournment



## Legislation Details (With Text)

<b>File #:</b>	RES-17:145	<b>Version:</b>	1	<b>Name:</b>	Sale of land to Colson Corporation
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	To Be Introduced
<b>File created:</b>	9/13/2017	<b>In control:</b>		<b>In control:</b>	Public Works Council Committee
<b>On agenda:</b>		<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE EXECUTION OF THE LEASE AND AGREEMENT BY AND BETWEEN THE CITY OF JONESBORO AND COLSON CORPORATION FOR THE PURCHASE OF THE LEASED PREMISES				
<b>Sponsors:</b>	Mayor's Office				
<b>Indexes:</b>	Property sale				
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Colson Lease.pdf</a> <a href="#">Colson Exhibit A.pdf</a> <a href="#">Colson Purchase Option Letter.pdf</a> <a href="#">Building Facilities Minutes September 13 2017</a>				

Date	Ver.	Action By	Action	Result
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RESOLUTION BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS TO ACCEPT THE EXECUTION OF THE LEASE AND AGREEMENT BY AND BETWEEN THE CITY OF JONESBORO AND COLSON CORPORATION FOR THE PURCHASE OF THE LEASED PREMISES  
WHEREAS, the Colson Group has set forth its option to purchase the leased premises located at 3700 Airport Road, Jonesboro, AR; and

WHEREAS, per the terms of the original lease agreement dated November 1, 1968, the purchase option price is One Hundred Dollars (\$100.00); and

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

Section 1: The City of Jonesboro accepts the purchase price of \$100.00 for the sale of Colson Caster, LLC.

Section 2: The Mayor, Harold Perrin, and City Clerk, Donna Jackson, are hereby authorized by the City Council for the City of Jonesboro to execute all documents to effectuate this contractual agreement.

## LEASE AND AGREEMENT

This LEASE AND AGREEMENT made this first day of November, 1968, by and between the CITY OF JONESBORO, ARKANSAS (called "Lessor") and THE COLSON CORPORATION, a corporation organized under and existing by virtue of the laws of the State of Ohio, but authorized to do business in the State of Arkansas (called "Lessee"):

WITNESSETH:

WHEREAS Lessor is a duly organized and existing municipality, a City of the first class, under the laws of the State of Arkansas with full and lawful power and authority to enter into this Lease and Agreement, acting by and through its City Council, in the public interest and for a public purpose, in securing and developing industry, providing employment and adding to the welfare and prosperity of the Lessor and its inhabitants, all pursuant to the provisions of 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 (called "Act No. 9"); and

WHEREAS Lessee is authorized under its Certificate of Incorporation and By-Laws and under the laws of the State of its incorporation to enter into this Lease and Agreement and to perform all covenants and obligations on its part to be performed under and pursuant to this Lease and Agreement; and

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

WHEREAS the Lessee is presently operating an industrial project consisting of lands, buildings, improvements and facilities (called the "Industrial Project") as Lessee under a Lease Agreement with Lessor, with the original project having been financed by the Lessor issuing bonds (called "outstanding bonds"), and the progress of the manufacturing operations of Lessee has developed to the point that a substantial expansion is necessary which will result in increased employment and other benefits to Lessor, its citizens and the citizens of Craighead County (the expansion facilities being constructed and equipped will be herein referred to as the "Project"); and

WHEREAS Lessor and Lessee hereby recite knowledge that Lessor has determined to issue Industrial Development Revenue Bonds under Act No. 9 (the "bonds") in the aggregate principal amount of \$596,000, with a portion to be used for refinancing the indebtedness evidenced by the outstanding bonds and to provide for the permanent financing of the costs of constructing and equipping the Project, paying expenses and making expenditures incidental thereto and paying the expenses of authorizing and issuing the bonds; and

WHEREAS Lessor and Lessee recite knowledge that a bank or trust company will be Trustee for the holders and registered owners of the bonds being issued by Lessor under Act No. 9 with the original Trustee being Citizens Bank of Jonesboro, Jonesboro, Arkansas and the bonds will be secured by a Trust Indenture executed and delivered by and between Lessor and the Trustee (the Trustee will be herein referred to as the "Trustee", and the Trust Indenture, which sets forth the nature and extent of the security for the payment of the principal of and interest on the bonds, the rights and obligations of Lessor, the Trustee and the holders and registered owners of the bonds, and which will otherwise state the terms and conditions upon which the bonds are issued and secured, will be herein sometimes referred to as the "Trust Indenture" or the "Indenture");

NOW, THEREFORE, for valuable consideration receipt 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

CONSTRUCTION OF PROJECT

Section 101. Lessor agrees that it will at its own expense construct and equip upon the land described in Exhibit A attached hereto and made a part hereof (called "Land"), in the location selected by Lessee, the Project according to plans, specifications and drawings supplied by Lessee and at a contract price, and otherwise as provided, in a construction contract or contracts approved in writing by Lessee. As soon as awarded, all contracts in connection with the Project shall be initialed by a duly designated representative of Lessee and an initialed copy delivered to Lessor and to Lessee, and such initialed copies are by reference made a part of this Lease and Agreement.

Lessor shall obtain all necessary approvals from any and all governmental agencies requisite to the constructing and equipping of the Project, and the Project shall be constructed and equipped in compliance with all State and local laws, ordinances and regulations applicable thereto. Upon completion of the constructing and equipping of the Project, the Lessor will furnish to the Lessee all required occupancy permits and authorizations from appropriate authorities, if any be required, authorizing the occupancy and uses of the Project for the purposes contemplated by the Lessee. The Lessor shall not amend, modify, authorize or undertake any changes, alterations, extras or additions to or from the plans, specifications and drawings supplied by Lessee as hereinabove provided for or any contracts entered into with contractors and equipment and material manufacturers and suppliers unless and until the same shall have been submitted to Lessee, and both Lessor and Lessee shall have agreed to and approved the said changes, alterations, extras and additions in writing, prior to their being made.

Lessor shall, however, cause to be made and shall authorize all reasonable requests by Lessee, for changes in the plans, specifications and drawings or for additions or extra work. All requests, approvals and agreements required on the part of Lessor and on the part of Lessee shall be in writing, signed by a duly designated 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 and Agreement, notify each other of the representatives of each. 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 him, and the other party to this agreement shall be entitled to rely upon the duly designated representative as having full authority to bind the party hereto represented by him.

Section 102. Lessor and Lessee agree that the necessary steps shall be taken to see that there is in full force and effect at all times during the constructing and equipping of the Project the usual fire and extended coverage insurance applicable to similar projects (which must be in at least that amount necessary to prevent Lessor and Lessee from becoming co-insurers) all of which shall be subject to the prior written approval as to amount and companies by the Lessee and which shall be made payable to the Lessor and the Lessee as their interests may appear and with a standard mortgagee payment clause in the case of the builder's risk insurance payable to the Trustee as its interest may appear. The premiums thereon shall be considered part of the Project costs (hereafter defined).

Section 103. Costs incurred by Lessor in discharging its obligations under Section 101 hereof and in other sections of this Article I shall be referred to as "Project costs" and it is agreed that the amount available from the proceeds received by the City from the sale of the bonds will not exceed the sum of Five Hundred Ninety-Six Thousand Dollars (\$596,000), plus any income or other gains from investments of moneys in the Construction Fund (hereafter referred to) and less any losses on investments of moneys in the Construction Fund, and that if the Project costs should exceed said amount, the Project will be completed, and the Lessee hereby agrees to pay the entire amount of any such excess. Project costs, as that term is used in this Lease and Agreement, shall include all costs and expenses of every nature incurred in the completion of the Project, all costs and expenses incidental thereto, all costs and expenses incurred in connection with the issuance of the bonds, and the amount necessary to pay interest on the bonds until lease rentals are available hereunder in a sufficient amount therefor, including, without limitation, the following:

(1) All amounts paid by Lessor in discharge of its obligations under Section 101 hereof, including without limitation, all amounts paid under all construction, engineering, architectural or other contracts;

(2) All amounts paid by Lessor for extras, changes or additions agreed to by Lessor and Lessee in accordance with provisions of Section 101;

(3) All amounts necessary to reimburse Lessee for any work performed, materials purchased or expenditures incurred by Lessee pertaining to or in connection with the Project and its operation including, without limitation, the charges of any architects or engineers retained by Lessee to prepare plans, specifications and drawings for the Project, the cost of architectural or other supervisory personnel in connection with the construction of the Project and the charges of any surveyors or engineers



employed to make plans, or conduct tests or analyses, with respect to the land;

(4) Any cost or expense, not otherwise provided for herein, incurred by Lessor under and pursuant to the provisions of this Article I pertaining to the constructing and equipping of the Project;

(5) The cost of any policy or policies of title insurance, if requested by Lessee, and the cost of any performance bonds and insurance procured in connection with the constructing and equipping of the Project;

(6) Such other and additional fees, costs, expenses and expenditures of whatever nature incidental or pertaining to the Project, including Trustee's fees and expenses and Paying Agent's fees, as may from time to time be agreed upon in writing by Lessor and Lessee in accordance with the provisions of Section 101 hereof and other sections of this Article I as constituting part of the Project costs.

