ORDINANCE NO. A-359

AN ORDINANCE AUTHORIZING THE LEASING BY THE CITY OF CONWAY, ARKANSAS TO UNIVERAL MATCH CORPORATION OF THE LANDS, BUILDING, IMPROVEMENTS, MACHINERY AND EQUIPMENT DESCRIBED IN THE FORM OF LEASE AGREEMENT APPROVED BY THIS ORDINANCE; AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BY THE MAYOR AND CITY CLERK FOR AND ON BEHALF OF THE CITY IN THE FORM APPROVED BY THIS ORDINANCE; AUTHORIZING THE ASSIGNING OF SAID LEASE AGREEMENT TO THE TRUSTEE FOR THE HOLDERS OF INDUSTRIAL DEVELOPMENT REVENUE BOMDS ISSUED BY THE CITY OF CONWAY; PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the City Council of the City of Conway, Arkansas:

Section 1. That the City of Conway, Arkansas lease to Universal Match Corporation, a Delaware corporation, the lands, buildings, improvements, machinery and equipment described in the form of Lease Agreement hereinafter authorized for the rentals and pursuant to the terms and conditions, and with the options to purchase, set out fully in the form of lease agreement hereinafter authorized. That there be and there is hereby authorized the execution of the Lease Agreement by and between the City of Conway, Arkansas and Universal Match Corporation in the form and with the contents hereinafter set forth and the Mayor and City Clerk be, and they are hereby, authorized and directed to execute, acknowledge and deliver said Lease Agreement for and on behalf of the City of Conway. The form and contents of said Lease Agreement, made a part hereof, are as follows:

L E A S E

THIS INDENTURE OF LEASE made and entered into this day of November, 1960, by and between THE CITY OF CONWAY, ARKANSAS, a City of the First Class of the State of Arkansas (hereinafter called the "Lessor"), of the one part, and UNIVERSAL MATCH CORPORATION, a corporation duly organized under the laws of the State of Delaware (hereinafter called the "Lessee", which expression shall include its successors and assigns where the context so admits), of the other part,

WITNESSETH:

ARTICLE I

Premises
Term of Lease

Section 1.1. Lessor, for and in consideration of the rent, covenants and agreements hereinafter reserved, mentioned and contained on the part of Lessee, its successors and assigns, to be paid, kept and performed, has demised and leased, and by these presents does demise and lease, unto Lessee, and Lessee does hereby take and hire, each upon and subject to the conditions hereinafter in this lease expressed:

(i) a certain parcel of land situate in the County of Faulkner and State of Arkansas, being part of the Northwest Quarter of Section 18, Township 5 North, Range 13 West, described as follows:

Commencing at a point 15.75 chains North of the Southwest corner of said Northwest Quarter of said Section and running thence North 81° East 18.25 chains to the West boundary line of the Missouri Pacific Railroad right-of-way, thence running Northwestwardly along the West boundary line of said Missouri Pacific Railroad right-of-way to the South line of Robins Street, thence West along the South line of Robins Street to the West line of said Northwest Quarter of said Section, thence South to point of beginning, containing 31 acres, more or less;

(ii) together with all right, title and interest of Lessor in and to the multipurpose factory building and other buildings, structures, facilities, equipment and other improvements now or hereafter erected thereon and all extensions, additions, improvements, betterments, renewals and replacements of, to or upon any of said property;

(iii) together with all fixtures of every kind and nature whatsoever, movable or immovable, now owned or hereafter acquired by Lessor and used or procured for use in connection with the operation and maintenance of the buildings on said land, including, without limiting the generality of the foregoing, any of the following: boilers, pumps, tanks, electric panel switchboards, sprinklers, if *any*, lighting equipment and wiring, heating, plumbing and ventilating apparatus, elevators, escalators, refrigerating, air conditioning and air-cooling equipment, and

all other building service equipment now or hereafter used or procured for use in connection with the operation and maintenance of said buildings. Said fixtures and other building service equipment are hereinafter referred to as the "building service equipment";

(iv) together with all right, title and interest of the Lessor in and to all machinery and equipment installed for the use of Lessee in any building on said land. Said machinery and equipment ere hereinafter referred to collectively as "Lessor's machinery and equipment"; and

(v) all right, title and interest of the Lessor in and to all improvements, accretions, replacements, substitutions and appurtenances thereunto belonging or in anywise appertaining and all other personal property at any time and from time to time placed in said building and leased to Lessee,

The said land with said factory and other buildings and building service equipment, including all buildings and structures of a fixed and permanent character, thereon at any time, are hereinafter collectively referred to as the "demised premises". Said term also Includes Lessor's machinery and equipment, unless the context indicates that the same is not intended to be included in such reference.

ARTICLE II

Trust Indenture

Section 2.1. Promptly upon the execution and delivery of this lease, Lessor proposes to enter into a trust indenture (hereinafter referred to as the "Trust Indenture"), receipt of a copy of which, in the form approved by the mayor and city council of the City of Conway, Arkansas, by Ordinance No. adopted October , 1960, is hereby acknowledged by Lessee, with St. Louis Union Trust Company, St. Louis, Missouri, as trustee, transferring Lessor's interest in the demised premises and this lease to said trustee to secure certain revenue bonds of Lessor aggregating $2,200,000 in principal amount which are to be delivered by Lcssor on the date of this lease (which revenue bonds, together with any bonds issued in substitution therefor, are hereinafter referred to as the "Bonds"). St. Louis Union Trust Company or any successor trustee for the time being in office is hereinafter referred to as the "Trustee". Lessor shall promptly notify Lessee of any changes in the identity of the trustee serving as such under the Trust Indenture. Without limiting the generality of any terms of the Trust Indenture relating to the assignment of this lease or of any terms of the acknowledgment of notice of said assignment which may be executed and delivered by Lessee, the parties acknowledge that the effect of such assignment and acknowledgment will be to make payable to the Trustee all rents, all income, payments and profits arising hereunder and substantially all proceeds of insurance and condemnation awards, and to transfer to the Trustee all or substantially all the rights given to Lessor hereunder, all so long as the Bonds remain outstanding and the Trust Indenture is not discharged. After such Trust Indenture shall have been discharged in accordance with its terms, any and all references in this lease to said Trust Indenture or to the Trustee shall be deemed to be deleted from the provisions of this lease.

ARTICLE III

Term

Section 3.1. The demised premises are demised and leased by Lessor unto Lessee to have and to hold for the term of twenty (20) years commencing on 1960 and ending on , 1980, such period, being hereinafter referred to as the "term".

ARTICLE IV

Rent

Section 4.1. Lessee covenants to pay to Lessor during the term hereof basic rent as follows:

(a) In the amount of $89,340.85 on November 15, 1960, and in the amount of $89,340.85 semi-annually on each May 15th and November 15th during the balance of the term of this lease, the last payment of basic rent being the payment due on May 15, 1980; provided, however, Lessee shall not be required to make any payment of rent under thi ~~or to the extent that, the~~ leave Section 4.1 (a) after, shall be in the hands of the Trustee funds sufficient for the Trustee to make all payments of principal and semi-annual interest on the Bonds to maturit as said payments of principal and interest become due as provided in the Trust Indenture.

(b) If the rent paid under subsection (a) above shall at any time be or become insufficient, after making due allowance for paying all other expenditures and charges authorized or permitted, or which the Trustee believes are authorized or permitted, under the Trust Indenture or this lease to enable the Trustee, upon receipt thereof as provided in the Trust Indenture, to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable in accordance with the terms of the Bonds, whether on maturity, by acceleration, by reason of an increase in the effective rate of interest of the Bonds pursuant to the terms of the Trust Indenture, or for any other reason, Lessee will promptly pay such amount as may be demanded by the Lessor from time to time so as to enable the Trustee to pay and discharge said principal and interest (to the extent the rate thereof is 6% per annum or less) as the same become due and payable.

