

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (“MOU”), dated as of April 5th, 2005, is by and between the CITY OF JONESBORO, ARKANSAS (“City”) and the CRAIGHEAD COUNTY SOLID WASTE DISPOSAL AUTHORITY (“CCSWDA”).

WHEREAS, CITY has filed a closure plan with the Arkansas Department of Environmental Quality to close its Class 4 landfill located at 1624 Strawfloor Drive (the “Strawfloor Landfill”) by December 31, 2005 and must find a new facility that will accept for management and disposal the Class 4 Waste stream generated within the City of Jonesboro; and

WHEREAS, CITY owns another permitted Class 4 landfill but, because of on-going litigation and other matters, currently does not, nor does it plan to have this landfill under construction and operating on or before December 31, 2005; and

WHEREAS, CCSWDA operates a landfill on behalf of the citizens of Craighead County, Arkansas located off Highway 1 South, Craighead County, Arkansas that has an expected useful life in excess of one hundred (100) years; and

WHEREAS, CITY currently disposes its Class 1 Waste stream at CCSWDA’s landfill; and

WHEREAS, the Jonesboro City Council, pursuant to Resolution No. 2005:12 (February 15, 2005) notified CCSWDA that it will begin directing all or part of its Class 4 Waste currently accepted at the Strawfloor Landfill to CCSWDA’s landfill; and

WHEREAS, CCSWDA, pursuant to its solid waste planning and disposal powers and authority under the Craighead County Regional Solid Waste Management District’s (the “District”) Solid Waste Management Plan (the “Plan”) on file with the Arkansas Department of Environmental Quality (the “Department”), as may be amended, and the laws of the State of Arkansas may, and desires to, service the Class 4 Waste stream generated within the City of Jonesboro once certain Improvements are made to its Landfill; and

WHEREAS, the Jonesboro City Council, pursuant to Resolution No. 2005:30 (April 5th, 2005) authorized the Mayor of Jonesboro to enter into an agreement with CCSWDA for the payment of debt incurred by CCSWDA to make those Improvements (“The Capital Improvements Agreement” to which this MOU is attached); and

WHEREAS, CCSWDA and CITY are committed to working together to ensure that the best and safest waste disposal service is provided to the citizens of Jonesboro and Craighead County, Arkansas, at the most feasible rates possible.

Now Therefore, the parties agree as follows:

1. It is anticipated that the District will amend its Plan to provide service at the Landfill upon completion of the Improvements to all Class 4 Waste stream materials generated within the City of Jonesboro. CCSWDA shall operate and manage the Landfill in accordance with the Plan and all applicable laws, statutes, regulations, rules, orders, codes, and decrees, including the Arkansas Pollution Control & Ecology Commission's (the "Commission") Regulation No. 22, the Arkansas Solid Waste Management Act, and other rules and regulations of the Commission and Department.
2. It is the express understanding and agreement of the Parties hereunder that the processing, management, and disposal of all solid waste at the Landfill, and the operation of the Landfill, is under the absolute and sole control of CCSWDA.
3. CCSWDA will begin accepting all commercial haulers' Class 4 Waste stream materials generated within Craighead County as soon as the infrastructure is in place at the Landfill to weigh and process the material. CCSWDA will service all other Class 4 Waste stream generated within Craighead County upon completion of the Improvements. Notwithstanding the foregoing, until CITY informs CCSWDA that it no longer desires to service commercial hauler Class 4 Waste at the Strawfloor Landfill, CCSWDA shall not knowingly accept at the Landfill, and shall deny use of the Landfill to commercial hauler Class 4 Waste streams that are currently being serviced by the City at the Strawfloor Landfill.
4. Upon completion of the Improvements, CCSWDA shall cause to remain, and CITY shall assume operation and control of the Transfer Station and the Transfer Station shall be used only for the management of CITY's Class 1 Waste. CITY shall be responsible for obtaining the necessary permits and licenses required to operate the Transfer Station, and shall be responsible for operating, equipping, managing, and maintaining the Transfer Station in accordance with all applicable federal, state, and local laws, statutes, regulations, rules, orders, codes, and decrees, including the Commission's Regulation No. 22, the Arkansas Solid Waste Management Act, and all other applicable rules and regulations in existence, as may be amended, or promulgated.