It is agreed that there will be deducted from the total available sale proceeds (being hereby defined as the purchase price plus accrued interest) any amount required for accomplishing the refinancing (the necessary portion of the bonds may be exchanged for the outstanding bonds, or sold and the proceeds used to refund the outstanding bonds, or both), and the amount necessary to cover interest requirements, if any amount be necessary until lease rentals are available hereunder in sufficient amounts therefor and that the amount so deducted will be deposited in a Bond Fund (called "Act No. 9 Bond Fund") to be established pursuant to the provisions of the Trust Indenture securing the bonds. The remainder of the total sale proceeds shall be deposited in a Construction Fund to be established pursuant to the provisions of the Trust Indenture.

It shall be provided in the Trust Indenture (and Lessor agrees to cause appropriate provisions to be made therein) that the moneys in the

Construction Fund shall be expended solely for the payment of the Project costs. Disbursements shall be made from the Construction Fund in accordance with the provisions of the Trust Indenture pertaining thereto. Any amount remaining in the Construction Fund after payment of all Project costs shall be transferred to and deposited in the Bond Fund, and the Lessee shall be credited with said amount against Lessee's basic rent obligations set forth in Section 203 of this Lease and Agreement, with such credit to be against the basic rent obligations as the same become due and payable under Section 203, beginning with the first installment of basic rent due thereafter, and the Lessee shall not be required to pay any basic rent thereafter, except when and to the extent basic rent has become due and payable in excess of such credit.

Section 104. Lessee and its agents, servants, employees and representatives shall have free access to the Project during the construction thereof, and Lessee agrees that, immediately upon completion of the constructing and equipping of the Project, it will enter into full possession of and occupy the same under and pursuant to the terms of this Lease and Agreement. Lessee and its agents, servants, employees and representatives shall have the right to store and install machinery, equipment, fixtures, supplies and other personal property in the Project during construction so long as such activities on the part of Lessee do not unreasonably interfere with work under construction and equipment contracts. Lessor covenants that the Lessee, upon paying the rentals and performing all covenants, obligations and agreements on the part of Lessee to be performed under this Lease and Agreement, shall and may peaceably and quietly have, hold and enjoy the leased premises (as hereafter defined) for the term of this Lease and Agreement.

Section 105. A. Lessor covenants that it will take such action and institute such proceedings as shall be necessary to cause and require

all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by Lessor in connection with the performance of its obligations under this Section 105 to be considered part of the Project costs as defined in Section 103, and Lessor agrees that the Lessee may, from time to time, in its own name, or in the name of Lessor, take such action as may be necessary or advisable, as determined by Lessee, to insure the construction of the Project in accordance with the terms of the construction contract, to insure the peaceable and quiet enjoyment of the leased premises (as hereafter defined) for the term of the Lease and Agreement, and to insure the performance by Lessor of all covenants and obligations of Lessor under this Lease and Agreement, with all costs and expenses incurred by Lessee in connection therewith to be considered as part of the Project costs as defined in Section 103.

B. Lessor will assign and extend to Lessee all vendor's warranties received by Lessor and any warranties given by contractors, manufacturers or service organizations who perform construction work or install equipment on the leased premises (as hereafter defined). If requested, Lessor will execute and deliver instruments of assignment to Lessee to accomplish the foregoing.

ARTICLE II

TERM OF LEASE AND RENTAL

Section 201. 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 and Agreement expressed the following:

(a) The land (described in Exhibit A hereto);

(b) The buildings, structures and other improvements erected or at any time hereafter erected and installed on the land; and

(c) All accretions, easements, rights of way and appurtenances belonging or in any wise appertaining to the land/and or to the improvements described in (b) above.

The properties described in (a), (b) and (c) above are herein collectively referred to as the "leased premises".

TO HAVE AND TO HOLD the leased premises unto the Lessee for the term of this Lease and Agreement as hereafter set forth.

Section 202. The term of this Lease and Agreement shall commence November 1, 1968 and shall end at midnight on November 1, 1988.

Section 203. (a) Basic Rent.

(1) Subject to the credit provided for in Section 103, Section 1301 and Section 1401 B (ii), Lessee covenants to pay to Lessor, in the manner hereafter provided in Section 204, basic annual rent as follows, payable semiannually on the dates and in the amounts indicated:

April 20, 1969	\$ 27,377.50
October 20, 1969	32,143.00
April 20, 1970	27,161.00
October 20, 1970	32,319.50
April 20, 1971	27,121.00
October 20, 1971	32,069.00
April 20, 1972	26,963.50
October 20, 1972	32,002.75
April 20, 1973	26,886.75
October 20, 1973	32,815.50
April 20, 1974	26,660.75
October 20, 1974	32,680.75
April 20, 1975	18,515.50
October 20, 1975	34,765.00
April 20, 1976	22,442.50
October 20, 1976	29,345.00
April 20, 1977	22,037.50
October 20, 1977	27,940.00
April 20, 1978	8,640.00
October 20, 1978	27,640.00
April 20, 1979	8,070.00
October 20, 1979	28,070.00
April 20, 1980	7,470.00
October 20, 1980	29,470.00
April 20, 1981	6,810.00
October 20, 1981	29,810.00
April 20, 1982	6,120.00
October 20, 1982	30,120.00
April 20, 1983	5,400.00
October 20, 1983	31,400.00
April 20, 1984	4,620.00
October 20, 1984	31,620.00
April 20, 1985	3,810.00
October 20, 1985	32,810.00
April 20, 1986	2,940.00
October 20, 1986	33,940.00
April 20, 1987	2,010.00
October 20, 1987	35,010.00
April 20, 1988	1,020.00
October 20, 1988	35,020.00

In the event a basic rent payment falls on a non-banking day of the Trustee, the basic rent payment involved shall not be due and payable until the time of opening for business on the next succeeding day thereafter that is a banking day.

(2) If, during any year while any of the bonds shall be outstanding, the above specified basic rent shall be insufficient to pay the principal of 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 204, is sufficient to pay in full the principal of (including redemption premiums, if any), interest on and the Trustee's and Paying Agent's fees in connection with all of the outstanding bonds of the Lessor, either at maturity or on earlier redemption, then no further basic rent shall be payable hereunder, and any funds representing payment of basic rent which are then held in the Bond Fund and are in excess of the amount required to pay in full the principal of (including premiums, if any), interest on and the Trustee's fees in connection with all outstanding bonds of the Lessor, either at maturity or on earlier redemption, shall be refunded to Lessee as excess rent.

(b) Additional Rent. During the term hereof, Lessee shall pay as additional rent the fees of the Paying Agent, the expenses and charges payable to the Trustee, as provided in the Trust Indenture, and all impositions (as defined in Section 301), expenses, liabilities, obligations and other payments of whatever nature which Lessee has agreed to pay or assume under the provisions of this Lease and Agreement. If at any time any amounts paid by Lessee as additional rent hereunder are or become in excess of the amounts required for the purpose for which they were paid, such excess amounts shall be refunded to the Lessee.