(c) If the rent payments under subsection (a) shall at any time be or become insufficient to enable the Trustee, upon receipt thereof as provided in the Trust Indenture, after making due allowance for paying the principal of and interest on the Bonds as the same become due and payable as aforesaid, to pay and discharge, or to reimburse the Trustee for, any expenditure or charge authorized or permitted, or which the Trustee believes is authorized or permitted, under the Trust Indenture or this lease (including, without limitation, the fees of the Trustee, the paying Agent, or counsel fees of said Trustee), Lcssec will promptly pay such amount as may be demanded by the Lessor from

time to time as will enable the Trustee to pay or to reimburse itself for paying any such expenditure or charge.

The obligations of Lessee under (b) and (c) above shall remain in full force and effect until the Bonds are paid in full and the Trust Indenture discharged regardless of the expiration of this lease in other respects,

Said basic rent shall be over and above the other additional payments to be made by Lessee as hereinafter provided, and shall be absolutely net to the Lessor, so that this lease shall yield, net, to the Trustee upon the assignment thereof as provided in the Trust Indenture, such basic rent as aforesaid.

If any additional interest referred to under subsection (b) above or any expenditure, charge or other requirement under the Trust Indenture referred to under subsection (c) above shall be of a recurring nature or shall extend over the then remainder of the term hereof, Lessee agrees that, upon demand of Lessor, it will enter into a Supplemental Indenture of Lease with Lessor to set forth a new schedule of rent payments under subsection (a) above for the remaining term of this lease so as to establish the same at an amount sufficient to enable the Trustee to meet such requirements under the Trust Indenture as the same become payable.

Section 4.2. Lessee further covenants to pay during the term hereof, as additional ront, all Impositions as provided in Article V hereof, and all costs, expenses, liabilities, obligations and other payments which Lessee in any of the provisions of this lease assumes or agrees to pay, and Lessee will reimburse Lessor for any payments thereof made by Lessor on its behalf; and, in the event of any failure by Lessee to pay any of the same, Lessor shall have all the rights and remedies provided for in this lease or by law in the case of nonpayment of the basic rent.

Section 4.3. The basic rent and the additional rent shall be paid by Lessee without notice or demand and without abatement, deduction, counterclaim, setoff or defense arising from any circumstance whatsoever, whether now existing or hereafter arising; Lessee shall not be entitled to quit, terminate or surrender this lease, and shall not be relieved from its obligations to pay the full basic rent and additional rent or from any of its other obligations under this lease for any reason whatsoever, including, without limitation, (a) any prevention or curtailment of or interference with any use of the demised premises or any part thereof for any purpose (except as otherwise provided in Article XVII relating to condemnations), or (b) any change of grade of any abutting street, or (c) any damage to or destruction of the demised premises or any part thereof, (d) any eviction from the demised premises by title paramount, or (a) any bankruptcy, insolvency or reorganization of the Lessor, or (f) any default of the Lessor under Article XXVI or under any other provision hereof. The Lessee shall pay interest at the rate of six per cent (6%) per year on overdue installments of rent.

ARTICLE: V

Taxes and Assessments

Section 5.1. The Lessee covenants and agrees with Lessor that during the term hereof and for such further time as it or any person, firm or corporation claiming under it shall hold the premises it will pay all taxes, water and sewer rents, general and special assessments, and other governmental charges and impositions whatsoever and to whomsoever assessed (whether in the nature of taxes, assessments or charges now in being or not) which may be assessed, levied, confirmed, imposed or payable upon or in respect of, or be a lien upon the demised premises or any part thereof, or any estate, right or interest therein, or on the rent paid or payable hereunder, for a period wholly or partly within said term or time or arising in respect of the occupancy, use or possession thereof (such taxes, assessments and charges being herein referred to as "Impositions"); provided, however, that any Imposition relating to a fiscal period of the taxing authority, a part of which extends beyond the term hereof, shall, subject to the right of the Lessor to set off any obligations of the Lessee to Lessor hereunder, be apportioned as of the expiration of such term.

Section 5.2. If by law any such Imposition is payable or may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition) over a period of time (such period to be considered for the purposes of Section 5.1 as a fiscal period of the taxing authority) Lessor shall exercise such option. All sums to be paid by the Lessee pursuant to Section 5.1 shall be paid on or before the last day on which they may be paid without interest or penalty.

Section 5.3. Lessee shall have the right by appropriate proceedings, in the name of Lessee or Lessor, or both, but without cost to Lessor, to contest the validity of any Impositions or to seek an abatement thereof and if the payment of any Imposition may legally be held in abeyance without the incurrence of any lien against the fee of the demised premises or Lessee's leasehold interest in said premises, or the rentals arising therefrom, for non-payment, Lessee may postpone payment, provided that all such proceedings shall be prosecuted with all due diligence and dispatch and even if any lien against the fee of the demised premises is incurred by reason of non-payment, Lessee may nevertheless make the contest aforesaid and delay payment as aforesaid, provided that Lessee furnishes Lessor security reasonably satisfactory to Lessor against any loss by reason of such lien and prosecutes the contest aforesaid with due diligence and dispatch and satisfies the same before any foreclosure thereof. In case of an abatement of any Impositions after the payment thereof by Lessee, the amount recovered shall belong to Lessee.

ARTICLE VI

Insurance

Section 6.1. The Lessee shall, at Lessee's sole cost and expense, throughout the term of this lease

(A) Keep all buildings and the building service equipment, and Lessor's machinery and equipment, on the demised premises insured against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, and civil commotion, damage from aircraft and vehicles, and smoke damage, in amounts sufficient to prevent Lessor or Lessee from becoming a coinsurer within the terms of the applicable policies and in *any* event equal to the greater of eighty per cent (80%) of the full insurable value thereof or the aggregate amount of Bonds then outstanding;

(B) Keep all buildings and the building service equipment, and Lessor's machinery and equipment, on the demised premises insured against war risks as and when such insurance is obtainable and a state of war or national or public emergency exists in an amount not less than one hundred per cent (100%) of their then full insurable value;

(C) Keep all buildings and the building service equipment, and Lessor's machinery and equipment, on the demised premises insured in an amount not less than ten per cent (10%) of their then full insurable value against loss or demage from leakage of sprinkler systems, if and so long as installed in said buildings;

(D) Keep all buildings and the building service equipment, and Lessor's machinery and equipment, on the demised premises insured against loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, with respect to all steam boilers, pressure vessels or similar apparatus, if and so long as installed in such buildings, in an amount not less than $100,000 or in such additional amount as the Lessor may reasonably require with respect to any one accident;

(E) Keep all buildings and the building service equipment insured with rent and use and occupancy insurance in an amount equal at any particular time to at least the basic rent for a period of two years plus the estimated amounts payable by Lessee during such yeers for Impositions as provided in Article V and insurance premiums as provided in this Article VI.

The term "full insurable value" shall mean the actual replacement cost (excluding foundation and excavation costs), without deduction for physical depreciation, and said "full insurable value" shall be determined from time to time at the request of Lessor (but not more frequently than once in every twelve months' period) by an architect, contractor, appraiser, appraisal company, or one of the insurers, in any such case selected and paid by Lessee and acceptable to Lessor.

Section 6.2. Subject to the provisions of Article XVI and to the limitations hereinafter in this Section set forth, the policies of insurance provided for in Section 6.1 of this Article shall be payable to the Trustee as the interest of the Trustee may appear, pursunnt to a mortgagee clause in the standard Massachusetts form naming the Trustee as mortgagee. The loss, if any, under any policy provided for in Section 6.1

of this Article shall be adjusted with the insurance companies by Lessee, subject to the approval of Lessor. All such policies or certificates therefor issued by the respective insurers shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this lease, subject in all cases to the provisions of the Trust Indenture assigning the insurance proceeds to the Trustee.