Transfer Station. The defined term “Transfer Station” shall mean the facility that is used to manage the removal, compaction, and transfer of solid waste from collection vehicles and other small vehicles to greater capacity transport vehicles existing as of the date of this MOU and located at 1620 Strawfloor Drive, Jonesboro, Arkansas.

5. CCSWDA shall transport CITY’s Class 1 Waste stream from the Transfer Station to the Landfill. CCSWDA will provide hauling services, at no cost, from the Transfer Station to the Landfill for as long as CITY elects to use the Transfer Station to service its Class 1 Waste stream.

6. It is the intention of CCSWDA to maintain existing tipping fees at the Landfill for all Craighead County citizens based on the anticipated improved efficiencies of operation resulting from the Capital Improvements Agreement and this MOU. Nothing in this MOU, or the Capital Improvements Agreement, however, shall be construed to afford CITY any input on CCSWDA’s tipping fees or the right to restrict or direct, in any way, CCSWDA’s ability to modify its tipping fees. CCSWDA expressly reserves the right, at its sole discretion, to modify its tipping fees in order to maintain a viable operation, to comply with existing or future laws, rules and regulations, decrees, or orders, and to provide the safest and most efficient waste disposal service for the citizens of Craighead County at the most feasible rates possible.

7. CCSWDA shall comply with the Arkansas Solid Waste Management Act and the Arkansas Pollution Control & Ecology Commission’s Regulation No. 22, as both may be amended, in keeping and maintaining all records relating to its management and disposal of solid waste.

8. CCSWDA shall maintain current administrative services for CITY with regard to Class 4 Waste stream management and disposal. Moreover, CCSWDA shall continue to receive blue bag recycling materials generated in Craighead County, Arkansas.

9. CCSWDA shall maintain and operate its truck weight scales located at 1620 Strawfloor Drive, Jonesboro, Arkansas until the Improvements have been completed.

10. This MOU shall remain in force and effect until February 1, 2016. This MOU has no provision for renewal. The Parties may extend the term of this MOU, or modify the understanding of the parties regarding the issues set forth herein, by separate written agreement.

11. This MOU may be terminated by CITY, upon twenty-four months written notice to CCSWDA, under terms and conditions consistent with the District's Plan and the Arkansas Solid Waste Management Act and implementing rules and regulations. Upon termination, all property owned by CCSWDA and CITY and relating to this MOU shall remain the property of the respective Parties. Any termination of this MOU shall not effect the obligations of the Parties set forth and agreed to in the Capital Improvements Agreement.

12. It is the express intention of the Parties that this Agreement shall not be construed to create any relationship hereunder other than that relationship afforded by the Arkansas Solid Waste Management Act whereby a municipality may enter into an agreement with a regional solid waste management district to provide a part of a solid waste management system. Nothing in this agreement shall be construed as creating a separate and distinct legal entity and no relationship, such as one of partnership, joint venture, or otherwise shall arise by reason hereof.

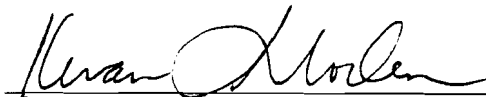
13. All terms not expressly defined herein shall have the same meaning assigned to them in the Capital Improvements Agreement, the Arkansas Solid Waste Management Act, and implementing regulations.

IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the day and year first above written.

**CRAIGHEAD COUNTY SOLID
WASTE DISPOSAL AUTHORITY**



L.M. Duncan, Chairman



Kevan Inboden
Vice-Chairman