(c) So long as any of the bonds, or coupons relating thereto, shall be outstanding and unpaid, or until payment thereof has been duly

provided for, 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 certainly payable on the dates or at the times specified without notice or demand, and without abatement or set-off, 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 for use and occupancy by the Lessee at any time for reason of the failure to complete the Project by any particular time or at all or by reason or any other contingency, occupancy or circumstance whatsoever (except in the event Lessee exercises the option to purchase and pays the purchase price as specified in Section 1902 hereof);

(2) Damage to or destruction of the leased premises, or any part thereof (except in the event Lessee exercises the option to purchase and pays the purchase price as specified in Section 1303 hereof);

(3) Legal curtailment of Lessee's use and/or occupancy of the leased premises, or any part thereof (except in the event Lessee exercises the option to purchase and pays the purchase price as specified in Section 1902 hereof);

(4) Change in Lessor's legal organization or status;

(5) The taking of title to or the temporary use of the whole or any part of the leased premises by condemnation as provided in Article XIV hereof (except in the case of the taking of title to all or substantially all of the leased premises and the payment by Lessee of the additional rent in the amount that the total bond redemption expense exceeds the net amount awarded as damages plus the funds in the Bond Fund, as specified in Section 1401 A, and except in the event Lessee exercises the option to purchase and pays the purchase price as specified in Section 1403);

(6) Any assignment under the provisions of Article XV, 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 1501; subject, however, to the provisions of Section 1501 that performance by an assignee or sub-lessee shall be considered as performance pro tanto by Lessee;

(7) Any termination of this Lease and Agreement for any reason whatsoever, including, without limitation, termination under Article XVIII, subject, however, to the provisions of Article XVIII;

(8) Failure of consideration or commercial frustration of purpose;

(9) Any change in the tax or other laws of the United States of America or of the State of Arkansas; or

(10) Any default of the Lessor under this Lease and Agreement, or any other fault or failure of the Lessor whatsoever (except in the event Lessee exercises the option to purchase and pays the purchase price as specified in Section 1902 hereof);

Section 204. 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 trust account provided for in the Trust Indenture designated "Jonesboro, Arkansas 1968 Industrial Development Bond Fund - Colson Project" (the "Bond Fund"), to be used by the Trustee as provided in the Trust Indenture. Lessor agrees at Lessee's request to cause the Trustee to furnish to Lessee at reasonable intervals an account of the funds in the Bond Fund, including the amount of bonds paid and outstanding. Additional rent specified in Section 203 (b) shall be paid by Lessee remitting the same directly to the Trustee, for the account of Lessor, in the case of the Trustee's expenses and charges, and



either making direct payment in the case of impositions and other costs, expenses, liabilities, obligations and payments assumed and agreed to be paid by Lessee under this Lease and Agreement, or reimbursing Lessor or Trustee, if, pursuant to the provisions of this Lease and Agreement, Lessor or Trustee shall make payment thereof.

### ARTICLE III

#### TAXES AND ASSESSMENTS (IMPOSITIONS)

Section 301. Subject to the provisions of Section 302, 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, or encumber Lessor's title, all of which are herein called "impositions"; provided, however, that any imposition 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 imposition. Lessee may pay any imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

Section 302. The parties hereto recite knowledge of the decision of the Supreme Court of the State of Arkansas in Wayland v. Snapp, 232 Ark. 57, 334 S.W.2d 633, concerning the exemption of properties owned by municipalities and used for securing and developing industry under and pursuant to the provisions of Act No. 9. 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.

The Lessor and the Lessee acknowledge that (a) under their and other interpretations of present law, no part of the leased premises will be

subject to ad valorem taxation by the State of Arkansas or by any political or taxing sub-division thereof, and (b) this factor, among others, materially induced the Lessee to enter into this Lease and Agreement. However, the Lessee will pay all taxes and assessments, if any, in connection with the Project, which may be lawfully levied or assessed upon the leased premises, when the same shall become due, but only if and to the extent that such taxes or assessments, if any, shall result in a lien or charge upon the leased premises; provided, however, that Lessee shall not be required to pay any such taxes or assessments so long as the Lessee shall contest the same, unless by such action the title of the Lessor to pay any part of the Project shall be materially endangered or the Project or any part thereof shall become subject to loss or forfeiture, in which event such taxes or assessments shall be paid prior to becoming delinquent. The Lessor hereby agrees that it will cooperate with the Lessee in resisting any such taxes or assessments if and to whatever extent the Lessee may request.

ARTICLE IV

INSURANCE

Section 401. Lessee shall, at Lessee's sole cost and expense, keep all improvements constituting part of the leased premises insured against loss or damage in accordance with the customary insurance practices of Lessee:

(i) Against the perils of fire and the hazards ordinarily included under standard extended coverage endorsements in amounts necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than 80% of the full insurable value thereof within the terms of applicable policies.

(ii) Against war risk as and when a state of war or national or public emergency exists and such insurance is obtainable from a department or agency of the United States Government, upon reasonable terms, in the full amount necessary to prevent the application of the co-insurance provisions of the applicable policies but not less than 80% of their then full insurable value, or, if such amounts be not obtainable, then in the highest amount which can be so obtained.

(iii) If there are boilers or pressure vessels, from boiler or pressure vessel explosion in an amount customarily carried in the case of similar industrial operations.

The term "full insurable value" means such value as shall be determined from time to time at the request of Lessor, Lessee or Trustee (but not more frequently than once in every forty-eight (48) months) by one of the insurers selected by Lessee.

B. At all times during the term, Lessee shall, at no cost or expense to Lessor, maintain or cause to be maintained:

(i) General Public 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 \$200,000 in respect of bodily injury or death to any one person and to the limit of not less than \$500,000 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 damage to the property of any one owner.

C. The insurance required by this Article IV shall be maintained in full force and effect at all times during the term of this Lease and Agreement, except:

(i) The insurance required by Section 401 A (i) as to improvements need not be placed in force and effect until the completion of the construction of the Project, provided, however, that in no event shall the insurance required by Section 401 A (i) be placed into force and effect later than the expiration of the builder's risk insurance carried pursuant to the provisions of any contracts entered into with contractors, with the end in view of having full insurance coverage at all times;

(ii) The insurance required by Section 401 B need not be placed into force and effect until Lessee occupies the Project, either upon completion or before completion in the event Lessee undertakes to perform work or store materials and supplies in the Project prior to completion as permitted by the provisions of Article I hereof.

D. Copies or certificates of the insurance provided for by this Article, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Lessor, and the Trustee, shall be delivered by Lessee to the Lessor and the Trustee. And, in the case of expiring policies throughout the term, copies or certificates of any new or renewal policies, each bearing notations evidencing payment of the premiums or other evidence of payment satisfactory to the Lessor and the Trustee, shall be delivered by Lessee to Lessor and the Trustee.

E. Policies of insurance provided for in Section 401 A of this Article IV shall name the Lessor and the Lessee as insureds as their respective interests may appear, provided, however, that the Trustee shall also be named as a party insured pursuant to a standard mortgagee clause as its interests may appear.

F. All insurance required by this Section 401 shall be effected with insurance companies selected by the Lessee. Lessee shall cause appropriate provisions to be inserted in each insurance policy making each policy noncancellable without at least ten (10) days prior written notice to Lessor, Lessee and the Trustee. Also, it is agreed that no claim shall be made and no suit or action at law or in equity shall be brought by Lessor or by anyone claiming by, through or under Lessor, against Lessee for any damage to the improvements or Lessor's machinery and equipment covered by the insurance provided for by this Article IV, however caused, but nothing in this sub-section F shall diminish Lessee's obligation to repair or rebuild as provided in Article XIII. 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 V

REPAIRS AND MAINTENANCE OF  
PREMISES AND ALTERATIONS

Section 501. Lessee shall throughout the term, at no cost and expense to Lessor, maintain, or cause to be maintained, and at the expiration of the term hereof subject to the provisions of Article XIX hereof, yield up or cause to be yielded up, in good and tenantable repair, order and condition, reasonable wear and tear excepted, the buildings and improvements now or at any time erected on the lands included in the leased premises and promptly at no cost and expense to Lessor make or cause to be made all necessary repairs, interior and exterior, structural and non-structural, foreseen as well as unforeseen, to the buildings and improvements constituting part of the leased premises.