Section 6.3. The Lessor covenants and agrees that no claim shall be made, and that no suit or action, either at law or in equity, shall be brought by the Lessor, or by any person, firm or corporation claiming by, through or under the Lessor, its successors and assigns, against the Lessee, its successors or assigns, for any loss, cost or damage caused by or resulting from fire, of whatsoever origin, to the extent that the same is covered by insurance as aforesaid, to any building forming part of the demised premises; provided, however, that nothing in this Section contained shall affect or diminish the Lessee's obligation to repair or rebuild in case of damage or destruction, as herein elsewhere in this lease provided, nor shall anything in this Section contained affect or diminish the Lessor's right to bring a suit or action, either at law or in equity, against the Lessee, its successors or assigns, for failure to so repair or rebuild.

Section 6.4. Lessee shall, at Lessee's sole cost and expense, throughout the term of this lease and for the mutual benefit of Lessor, Lessee and the Trustee, but each with the same effect as if separately insured, maintain:

(A) General public liability insurance against claims for bodily injury or death occurring upon, in or about the demised premises or any elevators or escalators therein, and on, in or about the adjoining streets and passageways, such insurance to afford protection to the limit of not less than $500,000 in respect of bodily injury or death to any one person, and to the limit of not less than $1,000,000 in respect of any one accident, and

(B) Property damage insurance against claims for damage or injury to property occurring upon, in or about the demised premises or any elevators or escalators therein, and on, in or about the adjoining streets and passageways, such insurance to afford protection to the limit of not less than $200,000 in respect of damage to the property of any one owner.

Section 6.5. All insurance provided for in this Article shall be effected with insurers approved by Lessor, authorized to do business in Arkansas, and having, in the case of fire insurance companies, an A rating under Best's Directory of Fire Insurance Companies, under valid and enforceable policies, and such policies shall name Lessor, Lessee and the Trustee as the assureds, as their respective interests may appear. All policies of insurance provided for in this Article shall provide (a) that such policies shall not be cancelled without at least ten (10) days' prior written notice to each assured named therein, to whom loss thereunder may be payable, and (b) that any loss shall be payable to Lessor or to the Trustee, notwithstanding any act or negligence of Lessee which might otherwise result in forfeiture of said insurance, and (c) that any loss shall be payable to the Trustee notwithstanding any act or negligence of Lessor which might otherwise result in forfeiture of said insurance.

Section 6.6. Upon the commencement of the term of this lease and thereafter not less than fifteen (15) days prior to the expiration dates of the expiring policies, originals or certificates of the policies provided for in Section 6.1 of this Article and certificates issued by the respective insurers of the policies provided for in Section 6.4, each bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Lessor of such payment and evidence of compliance with the applicable provisions of this Article shall be delivered by Lessee to Lessor and to the Trustee. The Lessee may procure and keep in force, in place of separate policies, blanket policies of' insurance having the same coverage and provisions as are herein required with respect to separate policies. If such blanket insurance is so furnished, the Lessee shall deliver an attested copy of the policy stating the amount allocated to each building on the demised premises, in lieu of separate policies to the Lessor and the Trustee as hereinabove required,

The premiums on all separate insurance policies in force at the expiration of the term of this lease shall be apportioned between Lessor and Lessee in such manner that Lessor shall, if Lessee is not in default, reimburse Lessee for that portion of the aggregate premiums unearned on all such policies in force at such expiration of the term of this lease,

Section 6.7. The Lessee will comply with such requirements as Lessor or the Trustee my request for the protection by insurance of the interests of the Trustee, provided that the Lessee shall not be required to maintain more or different insurance than required pursuant to Sections 6.1 and 6.4 of this Article.

ARTICLE VII

Lessor's Right to Perform Lessee's Covenants

Section 7.1. Lessee covenants and agrees that if it shall at any time fail to pay any Imposition in accordance with the provisions of Article V, or to take out, pay for, maintain or deliver any of the insurance policies provided for in Article VI, or shall fail to make any other payment or perform any other act on the part of Lessee to be made or performed, then Lessor may (but shell not be obligated so to do) without further demand upon Lessee and without waiving or releasing Lessee from any obligations of Lessee in this lease contained, (a) pay any Imposition payable by Lessee pursuant to the provisions of Article V, or (b) take out, pay for, maintain or deliver any of the insurance policies provided for in Article VI, or (c) make any other payment or perform any other act on Lessee's part to be made or performed as in this lease provided. All sums so paid by Lessor, and all necessary incidental costs and expenses in connection with the performance of any such act by Lessor, together with interest thereon at the rate of six per cent (6%) per annum from the date of the making of such expenditure by Lessor, shall be deemed additional rent hereunder and shall be payable to Lessor on demand, or at the option of' Lessor may be added to basic rent due or thereafter becoming due under this lease, and Lessee covenants to pay any such sum or sums with interest as aforesaid and Lessor shall have (in addition to any other right or remedy of Lessor) the same rights and remedies in the event of' the nonpayment thereof by Lessee as in the case of default by Lessee in the payment of the basic rent.

ARTICLE VIJI

Repairs and Maintenance of Premises

Section 8.1. Lessee covenants throughout the term of this lease, at its sole cost and expense, to maintain, and at the expiration of the term hereof, to yield 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 said land, the building service equipment, and Lessor's machinery and equipment (subject to the provisions of Article XII), and promptly at Lessee's own cost and expense to make all necessary repairs, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen. When used in this Article, the term "repairs" shall include replacements or renewals when necessary.

Section 8.2. All improvements and alterations and all building service equipment, made or installed by or on behalf of Lessee, shall immediately upon completion or installation thereof be and become the property of Lessor without payment therefor by Lessor, but subject to this lease and the Trust Indenture, All machinery and equipment (other than building service equipment), trade fixtures, movable partitions, furniture and furnishings installed at the expense of the Lessee shall remain the property of the Lessee and the Lessee shall, if not in default, be entitled to remove the same or any part thereof during the term of this lease, or if the term shall end prior to the date herein specifically fixed for such termination, then within a reasonable time thereafter, but Lessee shall, at its own cost and expense, repair any and all damage to the demised premises resulting from or caused by their removal therefrom.

Section 8.3. All property of any kind which may be on the demised premises (whether belonging to the Lessee or to third persons) shall be at the sole risk of Lessee or those claiming by, through or under Lessee, and neither Lessor nor the Trustee shall be liable to Lessee for any injury, loss or damage to any person or property on the demised premises in any event.

ARTICLE IX

Compliance with Orders. Ordinances. Etc.

Section 9.1. Lessee covenants throughout the term of this lease, at Lessee's sole cost and expense, promptly to comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the demised premises or any part thereof', or any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults and vault spaces adjoining the demised premises or any part thereof, or any use, manner of use, or condition of the demised premises or any part thereof, Lessee shall

likewise observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the building and improvements on the demised premises and the equipment thereof.

Section 9.2. Lessee shall have the right to contest by appropriate legal proceedings, in the name of Lessee or Lessor, or both, but without cost or expense to Lessor, the validity of any statute, code, law, act, ordinance, order, judgment, decree, injunction, rule, regulation, direction or requirement of the nature herein referred to, and if by the terms thereof compliance therewith may legally be held in abeyance without the incurrence of any lien against the fee of the demised premises or Lessee's leasehold interest in said premises, or the rentals arising therefrom, for failure so to comply therewith, Lessee may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch and even if any lien against the fee of the demised premises is incurred by reason of noncompliance, Lessee may nevertheless make the contest aforesaid and delay compliance as aforesaid, provided that Lessee furnishes to Lessor security reasonably satisfactory to Lessor against any loss by reason of such lien and prosecutes the contest aforesaid with due diligence and dispatch, and satisfies the same before any foreclosure thereof.

Section 9.3. The Lessee covenants not to suffer any default to exist, under any instrument evidencing or relating to indebtedness of the Lessee for borrowed money, beyond any period of grace provided in such instrument with respect thereto, The Lessee further covenants to give the Lessor and the Trustee prompt notice of any claim of such default received by the Lessee.

ARTICLE X

Work Performed by Lessee

Section 10.1. With respect to any repairs, construction, restoration, replacement or alterations performed upon the demised premises by Lessee during the term hereof, in accordance with or as required by any provisions hereof, Lessee agrees that:

(A) No work in connectfon therewith shall be undertaken until Lessee shall have procured and paid for, so far as the same may be required, from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Lessor agrees to join in the application for such permits or authorizations whenever such action is necessary;

(B) (1) All work in connection therewith shall be done promptly and In good and workmanlike manner and in compliance with the building and zoning laws of the municipality or other governmental subdivision wherein the demised premises are situated and with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions,

boards and officers thereof, and in accordance with the orders, rules and regulations of any company or association insuring the premises; the cost of any such work shall be paid in cash or its equivalent, so that the demised premises and the Lessee's estate therein shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the demised premises; the work shall be prosecuted with reasonable dispatch, unavoidable delays excepted,

(2) Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Lessor, Lessee, the Trustee or the demised premises, and general liability insurance (specifically covering this class of risk) for the mutual benefit of Lessor, Lessee and the Trustee, with limits of not less than $500,000 in the event of bodily injury to one person and not less than $1,000,000 in the event of bodily injury to any number of persons in any one aocident, and with limits of not less than $200,000 for property damage, shall be maintained by Lessee at Lessee's sole cost and expense at all times when any substantial work is in process. The general liability insurance provided for in this subsection may be effected by an appropriate endorsements if obtainable, upon the insurance referred to in Section 6.4.A of Article VI. All such insurance shall be effected with corporate insurers approved by Lessor and authorized to do business in Arkansas, and all policies or certificates therefor issued by the respective Insurers shall be delivered to Lessor endorsed "Premium paid" by the company or agency issuing the same or with other evidence of payment of the premiums and compliance with the provisions of this Article satisfactory to Lessor.,

ARTICLE XI

Liens

Section 11.1, Subject to the provisions of Sections 5.3 and 9.2 relating to contests, Lessee will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge on account of any Imposition or any statute, code, law, act, ordinance, order, judgment, decree, injunction, rule, regulation, direction or requirement of the nature referred to in Article IX, or any mechanic's, laborer's, materialman's or vendor's lien or any mortgage (except the Trust Indenture), chattel mortgage, conditional sale or title retention agreement, or otherwise, upon the demised premises or any part thereof or upon Lessee's leasehold interest therein, or upon any rent paid or payable hereunder. If any such lien shall at any time be filed, Lessee shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Lessee shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and

in any such event Lessor shall be entitled, if Lessor so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment for and in favor of the lienor with interest, costs and allowances. Any amount paid by Lessor for any of the aforesaid purposes with interest thereon at the rate of six percent (6%) per annum from the date of payment shall be repaid by Lessee to Lessor on demand, and if unpaid may be treated as additional rent as provided in Article VII hereof, Nothing in this lease contained shall be deemed or construed in any way as constituting the consent or request of the Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the demised premises or any part thereof, nor as giving Lessee a right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanics' liens against the fee of the demised premises,

ARTICLE XII

Alterations - Removal of Equipment

Section 12.1. The Lessee shall have the right from time to time, at its sole cost and expense, to make additions, alterations and changes (hereinafter collectively referred to as "alterations") in or to the demised premises (which term as used in this Section 12.1 does not include Lessor's machinery and equipment), subject, however, in all cases to the following:

(A) No alterations of any kind shall be made which would impair the market value or usefulness of the demised premises or change the character of the premises;

(B) No alteration involving an estimated cost of more than $50,000 shall be made without the prior written consent of the Lessor, such consent not to be unreasonably withheld;

(C) Any structural alteration involving an estimated cost of more than $50,000 shall be conducted under the supervision of an architect or engineer selected by Lessee and approved in writing by Lessor, such approval not to be unreasonably withheld;

(D) The conditions under which the alterations are to be performed and the method of proceeding with and performing the same shall be governed by all the provisions of Article X hereof.

Section 12.2. The Lessee may, provided Lessee is not in default in the payment of basic rent or additional rent as required by the provfsions of this lease and has not received notice of any other default on its part hereunder, remove, free of any right or claim of Lessor, any building service equipment, subject however, in all cases to the following:

(A) Building service equipment may be so removed upon the substitution therefor, then or theretofore, by Lessee of like building service equipment of a utility and value at least equal to that, at the time of removal, of the building service equipment removed;

(B) Worn out or obsolete building service equipment may be so removed;

(C) Additional building service equipment added to the demised premises by Lessee after full completion of the building (and not by way of repair, replacement or the like) may be removed, provided the efficiency, utility and value of the demised premises are not impaired;

(D) Lessee shall pay all the cost and expense of any such removal and shall immediately repair at its expense all damage to the demised premises caused thereby.

Section 12.3. Lessee may, provided Lessee is not in default in the payment of basic rent or additional rent as required by the provisions of this lease and has not received notice of any other default on its part hereunder, exercise with respect to Lessor's machinery and equipment the following rights subject to the limitations stated:

(A) If, and as often as, any item of Lessor's machinery and equipment shall become worn out through ordinary wear and tear, Lessee may sell such item for its salvage value and, forthwith upon receipt of the net proceeds of sale, Lessee shall remit the same to the Trustee for deposit into the Bond Fund provided for in Article V of the Trust Indenture,

(B) If, and as often as, any item or items of Lessor's machinery and equipment shall no longer be useful to Lessee, whether by reason of the technological obsolescence thereof or changes in the manufacturing operations which Lessee desires to carry on in the demised premises, Lessee may give Lessor written notice thereof specifying therein the particular item or items of machinery and equipment and the reason or reasons for Lessee's conclusion, Thereupon, Lessee may, upon obtaining at least three firm bids from independent parties sell such item or items free of any right or claim of Lessor, for the best cash price obtainable as a result of said bids. The net proceeds of sale shall forthwith be paid by Lessee to the Trustee for deposit into the Bond Fund referred to above.

The right conferred upon Lessee under (B) above is granted so that Lessee shall have flexibility to permit it to conduct profitable manufacturing operations in the demised premises (even to the extent of, from time to time, giving up or transferring elsewhere one of the several different manufacturing operations then conducted on the demised premises and substituting therefor some different manufacturing operation), but such right is not intended to permit Lessee to effect a removal of all or substantially all the machinery and equipment at any time on the demised premises.

Section 12.4, If requested by Lessor, Lessee will furnish to Lessor, within sixty (60) days after the end of each calendar year, a certificate of Lessee setting forth a summary description and statement of all material alterations, substitutions and removals made pursuant to this Article XII.