Section 502. 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 any improvements, provided, however, that no alterations shall be made which would change the character of the structures thereon so that the same will not be appropriate and usable for manufacturing purposes. 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 502, 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 503. 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 and Agreement. All machinery and equipment, trade fixtures, movable partitions, furniture and furnishings and other property installed at the expense of Lessee 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 damage to the leased premises resulting from or caused by their removal therefrom.

Section 504. 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.



ARTICLE VI

USE OF PREMISES - COMPLIANCE WITH ORDERS, ETC.

Section 601. Subject to the following provisions of this Section 601, Lessor and Lessee agree that Lessee may use the leased premises for any lawful purpose. 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 governmental 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 requirements, rules and regulations of all insurers under the policies required to be carried under the provisions of this Lease and Agreement.

Section 602. 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 and Agreement.

ARTICLE VII

WORK PERFORMED BY LESSEE

Section 701. 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 and Agreement.

ARTICLE VIII

MECHANICS' LIENS

Section 801. If any lien shall be filed against the interest of Lessor, Lessee, or the Trustee in the leased premises or asserted against any rent payable hereunder, by reason of work, labor, services or materials supplied or claimed to have been supplied on or to the leased premises at the request or with the permission of Lessee, or anyone claiming under Lessee, Lessee shall, within thirty (30) days after receipt of notice of the filing thereof or the assertion thereof against such rents, cause the same to be discharged of record, or effectively prevent the enforcement or foreclosure thereof against the leased premises or such rents, by contest, payment, deposit, bond, order of Court or otherwise. Nothing contained in this Lease and 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 premises.

ARTICLE IX

INDEMNIFICATION OF LESSOR AND TRUSTEE

Section 901. Commencing with the completion of the Project or when the Lessee takes possession if prior to the completion of the Project, Lessee shall and agrees to indemnify and save Lessor and the Trustee 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 and Agreement, (c) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees, or (d) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignee or sublessee of Lessee. Lessee shall indemnify and save Lessor and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from Lessor, or the Trustee, Lessee shall defend them or either of them in any such action or proceeding.

ARTICLE X

LESSOR MAY PERFORM LESSEE'S OBLIGATIONS

Section 1001. If Lessee shall fail to keep or perform any of its obligations as provided in this Lease and Agreement in respect of (a) maintenance of insurance; (b) payment of impositions; (c) repairs and maintenance of the leased premises; (d) compliance with legal or insurance requirements; (e) keeping the leased premises lien free; or (f) making of any other payment or performance of any other obligations, then Lessor may (but shall not be obligated to do so), upon the continuance of such failure on Lessee's part for thirty (30) days after written notice to Lessee, and without waiving or releasing Lessee from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation, and all sums so paid by Lessor and all necessary incidental costs and expenses incurred by Lessor in making such payment or performing such obligation shall be deemed additional rent and shall be paid to Lessor on demand, or at Lessor's option may be added to any installment of basic rent thereafter falling due, and if not so paid by Lessee, Lessor shall have the same rights and remedies as in the case of default by Lessee in the payment of basic rent.

ARTICLE XI

PUBLIC UTILITIES AND CHARGES

Section 1101. 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 and Agreement, and to indemnify Lessor and save it harmless against any liability or damage on such account.

ARTICLE XII

INSPECTION OF PREMISES BY LESSOR

Section 1201. Lessee shall permit Lessor and the Trustee or either of them, by their respective authorized representatives, to enter the leased premises at all reasonable times during usual business hours for the purpose of inspection, and for the performance of any work therein made necessary by reason of Lessee's default under any of the provisions of this Lease and Agreement. Lessor may, during the progress of any such work, keep and store on the leased premises all necessary materials, supplies and equipment and shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Lessee suffered by reason of the performance of any such work or the storage of materials, supplies and equipment.

### ARTICLE XIII

#### DAMAGE AND DESTRUCTION

Section 1301. A. Lessee covenants and agrees that in the event of damage to or destruction of the leased premises, or any part thereof, by fire or other casualty, the Lessee shall immediately notify the Lessor and the Trustee. If the damage is in the amount of \$25,000 or less, Lessee shall proceed to restore, repair, rebuild or replace the leased premises to the same extent, if any, required so that in the judgment of the Lessee, the Project is suitable for use for Lessee's purpose under this Lease and Agreement. If the damage exceeds \$25,000 Lessee shall, at no cost and expense to Lessor or Trustee, proceed to restore, repair, rebuild or replace the leased premises as nearly as possible to the condition they were in immediately prior to such damage or destruction, subject to such alterations as Lessee may elect to make in conformity with the provisions of Article V hereof. Such restoration, repairs, replacements or rebuilding shall be commenced promptly and prosecuted with reasonable diligence.

B. All insurance money paid on account of such damage or destruction shall be paid to the Trustee and applied as hereinafter set forth to the payment of the cost of the aforesaid restoration, repairs, replacements or rebuilding, including expenditures made for temporary repairs or for the protection of property pending the completion of permanent restoration, repairs, replacements, or rebuilding or to prevent interference with the business operated thereon (sometimes referred to as the "restoration"). In the case of damage involving a loss of \$25,000 or less, the insurance proceeds shall be paid by the Trustee to the Lessee upon receipt by Lessor and the Trustee of a certificate signed by an officer of Lessee that the restoration has been made, or is in the process of being made in accordance



with the provisions of sub-section A. hereof pertaining to Lessee's obligation to restore. In the case of damage involving a loss of more than \$25,000, the insurance proceeds shall be paid by the Trustee to the Lessee upon receipt by Lessor and the Trustee of:

A certificate signed by an officer of the Lessee

(i) requesting payment of a specified amount of such insurance proceeds;

(ii) detailing the progress of the restoration and repair work;

(iii) stating that such specified amount does not exceed the estimated cost of the work and materials in connection with the restoration, including as part thereof the estimated fees of any architect or engineer, if any; and

(iv) stating that no part of such cost has previously been made the basis of any request for the withdrawal of insurance proceeds under this Article.

The Trustee shall have no responsibility as to the application by the Lessee of the insurance proceeds.

If the insurance money shall be insufficient to pay all costs of the restoration, the Lessee shall pay the deficiency and shall nevertheless proceed to complete the restoration and pay the cost thereof. Any balance of the insurance proceeds remaining over and above the cost of the restoration shall be paid by the Trustee into the Bond Fund upon receipt by the Lessor and the Trustee of certificates as required by this Article to the effect that the restoration has been completed, and the Lessee shall be credited with said amount against Lessee's basic rent obligations set forth in Section 203 of this Lease and Agreement, with such credit to be against the basic rent obligations as the same become due and payable under Section 203, beginning with the first installment of basic rent thereafter, and Lessee shall not be required to pay any basic rent thereafter, except when and to the extent basic rent has become due and payable in excess of such credit.

The total amount collected under any and all policies of insurance covering such damage or destruction shall be placed into a special fund and the same may be invested in any investments in which the Trustee may invest amounts in the Construction Fund under the Trust Indenture. Such investments shall be made by the Trustee as directed and designated by the Lessee.