ARTICLE XIII

Inspection of Premises by Lessor

Section 13.1. Lessee agrees to permit Lessor and the authorized representatives of Lessor to enter the demised premises at all reasonable times during usual business hours for the purpose of (a) inspecting the same (such right of entry and inspection to extend to the Trustee and the authorized representatives of the Trustee) and (b) making any necessary repairs to the demised premises and performing any work therein that may be necessary by reason of Lessee's default under the terms of this lease. Nothing herein shall imply any duty upon the part of Lessor to do any such work which under any provisions of this lease Lessee may be required to perform and the performance thereof by Lessor shall not constitute a waiver of Lessee's default in failing to perform the same. Lessor may during the progress of any work in the demised premises keep and store upon the parking area of the demised premises all necessary materials, tools and equipment. Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Lessee by reason of making such repairs or the performance of any work in the demised premises, or on account of bringing materials, supplies and equipment into or through the demised premises during the course thereof and the obligations of Lessee under this lease shall not thereby be affected in any manner whatsoever.

Section 13.2. Lessor is hereby given the right during usual business hours to enter the demised premises during the last year of the term of this lease to exhibit the same to any prospective lessee.

ARTICLE XIV

Public Utilities and Charges

Section 14.1. 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 demised premises throughout the term of this lease, and to indemnify Lessor and save it harmless against any liability or damages on such account. Lessee shall also at its sole cost and expense procure any and all necessary permits, licenses or other authorizations required for the lawful and proper maintenance and continuance upon the demised premises of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such services to and upon the demised premises.

ARTICLE XV

Indemnification of Lessor

Section 15.1. Lessee agrees to indemnify and save harmless Lessor and the Trustee against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from the conduct or management of or from any work or thing whatsoever done in and on the demised premises and will further indemnify and save Lessor and the Trustee harmless against and from any and all claims arising during the term of this lease from any condition of any building on the demised premises or any street, curb or sidewalk adjoining the demised premises, or of any tunnels, passageways or space therein or appurtenant thereto, or arising from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed, pursuant to the terms of this lease, or arising from any act or negligence of Lessee, or any of its agents, contractors, servants, employees, or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm or corporation occurring during the term of this lease, in or about the demised premises, or upon or under the sidewalks and the land adjacent thereto, and from ond against all costs, expenses and liabilities incurred in or in connection with any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against Lessor or the Trustee by reason of any such claim, Lessee, upon notice from Lessor or the Trustee, covenants to resist or defend such action or proceeding and to employ counsel selected by the insurance companies carrying the risk or other counsel reasonably satisfactory to Lessor and the Trustee.

ARTICLE XVI

Damage or Destruction

Section 16.1, Lessee covenants and agrees that in case of damage exceeding $5,000 in amount to or destruction of the demised premises or any part thereof by fire or other casualty, the Lessee shall immediately notify Lessor and the Trustee and, at its sole cost and expense, whether or not the insurance proceeds, if any, are sufficient for the purpose, shall proceed to restore, repair, replace or rebuild the same as nearly as possible to the condition they were in immediately prior to such damage or destruction, subject to such alterations as the Lessee msy elect to make in conformity with the provisions of Article XII hereof., Such restoration, repairs, replacements, rebuilding or alterations shall be commenced promptly and prosecuted with reasonable diligence.

Section 16.2. All insurance money recovered by Lessor or the Trustee (the entity or entities actually recovering such money being hereinafter in this Section 16.2 referred to for convenience as the "Payee"), on account of such damage or destruction shall be applied as hereinafter set forth by the payee to the payment of the costs of the aforesaid restoration, repairs, replacements, rebuilding or alterations, including expenditures made for temporary repairs or for the protection of property pending tho completion of permanent restoration, repairs, replacements, rebuilding or alterations to the demised premises, or to prevent interference with the business operated thereon (hereinafter referred

to as the "Restoration"). In the case of damage or destruction involving a loss of $25,000 or less, such insurance proceeds shall be paid by the Payee ~~or Lessee~~ to upon receipt of a written request by Lessee stating that Lessee has undertaken the Restoration. In the case of damage or destruction involving a loss of more than $25,000, such insurance proceeds shall be paid by the Payee to Lessee from time to time upon receipt by the Payee of

(A) A certificate signed by an officer of the Lessee

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

(ii) describing in reasonable detail work and materials theretofore applied by Lessee to the Restoration and in place;

(iii) stating that such specified amount does not exceed the cost of such work and materials, including as part thereof the reasonable fees of the 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;

(B) A certificate of an architect or engineer selected by the Lessee and approved in writing by the Payee (which approval shall not be unreasonably withheld)

(i) stating that the work and materials described in the accompanying certificate of Lessee were necessary or appropriate to the Restoration and are in place;

(ii) stating that the amount specified in such Certificate of Lessee does not exceed the reasonable cost of such work and materials; and

(fii) specifying the additional amount, if any, required to complete the Restoration; and

(C) An opinion of counsel who shall have the approval of the Payee (such approval not to be unreasonably withheld), or other evidence satisfactory to the Payee that there exists no mechanics', laborer's, materialmen's, vendor's or other similar lien, encumbrance or charge on the demised premises or any part thereof or upon Lessee's leasehold interest therein or the rents payable hereunder, except such, if any, as will be discharged simultaneously with the making of the payment requested;

provided, however, that the balance of insurance moneys shall not be reduced below the amount specified in such architect's or engineer's certificate as the amount required to complete the Restoration.

If the insurance money in the hands of the Payee shall be insufficient to pay the entire cost of such work, Lessee agrees to pay the deficiency. Any balance remaining over and above the cost of such work shall be paid to the Lessee upon receipt by the Payee of certificates as required by this Article to the effect that such work has been completed and that no liens exist.

Section 16.3. Lessee's obligation to make payment of the basic rent and all other charges on the part of Lessee to be paid and to perform all other covenants and agreements on the part of Lessee to be performed shall not be affected by any such destruction or damage of any building on the demised premises by fire or otherwise, 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 16.4. Notwithstanding the foregoing provisions of this Article, any insurance moneys in the hands of the Payee shall not be required to be paid out to the Lessee, if and so long as the Lessee is in default in the payment of basic rent or additional rent as required by the provisions of this lease or has received notice of any other default on its part hereunder and such default is continuing.

Section 16.5. Notwithstanding the provisions of the foregoing Sections of this Article, Lessee shall not be required to repair, restore, replace or rebuild the demised premises or any part thereof, if Lessee, pursuant to the provisions of Article XXVII, shall have the right to elect to purchase the demised premises and shall so elect within thirty (30) days after the demised premises shall be damaged by giving the notice specified in Section 27.5. If Lessee elects to purchase the demised premises, the proceeds of any insurance shall become a part of the Bond Fund referred to in Section 12.3 to an amount equal to the purchase price of the demised premises, determined in accordance with the provisions of Section 27.4, and the insurance proceeds in excess of said purchase price shall be paid to Lessee. If the insurance proceeds shall be less than the purchase price of the demised premises determined in accordance with the provisions of Section 27.4, Lessee shall pay the deficiency within thirty days after such insurance proceeds shall be paid into the Bond Fund.

ARTICLE XVII

Condemnation

Section 17.1. In the event a proceeding in exercise of the right of eminent domain shall be instituted fox the purpose of or which shall result in the taking of title to all or substantially all of the demised premises (excluding the Lessor's machinery and equipment) or which would deprive Lessee of adequate ingress or egress to and from the streets and/or highways providing access to the demised premises (hereinafter referred to as the "proceeding", which term as used in other sections of this Article includes any proceeding in the exercise of the right of eminent domain), then, in addition to any other option or right herein granted to Lessee by Article XXVII or otherwise, Lessee shall have the option, at any time prior to the time that the award in the proceeding shall be disbursed from the registry of the court in which the proceeding shall be pending, to purchase the demised premises (including all of Lessor's machinery and equipment) by giving the notice provided for in Section 27.5 and paying the purchase price provided for in Section 27.4. Upon exercise by Lessee of' such option and payment of the purchase price, Lessor and Trustee shall in an appropriate manner disclaim in the proceeding any further interest in the demised premises and in the award made or to be made with respect thereto.

For the purposes of this Article XVI "substantially all of the demised premises" shall be deemed to have been taken if a taking under any such proceeding shall involve such an area (regardless of the relative size of the part taken to the whole of the demised premises) that Lessee cannot reasonably operate in the remainder the business carried on at the time the proceeding was instituted.

Section 17.2. Whether or not Lessee shall have an option under Section 17.1 or shall exercise the same, it is agreed as follows:

(a) Lessee shall not make any claim in the proceeding for damages for injury to, or an award for the taking of, its leasehold estate under this lease or for the loss of the value of its leasehold estate, and the amount so awarded in the proceeding, whether as damages or otherwise, shall be deemed (subject to the provisions hereinafter made) to be awarded with respect to the injury to or taking of the fee of the demised premises; provided, however, that Lessee may prove in the proceeding and receive any award which may be made for damage to or condemnation of Lessee's own machinery and equipment. The lien of the Trust Indenture shall not give the Trustee the right to have any portion of the award paid otherwise than in accordance with the provisions of this Article XVII. Lessor, Lessee and the Trustee shall cooperate to the end that the provisions of this Article XVI shall be given effect in the proceeding and with respect to the award.

(b) Lessee shall have the right, subject to the approval by the Trustee of the counsel so selected, to select and employ the counsel to appear for and to represent Lessor, Lessee and the Trustee in the proceeding and, through such counsel, Lessee shall have the right to control the course of the litigation, but any settlement of such litigation shall only be made with the approval of the Trustee, and provided, however, that Lessee shall be solely responsible for all costs and expenses incurred in the proceeding in the defense thereof, including attorneys' fees, which Lessee ~~herewith~~ hereby agrees to pay.

Section 17.3. If Lessee shall not exercise its option to purchase granted pursuant to Section 17.1, or if Lessee shall not have such an option under said Section, then the following provisions, as applicable, shall apply:

(A) If all or substantially all of the demised premises (excluding Lessor's machinery and equipment) shall be taken in the proceeding, the award made in the proceeding (exclusive of any amount awarded directly to Lessee in respect of Lessee's property, as described in Section 8.2 hereof) shall be paid to St. Louis Union Trust Company, St. Louis, Missouri, to hold in escrow as escrow agent under the following terms. The amount in said escrow account shall be disbursed by the escrow agent as promptly as possible as follows and in the following order of priority:

(a) To said St. Louis Union Trust Company in an amount necessary to pay it a reasonable fee as escrow agent;

(b) To the Trustee in an amount necessary to enable the Trustee, together with the amount then in the Bond Fund referred to in Section 12.3, to redeem all Bonds then outstanding under the Trust Indenture at par, plus accrued interest, and to pay all costs of effecting the redemption as set forth in Section 27.4.

(c) The balance, if any, to the Lessee to compensate it for its loss of the value of its leasehold estate by reason of the proceeding.

Lessee agrees that if the amount payable to the Trustee pursuant to (b) above shall not be sufficient, together with the amount in such Bond Fund; for the purposes there stated, then, Lessee shall promptly pay to the Trustee an amount equal to the deficiency. If any of Lessor's machinery and equipment shall not be taken in the proceeding, Lessee shall have the option, exercisable within thirty days after the payments are made from the escrow account and Lessee has paid any deficiency pursuant to the preceding sentence, to purchase all of Lessor's machinery and equipment not taken in the proceeding for the sum of One Hundred Dollars ($100.00), free and clear of all liens and encumbrances.

(B) If less than all or substantially all of the demised premises shall be taken in the proceeding, then the amount awarded in the proceeding shall be paid into escrow as provided in (A) above and the following provisions shall apply:

(a) Lessee, at its sole cost and expense shall proceed to restore, repair, replace or rebuild the remaining part of the demised premises as nearly as possible to the condition they were in immediately prior to such taking, to the extent that the same may be feasible, subject to such alterations as the Lessee may elect to make in conformity with the provisions of Article XIII hereof. Such restoration, repairs, replacement, rebuilding or alterations, including temporary repairs or the protection of other property pending the completion thereof, are referred to in this Article as the "Work";

(b) The conditions under which the Work is to be performed and the method of proceeding with and performing the same shall be governed by all the provisions of Article X hereof;

(c) If the amount of the award received in the taking (exclusive of any amount awarded directly to Lessee) is $25,000 or less, the escrow agent shall pay the amount in the escrow account, less its fees, to the Lessee for application to the cost of the Work, or if in an amount in excess of $25,000, the amount in the escrow account shall be disbursed in accordance with the terms of subsection (d) hereof;

(d) the amount in the escrow account (in excess of the escrow agent's fees) shall, subject to the same conditions in respect of Lessee's defaults provided in Section 16.4, be held, applied, made available and paid over to the Lessee in the same manner as is provided to be done by the Lessor with respect to insurance proceeds, subject to the receipt of the certificates required under the provisions of Section 16.2, provided that the words "insurance proceeds" and "Restoration" appearing in the certificates described in said Section 16.2 shall, when furnished for the purposes of this subsection (d), refer, respectively, to the amount in the escrow account and the Work;

(e) any balance remaining in the escrow account, over and above the cost of the Work shall be paid to the Trustee to the extent necessary, together with the amount then in the Bond Fund, to enable the Trustee to redeem all Bonds then outstanding; provided, however, that if the amount so received by the Trustee shall be insufficient to permit the redemption of all outstanding Bonds, the amount so received by the Trustee shall be used to redeem Bonds in the manner provided in the Trust Indenture,

Section 301 of

(f) the balance, if any, shall be paid to the Lessee as and for its loss in the value of its leasehold estate by reason of the proceeding,

It is specifically agreed that, notwithstanding the fact that a portion of the demised premises shall have been taken in the proceedfng, the rent payments to be made by Lessee pursuant to the provisions of Article IV hereof shall not be reduced but shall continue to be paid by Lessee in the amounts and at the times provided in Article IV.

Section 17.4. If all or any part of the demised premises shall be taken by the exercise of the right of eminent domain for governmental use or occupancy for a limited period, this lease shall not terminate and Lessee shall continue to perform and observe all of its obligations hereunder as though such taking had not occurred except only to the extent that and so long as it may be prevented from so doing by reason of such taking, but in no event shall Lessee be relieved of the prompt discharge of its obligation to pay the full basic rent and additional rent by reason of such taking. In the event of a taking of the nature in this Section referred to for a period of time ending on or prior to the date of the expiration of the term hereof, Lessor shall be entitled to receive the entire amount of any award made for such taking, whether paid by way of damages, rent or otherwise, but such award shall, over the term of such taking, reduce pro rata the obligation to pay rent under Section 4.1(a) hereof. In the event of such a taking for a period which extends beyond the date of the expiration of the term hereof, Lessor shall be entitled to receive that portion of any award made for such taking (whether paid by way of damages, rent or otherwise), allocable to the period of time from the date of such a taking to the date of the

expiration of the term hereof, and Lessee shall be entitled to receive the balance of such award; provided, however, that if Lessee shall at or before the time of the making of such award give Lessor notice of its exercise of one or more of its options to renew ~~this lease~~ also as provided in Section 27.1, then Lessee shall be entitled to receive such part of the award as may be allocable to ~~the balance of the term of this lease, including~~ such renewal' term or terms. Lessee covenants that at the termination of any such governmental occupancy, it will, at its sole cost and expense, restore the buildings on the demised premises a8 nearly as may be reasonably possible to the condition in which the same were immediately prior to such taking, but Lessee shall not be required to do such restoration work if on or prior to the date of such termination of governmental occupancy, the date of the expiration of the term of this lease (including any renewal terms as to which Lessee may have received the award as foresaid) shall have occurred, Any amount which may be paid by such governmental agency as damages, by suit or compromise, for damages or injury to the demised premises during the period of such governmental use or occupancy shall be paid into escrow as provided in Section 17.3(B) and be disposed of as therein provided.