Section 1302. Lessee's obligation to make payment of the basic rent and all other charges 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 1303. Notwithstanding the provisions of the foregoing sections of this Article XIII, 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 XIX, 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. 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 XIV

CONDEMNATION

Section 1401. A. If during the term of this Lease and 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, then this Lease and Agreement shall terminate at midnight on the fifteenth day after the vesting of title in such authority and rent shall be paid to and adjusted as of that day. In that event, subject to the subsequent provisions of this Section, the condemnation award shall belong to the Lessor and the Lessee hereby assigns the award to the Lessor. In the event the net amount awarded as damages or paid as a result of such taking (after deducting all attorney's fees and other expenses and costs in the condemnation proceeding) together with the amount then in the Bond Fund, shall be insufficient to pay in full, on the first interest paying date after receipt of the award and after the required bond redemption notice can be given, the amount necessary to pay all principal, interest, the Trustee's fees, redemption premiums, and all other costs of redemption (all of which, for purposes of this Section, shall be called "total bond redemption expense"), Lessee agrees to pay, promptly upon payment of the condemnation award, as additional rent hereunder, the amount by which the total bond redemption expense shall exceed the net amount awarded as damages or paid (less such fees, expenses and costs) as a result of such taking plus the amount then on deposit in the Bond Fund. The Lessee's agreement pertaining to this Section 1401 shall survive such termination. For purposes of this Article XIV "all or substantially all of the leased premises" 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 in the remainder in substantially the same manner as before. In the event the net amount awarded as damages or paid as a result of such taking as defined above, together with the amount then in the Bond Fund, shall be in excess of the amount necessary to pay the total bond redemption expense, if Lessee is not in default in any of its other obligations under this Lease and Agreement involving monetary matters, such excess shall belong to and be paid to the Lessee, and if Lessee is in default with reference to any of its monetary obligations, the amount of the excess in excess of the amount necessary to satisfy said monetary obligations with reference to which Lessee is in default shall be paid to Lessee. The Lessor agrees that it will not voluntarily accept, without the prior approval of the Lessee, any amount as damages for a taking which shall be less than the "total bond redemption expense", and the Lessor agrees that it will cooperate with the Lessee with reference to any award with the end in view of obtaining the maximum possible award justifiable as damages for the taking.

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 and Agreement shall be affected or reduced in any way, and

(i) If any part of the improvements owned by Lessor on the leased premises is taken, Lessee shall proceed to repair or rebuild the remaining part 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 so as to improve the efficiency of the improvements; and

(ii) The entire condemnation shall be paid to the Lessee, and the Lessor hereby assigns the same to the Lessee for the use of the Lessee in repairing and rebuilding as provided in (i) above. The said award shall be transferred to the Lessee in the same manner as is provided in Section 1301 with respect to insurance proceeds,

provided that the words "insurance proceeds" there referred to shall for purposes of this sub-paragraph (ii) refer to "condemnation award". If the net condemnation award applicable to property owned by the Lessor is in excess of the amount necessary to repair and rebuild as specified in (i) above, such excess shall be paid to and belong to the Lessor and the Lessee shall be credited against basic rent next thereafter provided to be paid by Lessee under the provisions of Section 203 hereof, and Lessee shall not be required to pay any basic rent thereafter except when and to the extent basic rent becomes due and payable in excess of the amount so credited. If such excess is more than the remaining total basic rent obligations of the Lessee hereunder, and if at that time Lessee is not in monetary default with respect to any of its obligations under this Lease and Agreement, only that portion thereof equal to the remaining total basic rent obligations of Lessor, and the excess shall belong to and shall be paid to the Lessee. If Lessee is in default with reference to any of its monetary obligations, the amount of excess over and above the amount necessary to satisfy said monetary obligations with reference to which Lessee is in default shall be paid to Lessee. If the net condemnation award is less than the amount necessary for the Lessee to repair and rebuild as set forth in (1) above, the Lessee shall nevertheless complete the repair and rebuilding work and pay the cost thereof; and

(iii) If no part of the improvements is taken, the net condemnation award shall be paid to Lessor and credited against basic rent obligations next thereafter provided to be paid by Lessee under the provisions of Section 203 hereof, and the Lessee shall not be required to pay any basic rent thereafter except when and to the extent basic rent becomes due and payable in excess of the amount so credited.

C. In the event of a taking under either A or B above, the Lessee shall have the right to participate in and to prove 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 sub-section C shall be construed to diminish or impair in any way Lessee's obligation under sub-section A of this Section 1401 to pay as additional rent the amount of any insufficiency of the net condemnation 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 and Agreement shall not be thereby terminated and the parties shall continue to be obligated under all of its terms and provisions. If such taking is for a period of time ending on or prior to the expiration of the term, Lessee shall be entitled to receive the entire amount of the award made for such taking, whether by way of damages, rent or otherwise. If such taking is for a period of time which extends beyond the expiration of the term, Lessee shall be entitled to receive the entire award, with the exception of an amount sufficient to pay and discharge all sums due Lessor from Lessee from the time Lessee's right of possession is terminated to the expiration of the term.

Section 1402. In the event of a taking of all or substantially all of the leased premises as provided in Section 1401 A, notwithstanding the provision therein that the rent shall be paid to and adjusted as of the fifteenth day after vesting of title in the taking authority, 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; provided, however, the Lessee shall be repaid solely out of the net condemnation award the amount of rent so paid after the date provided in Section 1401 A for the adjustment of rent. This agreement to repay shall not be construed in any way to impair or diminish Lessee's obligations under Section 1401 to pay as additional rent the amount of any insufficiency of the net condemnation award and the funds in the Bond Fund to pay the total bond redemption expense as therein defined.

Section 1403. 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 any option granted to it by the provisions of Article XIX hereof and the foregoing provisions of this Article XIV shall be construed in the light of the effect of any option so exercised by Lessee. In the event of the exercise of an option under Article XIX and payment of the required purchase price, whether before or after such taking, the entire condemnation award shall belong to Lessee.

Section 1404. Lessee shall have the right to participate in its own name in any negotiations or condemnation proceedings, but at its own expense, to resist or defend condemnation and to make any presentation or conduct any proceeding in its discretion to the end of obtaining any proper relief and, if the condemnation is concluded, to the end of obtaining the maximum condemnation award justified by the taking.

Section 1405. Lessor covenants that it will not take or condemn any part of the leased premises, or attempt to do so.

ARTICLE XV

ASSIGNMENT

Section 1501. A. Lessee may assign this Lease or sublet the leased premises or part thereof provided that no such assignment or subletting and no dealings or transactions between the Lessor or the Trustee and any sublessee or assignee shall relieve the Lessee of any of its obligations under this Lease and 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, and be thereby relieved of further obligation hereunder, in connection with a transaction involving merger, consolidation or sale as permitted under Section 2209 provided the requirements thereof are met.

B. It is understood and agreed that this Lease and Agreement and/or the rents hereunder will be assigned to the Trustee as security for the payment of the principal of and interest on the bonds, but otherwise 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 and Agreement, except to the Lessee in accordance with the provisions of the Lease Agreement and to the Trustee under the Trust Indenture, but subject to the provisions of Article XVI hereof, without the prior written consent of the Lessee.



ARTICLE XVI

PRIORITY OF LEASE

Section 1601. Notwithstanding anything to the contrary in this Lease and Agreement, this Lease and Agreement (and any amendment or supplement hereto executed in accordance with and pursuant to the provisions of this Lease and Agreement) and the estate of Lessee hereunder are and shall continue to be superior and prior to the Trust Indenture (and all supplements thereto) and any other and all encumbrances, mortgages, deeds of trust and trust indentures, or any of them, constituting or granting a lien upon the leased premises or any part thereof or interest therein.

ARTICLE XVII

REMEDIES ARE CUMULATIVE - NO IMPLIED WAIVER

Section 1701. Lessor, Lessee and the Trustee 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 and 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 and 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 rent with knowledge of any default shall be deemed a waiver of such default.

ARTICLE XVIII

DEFAULT PROVISIONS

Section 1801. This Lease is made on condition also that if any one or more of the following events (herein referred to as "event of default") shall happen:

(a) Lessee shall default in the due and punctual payment of the basic rent or any additional rent payable hereunder, and such default shall continue for five (5) days after receipt of written notice from Lessor or the Trustee of such non-payment; or

(b) Lessee shall neglect or fail to perform or observe any of the covenants herein contained on Lessee's part to be performed or observed (other than those referred to in sub-section (a) of this Section 1801) and Lessee shall fail to remedy the same within sixty (60) days after Lessor or the Trustee shall have given to Lessee notice specifying such neglect or failure (or within such additional period, if any, as may be reasonably required to cure such default if it is of such nature that it cannot be cured within said sixty (60) day period because of governmental restriction or any other cause beyond the control of the Lessee); or

(c) This Lease and Agreement or the leased premises or any part thereof shall be taken upon execution or by other process of law directed against the Lessee, or shall be taken upon or subject to any attachment at the instance of any creditor of or claimant against the Lessee, and said attachment shall not be discharged or disposed of within ninety (90) days after the levy thereof; or

(d) Lessee shall be involved in financial difficulties as evidenced below and shall not cure the same within ninety (90) days after notice from the Lessor,

(i) by its admitting in writing its inability to pay its debts generally as they become due, or

(ii) by its filing a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now existing or in the future amended) or an answer or other pleading admitting the material allegations of such a petition or seeking, consenting to or acquiescing in the relief provided for under such Act, or

(iii) by its making an assignment of all or a substantial part of its property for the benefit of its creditors, or

(iv) by its seeking or consenting to or acquiescing in the appointment of a receiver or trustee for all or a substantial part of its property or of the leased premises or of its interest in this Lease and Agreement, or

(v) by its being adjudicated a bankrupt or insolvent, or

(vi) by the entry of a court order without its consent which order shall not be vacated, set aside or stayed within ninety (90) days from the date of entry (1) appointing a receiver or trustee for all or a substantial part of its property or (2) approving a petition filed against it for the affecting of an arrangement in bankruptcy or for a reorganization pursuant to said Bankruptcy Act or for any other judicial modification or alteration of the rights of creditors; then:

In any such event, Lessor shall have the right at its election, then or at any time thereafter while such event of default shall continue, either

(1) To give Lessee notice of intention to terminate this Lease and Agreement on the date of such notice or on any later date specified therein, and on the date specified in such notice Lessee's right to possession of the leased premises shall cease and this Lease and Agreement shall thereupon be terminated, or

(2) Without demand or notice, to re-enter and take possession of the premises or any part thereof and repossess the same as of Lessor's

former estate and expel Lessee and those claiming through or under Lessee and remove the effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenant. Should Lessor elect to re-enter as provided in this paragraph (2) or should Lessor take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may (a) terminate this Lease and Agreement, or (b) from time to time, without terminating this Lease and Agreement, relet the leased premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor may deem advisable, with the right to make alterations and repairs to the leased premises. No such re-entry or taking of possession of the leased premises by Lessor shall be construed as an election on Lessor's part to terminate this Lease and Agreement unless a notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction.

Section 1802. In the event of any such termination, Lessee shall nevertheless pay the basic rent and all additional rent and other sums as hereinbefore provided up to the time of such termination, and thereafter Lessee, until the end of what would have been the term of this Lease and Agreement in the absence of such termination, and whether or not the leased premises shall have been relet, shall be liable to Lessor for, and shall pay to Lessor, as liquidated current damages,

(a) The basic rent and additional rent and other sums as hereinbefore provided which would otherwise be payable hereunder if such termination had not occurred, less,

(b) The net proceeds, if any, of any reletting of the leased premises, after deducting all of Lessor's expenses in connection with such

reletting, including, without limitation, all repossession costs, brokerage commissions, expenses of employees, alteration costs and expenses of preparation for such reletting.

Lessee shall pay such liquidated current damages on the days on which the basic rent would have been payable hereunder if this Lease and Agreement had not been terminated.

At any time after such termination, whether or not Lessor shall have collected any such current damages, Lessor shall be entitled to recover from Lessee and Lessee shall pay to Lessor, on demand, as liquidated final damages in lieu of all such current damages beyond the date of such demand an amount equal to

(x) The basic rent and other then definitely ascertainable sums as hereinabove provided which would be payable hereunder from the date of such demand (or, if it be earlier, the date to which Lessee shall have satisfied its obligations under this Section 1802 to pay current damages) for what would be the then unexpired term of this Lease and Agreement if the same remained in effect, less

(y) The then fair net rental value of the leased premises for the same period.

If any statute or rule of law governing a proceeding in which such liquidated final damages are to be proved shall validly limit the amount thereof to an amount less than the amount agreed upon hereinabove, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

Section 1803. In the event of a termination of this Lease and Agreement by Lessor, or in the event of entry as aforesaid by Lessor without termination, and prior to the time Lessor may have demanded final liquidated damages, Lessee shall have the right, from time to time, to provide Lessor with a tenant for the leased premises for a substantial portion of the unexpired term of this Lease as it existed immediately prior to such termination, and

(a) If Lessor does not accept such tenant, or

(b) If Lessor does accept such tenant

then in either event the current liquidated damages payable by Lessee hereunder shall be reduced by the amount such tenant paid, or would have been obligated to pay if the tenant had been accepted by Lessor, less Lessor's expenses in connection with such reletting as defined in sub-paragraph (b) of Section 1802 hereof.

Section 1804. The foregoing provisions of this Article relating to the payment of basic rent and additional rent beyond the termination of this Lease and Agreement, the payment of liquidated current damages or liquidated final damages, and the receipt of rents by Lessor upon a reletting, are each to be construed as providing that all such payments by Lessee or others shall be made into the Act No. 9 Bond Fund referred to in Section 204 and Lessee's said obligations shall further be subject to the provisions of Section 203(a) (2).

ARTICLE XIX

LESSEE'S OPTIONS

Section 1901. Lessee shall have and is hereby granted the option to extend this Lease and Agreement for six (6) extension terms of five (5) years each for a basic annual rental of One Hundred Dollars (\$100.00) per year, payable in advance on the first business day of each year of the extension term, plus the additional rentals heretofore provided in Article II hereof and otherwise upon the terms, conditions and provisions of this Lease and Agreement. The options provided for herein shall be deemed automatically exercised by Lessee (without requirement of any notice of exercise) unless sixty (60) days prior to the end of the initial term or any extension term Lessee shall give Lessor written notice by certified or registered mail (with or without return receipt request) that Lessee does not elect to have the lease term extended beyond the then current initial or extension term. Whenever used in this Lease and Agreement the words "extension term" or "renewal term" shall have the same meaning and shall refer to the term concerning which the option to extend is granted by this Section 1901. Furthermore, whenever the unqualified word "term" appears in this Lease and Agreement, the reference shall include the initial and any extension terms.

Section 1902. A. Prior to November 1, 1978, the Lessee shall have the right and option to purchase the leased premises if, but only if:

- (i) Lessor shall default in the performance of any of its obligations under this Lease and Agreement;
- (ii) The leased premises shall sustain major damage or destruction;
- (iii) Title to or the temporary use of the whole or any part of the leased premises shall be condemned as provided in Article XIV hereof;



- (iv) As a result of changes in the Constitution of the United States or of the State of Arkansas, or of legislative action, or by the final decree, judgment or order of any court or administrative body entered after Lessee's contest thereof in good faith, this Lease and Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this Lease and Agreement, or unreasonable burdens or excessive liabilities are imposed upon either party to it.
- (v) The legal curtailment of Lessee's use and occupancy of the leased premises or any substantial part thereof except by reason of condemnation referred to in sub-section (iii).

The term "major damage or destruction" as used in sub-section (ii) 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 seventy-five (75) working days, or which would prevent Lessee from carrying on its manufacturing operations therein for a period of seventy-five (75) working days 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 IV hereof, or such that it would not be economically feasible for the Lessee to repair the leased premises, as determined by the Lessee in its discretion.

B. On and after November 1, 1978, and during the remainder of the initial or during any extension term hereof, Lessee shall have the unconditional right and option to purchase the leased premises at any time.

C. At the expiration of the initial or extension term and for a period of ninety days thereafter (if the purchase options under the provisions of Paragraphs A and B have not been exercised) Lessee shall have the further unconditional right and option to purchase the leased premises for the purchase price hereafter stated in "D" hereof.

D. Purchase Price. The purchase price payable if the Lessee exercises Lessee's option to purchase the leased premises under the provisions of Paragraphs A, B, or C of this Section, shall be in 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 redeemed after giving the necessary notice) all outstanding bonds (including, without limitation, principal, interest, redemption premiums, if any, expenses of redemption and the Trustee's and paying agent's fees), but after deduction of any amount then in the Bond Fund and available for payment and redemption. In any case, if no bonds shall be outstanding at the time of purchase, or the redemption or payment of the bonds shall be or have been otherwise provided for, the purchase price of the leased premises shall be One Hundred Dollars (\$100.00).