Section 17.5. The covenants and agreements of the Lessee in this Article XVIT set forth, and all the provisions of this Article XVII which may refer to a period of time occurring after this lease shall have terminated as a matter of law by reason of the proceeding, shall nevertheless survive the termination of this lease.

ARTICLE XVIII

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Section 18.1. Lessee will furnish to Lessor and to the Trustee as soon as available and in any event within ninety (90) days after the end of each fiscal year of the Lessee, a consolidated balance sheet of the Lessee and its subsidiaries 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 public accountants of recognized standing.

ARTICLE XIX

Default Provisions

Section 19 1. This lease is made on condition also that if any one or more of the following events (herein referred to as an "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 ten (10) days ~~after receipt of written notice from Lessor or the Trustee of such nonpayment;~~ or

(B) Lessee shall neglect or fail to perform or observe any of the covenants herein, or in the Certificate and Agreement, dated _____, 1960, running from Lessee to the initial purchaser of the Bonds, contained on Lessee's part to be performed or observed (other than those referred to in Subsection (A) of this Section 19.1) and Lessee shall fail to remedy the same within thirty (30) days after Lessor or the Trustee shall have given to Lessee written 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 thirty (30) day period because of governmental restriction or other cause beyond the control of the Lessee); or

(C) This lease or the demised premises, or any part thereof, shall be taken upon execution or taken or sequestered by other process of law directed against the Lessee, or shall be taken upon or subject to any attachment at law or in equity at the instance of any creditor of or claimant against the Lessee, and said attachment shall not be discharged or disposed of within fifteen (15) days after the levy thereof; or

(D) Lessee shall be involved in financial difficulties as evidenced (a) by its admitting in writing its inability to pay its debts generally as they become due, or (b) by its filing a petition

in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Act (as now or in the future amended) or an answer or other pleading admitting or failing to deny the material allegations of such a petition or seeking, consenting to or acquiescing in the relief provided for under such Act, or (c) by its making an assignment of all or a substantial part of its property for tho benefit of its creditors, or (d) 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 demised premises or of its interest in this lease, or (e) by its being adjudicated a bankrupt or insolvent, or (f) by the entry of a court order without its consent, which order shall not be vacated, set aside or stayed within thirty (30) days from the date of entry (i) appointing a receiver or trustee for all or a substantial part of its property or (ii) approving a petition filed against it for the effecting 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, and while such event of default shall continue, either

(1) To give Lessee written notice of intention to terminate this lease 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 premises shall cease and this lease 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 covenants. 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, or (b) from time to time, without terminating this lease, relet the 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 premises. No such re-entry or taking of possession of the premises by Lessor shall be construed as an election on Lessor's part to terminate this lease unless a written notice of such intention be given to Lessee, or unless the termination thereof be decreed by a court of competent jurisdiction.

Section 19.2. No termination or repossession referred to in this Article XIX shall relieve Lessee of its liability and obligations under this lease, all of which shall survive such termination or rcposscssion.

In the event of any such termination, Lessee shall 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 in the absence of such termination, and whether or not the demised 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 be payable hereunder if such termination had not occurred,

less

(B) the net proceeds, if any, of any re-letting of the demised premises, after deducting all Lessor's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorney's fees, expenses of employees, alteration costs, and expenses of preparation for such reletting.

Lessee shall pay such current damages to Lessor semi-annually on the days on which the basic rent would have been payable hereunder if this lease had not been terminated, and Lessor shall be entitled to receive the same from Lessee on each such day.

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, and in lieu of all such current damages beyond the date of such demand, an amount equal to the excess, if any, of

(X) the basic rent and additional rent and other sums hereinbefore 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 in full its obligation under this Section 19.2 to pay current damages) for what would be the then unexpired term of this lease if the same remained in effect,

over

(Y) the then fair net rental. value of the demised 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 above agreed upon, Lessor shall be entitled to the maximum amount allowable under such statute or rule of law.

Section 19.3. In the event of any termination of the term of this lease, Lessee, so far as permitted by law, hereby expressly waives (a) any notice to quit possession or of re-entry or of the institution of legal proceedings to that end, (b) any right of redemption or re-entry or re-possession or to restore the operation of this lease, (c) any right to a trial by jury in the event of summary proceedings, and (d) the benefits of any laws now or hereafter in force exempting property from liability for rent or for debt.

ARTICLE XX

Use of Demised Premises, Assignments

Section 20.1, Lessee may use the demised premises for any lawful purpose.

Section 20.2. The interest of Lessee in this lease may be assigned or otherwise transferred in whole or in part by Lessee and all or any other part of the demised premises may be sublet, provided that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder and this lease and all obligations of the Lessee hereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or surety.

Section 20.3. Lessor shall not divest itself of its ownership of the demised premises, or any part thereof, without the express written consent of the Lessee and of the Trustee (and also of any corporation which shall at such time remain liable for the payment of rent or the performance of Lessee's covenants and obligations hereunder).

ARTICLE XXI

Notice

Section 21.1. All notices, demands and requests which may **or** are required to be given hereunder shall be in writing. All notices, demands and requests by Lessor or the Trustee to Lessee shall bc deemed to have been propcrly given when served personally on an executive officer of Lessee or when sent by registered mail, postage prepaid, addressed to Lessee at 400 Paul Avenue, St. Louis 35, Missouri, or at such other place as Lessee may from time to time designate in a written notice to Lessor or the Trustee. All notices, demands and requests by Lessee or Lessor to the Trustee shall be deemed to have been properly given if served personally on an executive officer of the Trustee or when sent by registered mail, postage prepaid, addressed to the Trustee, 510 Locust Street, St. Louis 1, Missouri, or at such other place as the Trustee may from time to time designate in a written notice to Lessee or Lessor. All notices, demands and requests by Lessee or the Trustee to Lessor shall be deemed to have been properly given if served personally on the Mayor of Lessor or when sent by registered mail, postage prepaid, addressed to The Mayor, City of Conway, Conway, Arkansas, or at such place as Lessor may from time to time designate in a written notice to Lessee or the Trustee,

ARTICLE XXII

Cumulative Remedies -- No Waiver

Section 22.1. The specific remedies to which Lessor or the Trustee may resort under the terms of this lease are cumulative and are not intended to bc exclusive of any other remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by Lessor or Lessee of any provision of this lease. The failure of Lessor or the Trustee to insist in any one or more cases upon the strict performance of any of the covenants of this lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Lessor or the Trustee

of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver, change, modification or discharge by either party hereto of any provision in this lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by both Lessor and Lessee, In addition to the other remedies in this lease provided, Lessor, and the Trustee, shall each be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this lease or to a decree compelling performance of any such covenants, conditions or provisions.

ARTICLE XXIII

Priority of Lease

Section 23.1. Notwithstanding anything to the contrary in this lease, this lease and the estate of Lessee hereunder are and shall continue to be superior and prior to any and all mortgages or deeds of trust now or hereafter a lien upon the demised premises or any part thereof or interest therein,

ARTICLE XXIV

Covenants to Bind and Benefit Respective Parties

Section 24.1. It is further covenanted and agreed by and between the parties hereto that the covenants and agreements herein contained shall bind and inure to the benefit of Lessor, its successors and assigns, and Lessee, its successors and assigns, subject to the provisions of this lease.