E. Any of the foregoing options may be exercised by giving written notice to Lessor of the exercise thereof specifying the time and place of closing. At the closing, Lessor shall, upon payment of the purchase price hereinabove specified, deliver to Lessee a general warranty deed, bills of sale and other appropriate conveyance instruments transferring good and merchantable title to the leased premises free and clear of all liens and encumbrances except those to which title was subject when leased hereunder, or resulting from any failure of Lessee to perform any of its obligations under this Lease and Agreement; provided, however, that if such closing shall be prior to the redemption of the bonds, such purchase price shall be paid to the Trustee with instructions to apply said proceeds to such redemption at the earliest possible time, in which event such bonds and the Trust Indenture may continue to be a lien on the leased premises until redemption; and provided, further, however, that if such option is

exercised under the provisions of sub-paragraph A (iii) of this Section,  
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 part of  
the leased premises by eminent domain.

ARTICLE XX

NOTICES

Section 2001. All notices, demands and requests which may or are required to be given by either party to the other or to the Trustee shall be in writing, and each shall be deemed to have been properly given when served personally on an executive officer of the party to whom such notice is to be given, or when sent postage prepaid by first class mail by deposit thereof in a duly constituted United States Post Office or branch thereof located in one of the present states of the United States of America in a sealed envelope addressed as follows:

If intended for Lessee:

The Colson Corporation  
Jonesboro, Arkansas

If intended for Lessor:

City of Jonesboro  
Office of Mayor  
Jonesboro, Arkansas

If intended for Trustee:

Citizens Bank of Jonesboro  
Jonesboro, Arkansas 72401  
Attn: Trust Officer

Any party or the Trustee may change the address and the name of addressee to which subsequent notices are to be sent by notice to the other parties given as aforesaid.

ARTICLE XXI

RECORDING

Section 2101. This Lease and Agreement and every assignment and modification thereof shall be recorded in the office of the Circuit Clerk and Ex Officio Recorder of Craighead County, Arkansas.

ARTICLE XXII

GENERAL

Section 2201. This Lease and Agreement shall be construed and enforced in accordance with the laws of the State of Arkansas. Whenever in this Lease and Agreement it is provided that either party shall or will make any payment or perform or refrain from performing any act or obligation, each such provision shall, even though not so expressed, be construed as an express covenant to make such payment or to perform, or not to perform, as the case may be, such act or obligations.

Section 2202. If any provision of this Lease and Agreement or the application thereof to any person or circumstances shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Lease and Agreement and the application of its provisions to persons or circumstances other than those as to which it has been determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Lease and Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

Section 2203. The Article captions in this Lease and Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease and Agreement or any part thereof, or in any wise affect this Lease and Agreement and shall not be considered in any construction thereof.

Section 2204. It is agreed that after the bonds are fully paid and discharged, or adequate provision is made for their payment and discharge, and all proper fees and expenses of the Trustee and Paying Agent are paid or adequate provision made for their payment, the Trustee shall cease to have any right, title and interest in, to or under this Lease and Agreement.

Thereafter, all rights of approval or other rights herein specified with reference to the Trustee shall inure to the benefit of and be applicable to Lessor.

Section 2205. It is agreed that in the event of any non-payment of rent by Lessee or the failure or refusal by Lessee to observe, keep or perform any other covenant, condition, promise or agreement set forth in this Lease and Agreement to be observed, kept or performed by the Lessee, the Trustee shall be entitled, in the name of the Lessor, or in its own name (in accordance with the provisions of the Trust Indenture), to enforce each and every right or remedy herein accorded in this Lease and Agreement to Lessor in the event of the non-performance or non-observance by Lessee of any such promise, covenant or agreement.

Section 2206. The provisions of this Lease and Agreement shall bind and inure to the benefit of the parties hereto and their respective successors, assigns and sublessees (it being understood that assignments and subleasing are governed by the provisions of Article XV hereof).

Section 2207. It is agreed that the Lessor and the Lessee shall not alter, modify or amend any of the terms of this Lease and Agreement without the prior written approval of the Trustee, which consent will not be unreasonably withheld.

Section 2208. Lessee shall furnish to Lessor and to the Trustee at the time that Lessee shall publish its Annual Report to Stockholders for the preceding fiscal year, but in any event within 120 days after the end of the preceding fiscal year, a balance sheet of Lessee as at the end of such fiscal year and the related statements of income and surplus for such fiscal year, all in reasonable detail and accompanied by a report or certificate of independent certified public accountants of recognized

standing, who may be the accountants regularly employed by the Lessee, in the manner normally reported by the Lessee to its shareholders.

Section 2209. The Lessee will maintain its corporate existence and will not, without the consent of the Trustee, dissolve, sell, lease or otherwise dispose of all or substantially all of its assets; provided, however, that the Lessee may, without the consent of the Trustee, consolidate with or merge into another corporation, or sell to another corporation substantially all of its business and assets, on the condition that such corporation shall expressly assume in writing all of the obligations of Lessee contained in this Lease and that the net worth of the other corporation after the consolidation, merger or sale be at least equal to the Lessee immediately prior to such consolidation, merger or sale. In the event of the consolidation with or merger into another corporation or the sale of all, or substantially all, of its business and assets by the Lessee, as permitted by this sub-section, and the assumption by the other corporation of the obligations hereof, the Lessee shall be relieved from all further obligations hereunder.



ARTICLE XXIII

EXPANSION OF FACILITIES

Section 2301. The progress of Lessee's business may justify an expansion of the industrial plant or the construction of additional industrial facilities (herein referred to as "additional facilities") beyond those that can be financed out of the proceeds of the bonds to such an extent that Lessee may not desire to proceed under the provisions of Section 502 to construct such facilities. Therefore, it is agreed, subject to all of the provisions of this Article XXIII, as follows:

(a) If Lessee desires to construct additional facilities, it shall notify Lessor and Lessor agrees to proceed under the provisions of Act No. 9 (or any similar then existing legislation authorizing municipalities in the State of Arkansas to issue bonds for the purpose of securing and developing industry) to issue additional bonds, otherwise than under the Indenture, subject to the requirements of Act No. 9 or any such then existing law, to finance such additional facilities. In that event, the Lessor and the Lessee agree to execute a separate Lease and Agreement covering the financing of such additional facilities and the leasing thereof to Lessee upon the same terms and conditions as set forth in this Lease and Agreement, subject to any changes or additions that may then be agreed upon by Lessor and Lessee, but there must be included provision for basic annual rent in the amount necessary to provide for the payment of the principal of and interest on any such additional bonds, and the land involved in such expansion program shall automatically be withdrawn from the Lease and Agreement upon becoming subject to a separate Lease and Agreement between Lessor and Lessee.

(b) If for any reason the additional facilities cannot be financed under Act No. 9, or any then existing similar law, as provided in sub-paragraph

(a) above, or if for any reason Lessee does not desire to so proceed, Lessee shall have the right, upon notice to Lessor, to require Lessor to the extent permitted by Section 2304 to convey the land to be involved in said expansion program to Lessee by general warranty deed free and clear of all encumbrances except those to which title was subject when leased hereunder.

Section 2302. Lessor shall make appropriate provisions in the Trust Indenture for a release of the lands to be involved in any expansion program (under either Section 2301 (a) or Section 2301 (b)) from the lien of the Trust Indenture. The consideration to be paid by Lessee to Lessor upon conveyance of the lands pursuant to the provisions of Section 2301 (b) shall be One Dollar (\$1.00) per acre and the mutual benefits to be derived by the parties from such expansion program.

Section 2303. The fact that the land involved in such expansion program shall cease to be subject to this Lease and Agreement by virtue of becoming subject to a separate Lease and Agreement or being acquired by Lessee shall not relieve, and shall not result in the relieving of, Lessee of its obligation to pay basic rent and additional rent or any of the other covenants and obligations on the part of Lessee to be performed under this Lease and Agreement, or result in any diminution thereof.

Section 2304. Lessee's expansion program and the land subject to said separate Lease and Agreement or said acquisition by Lessee pursuant to the provisions of Section 2301 may include only such portion of the lands originally leased and demised by this Lease and Agreement as shall not at such time be improved with a building or buildings or other structure or structures or be necessary for adequate ingress and egress to and from said buildings and structures plus such additional land adjacent to said buildings and structures, as may be reasonably necessary for the proper and efficient use of such buildings and structures.

Section 2305. The rights conferred upon Lessee by this Article XXIII shall be in addition to and not in limitation of any of the options granted to Lessee by the provisions of Article XIX hereof, and the provisions of this Article XXIII are in addition to and not a limitation upon Lessee's rights under Section 502 hereof.

ARTICLE XXIV

CANCELLATION OF 1957 LEASE

Section 2401. By the execution and delivery of this Lease and Agreement that Lease and Agreement by and between the City of Jonesboro, Arkansas and The Colson Corporation, dated August 6, 1957, authorized by Ordinance No. 933 of the ordinances of the City adopted and approved on April 8, 1957, as amended by Ordinance No. 942 of the ordinances of the City, adopted and approved on August 5, 1957, a copy of which 1957 Lease and Agreement is on file with the City Clerk of the City, is hereby automatically canceled and terminated and shall be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Lease and 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 Neil J. Stallings  
Mayor

(SEAL)

ATTEST:

Phyllis Stringer  
City Clerk

THE COLSON CORPORATION  
LESSEE

By \_\_\_\_\_

\_\_\_\_\_  
(Title)

ATTEST:

\_\_\_\_\_

\_\_\_\_\_  
(Title)

(SEAL)

ACKNOWLEDGMENT

STATE OF ARKANSAS     )  
  )  
COUNTY OF CRAIGHEAD )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1968, before me, a Notary Public duly commissioned, qualified and acting, within and for the County and State aforesaid, appeared in person the within named \_\_\_\_\_ and \_\_\_\_\_, Mayor and City Clerk, respectively of the City of Jonesboro, Arkansas, a municipality of the State of Arkansas, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name of the City, and further stated and acknowledged that they had 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 \_\_\_\_\_, 1968.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

ACKNOWLEDGMENT

STATE OF

COUNTY OF

On this \_\_\_\_ day of \_\_\_\_\_, 1968, before me,  
 a Notary Public duly commissioned, qualified and acting within and for  
 the County and State aforesaid, appeared in person the within named  
 \_\_\_\_\_ and \_\_\_\_\_,  
 \_\_\_\_\_ and \_\_\_\_\_  
 respectively, of The Colson Corporation, a corporation organized under  
 and existing by virtue of the laws of the State of Ohio, but authorized  
 to do business in the State of Arkansas, to me personally well known,  
 who stated that they were duly authorized in their respective capacities  
 to execute the foregoing instrument for and in the name and behalf of said  
 corporation, and further stated and acknowledged that they had so signed,  
 executed and delivered said foregoing instrument for the consideration,  
 uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and  
 official seal this \_\_\_\_ day of \_\_\_\_\_, 1968.

\_\_\_\_\_  
 Notary Public

My commission expires:  
 \_\_\_\_\_

Original  
lease  
agreement

EXHIBIT A

To the Lease and Agreement by and between the City of Jonesboro, Arkansas  
and The Colson Corporation:

The following described property situated in Craighead County, Arkansas:

Part of Tract No. 1 of Jonesboro Municipal Airport, more particularly described as follows: Begin at the 1/4 corner of Sections 21 and 22 in Township 14 North, Range 4 East; thence run South on 1/4 Section Line 150.5 feet to St. Louis San Francisco Railroad right of way line; thence North 44 degrees 08 minutes West along said right of way line 917.2 feet; thence North 46 degrees 49 minutes East 840.1 feet to point of beginning proper; thence continue North 46 degrees 49 minutes East 400 feet; thence North 42 degrees 27 Minutes West 1222.6 feet to St. Louis Southwestern Railroad right of way; thence North 88 degrees 55 minutes West along said right of way line 557 feet; thence South 42 degrees 27 minutes East 1601.0 feet to point of beginning proper, containing 12.96 acres.

FILED FOR RECORD  
This 31 day of Dec 19 68  
At 3:00 o'clock P M.  
ALICE TAYLOR, Clerk  
By Alice Taylor

CERTIFICATE OF RECORD

STATE OF ARKANSAS |  
County of Craighead | ss

I, Alice Taylor, Clerk of the Circuit Court and Ex-Officio Recorder for the County of Craighead do hereby certify that the annexed and foregoing instrument of writing was filed for record in my office on 31st day of Dec A.D. 19 68 at 3:00 o'clock P. M., and the same is now duly recorded, with the acknowledgment and certificate thereon, in Record Book, Vol. 5 Page 109-et seq

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said court this 31st day of December A.D. 19 68

Alice Taylor, Clerk  
By Mirabel Burnett Deputy Clerk



Colson Group Holdings LLC  
1815 S. Meyers Rd.  
Suite 750  
Oakbrook Terrace IL 60181



August 31, 2017

**VIA FEDERAL EXPRESS**

City of Jonesboro  
Office of Mayor  
Jonesboro, Arkansas

**Re: Purchase Option**

To Whom It May Concern:

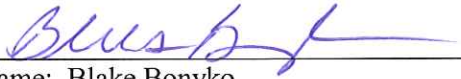
Pursuant to Article XIX of that certain Lease and Agreement, by and between the City of Jonesboro, Arkansas ("Lessor"), and Colson Caster, LLC, a Delaware limited liability company (successor-in-interest to The Colson Corporation, an Ohio corporation) ("Lessee"), dated as of November 1, 1968, (the "Lease"), and under the terms and conditions set forth therein, Lessee hereby exercises its option to purchase the leased premises, and this letter constitutes the purchase notice. Pursuant to the Lease, the purchase option price is One Hundred Dollars (\$100).

Please acknowledge your acceptance of this purchase notice by executing below and returning a pdf to our attorney, Jennifer Sheehan at the contact information below. Per the terms of the Lease, we look forward to receiving a draft general warranty deed and bill of sale at your earliest convenience. Lessee intends to close as soon as possible, and no later than September 29, 2017.

If you have any questions or wish to discuss the closing, please don't hesitate to contact Dennis Byrd, Treasurer of Colson Group Holdings, LLC at 630-613-2947 or [dennis.byrd@colsongroup.com](mailto:dennis.byrd@colsongroup.com). You may also contact our attorney, Jennifer Sheehan, at 212-446-4905, or [jennifer.sheehan@kirkland.com](mailto:jennifer.sheehan@kirkland.com).

Thank you for your assistance and cooperation.

**COLSON CASTER, LLC**

By:   
Name: Blake Bonyko  
Title: Chief Financial Officer

**AGREED AND ACCEPTED:**

**CITY OF JONESBORO**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



Building Facilities Meeting  
Wednesday, Sept. 13, 2017  
Mayors Conference Room  
2:00 p.m.

Present: Mayor Perrin, Ed Tanner, Chief Rick Elliott, Barry Phillips, Ronnie Shaver, Chief Kevin Miller, Darrel Smith, Tim Renshaw, Craig Light  
Absent: Gene Vance, Chair

Mayor called the meeting to order.

Colson Group wants to exercise their Lease Purchase from 1968. In the bond indenture there is a provision to buy the property for \$100.00 under Section D of the Agreement. Will need the property description, for the original value of the property.

Motion by Craig Light to accept the purchase of the Colson property for \$100.00; Seconded by Derrel Smith. Motion passed unanimously.

Union Pacific - property next to Associated Engineering, waiting on the price to sell the roundhouse to the city. We have permission to clear out the trailer and tear down the building. TRG is picking up the trailer. Working with the Chamber of Commerce to move TRG facility to another location. Waiting on Jack Grundfest to send list of what all will need to be moved and how much, for the city to move.

Building on JMC Park has been torn down, city not out any money. Equipment moved in to start on new shop. Contacting Fisher & Arnold for 99% plans for concession stands at JMC Park and Northside Park.

Shooting range property discussed. Motion by Craig to move forward with the purchase of the 200-acre shooting range site, contingent on funds appropriated. Second by Chief Elliott, motion passed unanimously.

Meeting adjourned 2:32 p.m.