ARTICLE XXV

General

Section 25.1. If any term or provision of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

Section 25.2. The captions of this lease are for convenience and reference only, and in no way define, limit or describe the scope or intent of this lease, or in any way affect this lease.

Section 25.3. This lease shall be construed and enforced in accordance with the laws of the State of Arkansas.

ARTICLE XXVI

Recording

Section 26.1. This lease, and each and every assignment and modification thereof, shall be recorded in the

office of the Circuit Clerk and *Ex* Officio Recorder of Deeds and Mortgages of Faulkner County, Arkansas.

ARTICLE XXVII

Lessee's Options

In the event of the condemnation of all or substantially all of the demised premises as provided

Section 27.1. Lessee shall have sixteen successive five year options to renew this lease for a basic annual rental of Ten **Dollars** ($10.00) per year, plus the Impositions, if any, payable under the provisions of Article V hereof.

Section 27.2. At any time, Lessee shall have the right and option to purchase the demised premises but only in the event the demised premises **shall** sustain major damage or destruction or ~~in accordance with the provisions of~~ Section 17.1, relating to condemnation. The term "major damage or destruction" is defined to mean any damage or injury to or destruction of the demised premises, or any part thereof (whether or not resulting from an insured peril), such that the demised 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 working days, or the restoration costs of which **would** exceed tha total amount of insurance carried on the demised premises in accordance with Article VI.

Section 27.3. During the final fifteen years of the original term of this lease, and during any renewal term hereof, **Lessee shall** have the right and option to purchase the demised premises at any time, but the options under this Section 27.3 and Section 27.2 may only be exercised when no event exists which constitutes an event of default hereunder **or** under the Trust Indenture or which, with the passage of time or giving of notice, or both, would constitute such an event of default.

Section 27.4. The purchase price payable upon the exercise of such option to purchase by Lessee shall be an amount equal to the full amount necessary to redeem and retire (on the first date thereafter on which the Bonds may be redeemed and retired after the giving of notice as required by the Trust Indenture) all the then outstanding Bonds (including principal, accrued interest, redemption premium, if any, costs and expenses of redemption and all other expenditures and charges authorized under the Trust Indenture and theretofore made or which will be made as a consequence of such redemption or otherwise), but after deduction of any balance in the Bond **Fund** referred to **in** Section 12.3 hereof, or if no Bonds shall be outstanding at the time of purchase, or the redemption or retirement of the same shall be otherwise provided *for*, the purchase price of the demised **premises** shall be One Hundred Dollars **($100.00).**

Section 27.5. Any of the forogoing options may be exercised by giving at least ninety (90) days' written notice to Lessor and the Trustee. Such notice, if it shall exercise an option to purchase, **shall** apccify the time and place of closing, and at such closing **Lessor** shall deliver to Lessee a general warranty deed transferring good and merchantable title to the demised premises to **Lessee,** free and clear of all liens and encumbrances (except the lien

of the Trust Indenture), against receipt by the Trustee (if the Trust Indenture has not been discharged) or by Lessor (if the Trust Indenture has been discharged) of the purchase price hereinabove specified, If such purchase price shall be paid to the Trustee for the holders of outstanding Bonds, said Trustee shall be instructed to apply said proceeds to such redemption at the earliest time permitted by the Trust Indenture and the Trustee shall release the lien of the Trust Indenture immediately upon effecting the redemption of such Bonds.

Section 27.6. The fact that Lessee shall not exercise its right to purchase the demised premises under any circumstance, or upon the happening of any event, giving rise to such right shall not be construed as a waiver by Lessee of its right to purchase the demised premises at a later time under the same or similar circumstances or upon the happening of the same or similar event.

IN WITNESS WHEREOF, the City of Conway, Arkansas has caused this instrument to bc executed in its name by its Mayor, and Universal Match Corporation has caused this instrument to be executed in its corporate name by its President or one of its Vice Presidents, and each of the parties has caused its seal to be hereunto affixed and attested, all as of the day and year first above written.

CITY OF CONWAY, ARKANSAS

By _____
Mayor

ATTEST:

_____
City Clerk

UNIVERSAL MATCH CORPORATION

By _____
Vice President

ATTEST:

_____
Secretary

ST. LOUIS UNION TRUST COMPANY acknowledges receipt of a copy of the within lease and agrees to act as escrow agent as provided therein,

ST. LOUIS UNION TRUST COMPANY

By _____
Vice President

ATTEST:

_____
Sccretary

STATE OF ARKANSAS)
) SS:
COUNTY OF FAULKNER)

On this _____ day of _____, 1960, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named _____ and _____, Mayor and City Clerk, respectively, of the City of Conway, 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 said municipality, 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 _____, 1960.

_____
Notary Public

My commission expires _____.

STATE OF MISSOURI)
) SS:
_____ OF ST. LOUIS)

On this _____ day of _____, 1960, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is Vice President of UNIVERSAL MATCH CORPORATION, a corporation of the Stnte of Delaware, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and saih _____ acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the _____ and State aforesaid, the day and year first above written.

_____
Notary Public

My commission expires _____.

STATE OF MISSOURI)
_____ OF ST. LOUIS) SS:

On this _____ dcy of _____, 1960, before me appeared _____ to me personally known, who, being by me duly sworn, did say that he is Vice President of ST. LOUIS UNION TRUST COMPANY, a corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the _____ and State aforesaid, the day and year first above written.

_____
Notary Public

My commission expires _____.

Above is
Recorded Faulkner County
Book 157 Page 1

Section 2. That the City proposes to issue Industrial Development Revenue Bonds under Act No. 9 of the First Extra-ordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, for the purpose of acquiring and paying for the lands, buildings, improvements, machinery and equipment described in aaid Lease Agreement approved in Section 1 hereof and in connection with the adequate securing of said bonds, the Mayor and City Clerk be, and they are hereby, authorized to execute and deliver an appropriate assignment of aaid Lease Agreement to the Trustee for the holders of aaid bonds.

Section 3. That upon the exercise of option to purchase by Lessee under said Lease Agreement in accordance with and under the conditions set forth in the Lease Agreement, the Mayor and City Clerk be, and they are hereby, authorized and directed to execute in the name and on behalf of the City of Conway an Instrument of conveyance as provided in said Lease Agreement and to acknowledge and deliver said instrument when so executed to the Lessee.

Section 4. That the Mayor and City Clerk be, and they are hereby, authorized and directed for and on behalf of the City of Conway to do all things, execute all instruments and otherwise take all action necessary to the full realization of the City of Conway's rights under said Lease Agreement and to discharge all of the City of Conway's obligations as Lessor under aaid Lease Agreement.

Section 5. That the provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 6. That all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. That there is hereby found and declared to be an immediate need for securing and developing of industry near the City of Conway, Arkansas in order to provide employment, alleviate unemployment and otherwise benefit the public health, safety and welfare and the taking of the action authorized by this ordinance is immediately necessary in order to secure and develop a substantial Industry, It is, therefore, declared that an emergency exists and this ordinance being necessary for the immediate preservation of the public health, safety and welfare shall be in force and take effect immediately upon and after its passage,

Passed October 6th, 1960.

APPROVED

Edgar B Parker
Mayor

ATTEST:

Walter Dunaway
City Clerk

NO

CERTIFICATE

The undersigned, City Clerk of Conway, Arkansas, hereby certifies that the foregoing pages numbered 1 to inclusive, are a true and compared copy of an ordinance passed at a _____ session of the City Council of Conway, Arkansas, held at the regular meeting place of the Council in said City at _____ o'clock _____.m., on the _____ day of _____, 1960, and that said ordinance is of record in Ordinance Record Book _____, page _____, now in my possession.

Given under my hand and seal this _____ day of _____, 1960,

_____
City Clerk

(SEAL)