

CONTRACT OF OBLIGATION

THIS AGREEMENT is made and entered into by and between the City of Jonesboro
County/Municipality
Arkansas, hereinafter referred to as the County/Municipality and the Arkansas Department
of Pollution Control and Ecology, hereinafter referred to as the Department.

Whereas, County/Municipality, has submitted a permit application for the construction, operation and maintenance of a solid waste disposal or processing facility pursuant to the requirements of the Arkansas Solid Waste Management Act (Arkansas Code Annotated § 8-6-201 et. seq.) and the regulations promulgated thereunder.

Whereas, pursuant to Arkansas Code Annotated § 8-6-1603 a municipality or county may execute a "Contract of Obligation" in lieu of a performance bond to provide financial assurance for corrective actions, closure, or post-closure care of the site. Then, in consideration of the issuance of Permit No. 139-SR-1 by the Department to the City of Jonesboro, Arkansas, for the operation of solid waste disposal site and solid waste management systems, and in consideration of the mutual covenants contained herein, the Department and the County/Municipality, hereby agree as follows:

1. The County/Municipality, is hereby bound unto the Department in the sum of
Five Hundred Thousand Dollars Amount in Words (\$ 500,000) Amount in Figures
and hereby authorizes the Director of the Department, or designee, to collect said sum from any general revenues being disbursed or to be disbursed from the State of Arkansas to the County/Municipality upon failure of the County/Municipality to perform required corrective actions, close the facility or provide post-closure care where applicable in accordance with the requirements of the Act and regulations promulgated thereunder.
2. Should the Department find that the County/Municipality has failed to perform corrective actions, properly close the facility or provide proper post-closure care where applicable, the Department shall notify the County/Municipality of such

finding and shall afford the opportunity for administrative and judicial review of such finding prior to seeking collection of any funds as authorized under this contract.

3. The County/Municipality hereby authorizes the Commissioner of Revenues and the State Treasurer to withhold any funds from general revenues being disbursed or to be disbursed from the State of Arkansas to the County/Municipality upon receiving notice from the Director of the Department of the County/Municipality's failure to perform corrective action, properly close the facility or provide proper post-closure care.
4. This contract shall terminate upon written approval from the Department that:
 - (a) the facility has been closed in compliance with the requirements of the Act and the regulations; or
 - (b) the owner or operator has completed post closure care in compliance with the requirements of the Act and the regulations; or
 - (c) the corrective action has been successfully completed in accordance with the Act and the regulation and financial assurance is no longer required.

If the City/Municipality desires to terminate this contract prior to proper closure or post-closure care of the facility, or if the facility decides to provide an alternative form of corrective action financial assurance, where applicable, it must:

- (a) send a notice of termination in writing addressed and delivered to the Department; and
- (b) post with the Department an acceptable alternative as provided for in the regulations promulgated in accordance with Arkansas Code Annotated § 8-6-1603, or by any rules and regulations adopted pursuant to the Act; and
- (c) receive a written acknowledgment from the Department of receipt by the Department of an acceptable alternative assurance of financial performance.

5. The County/Municipality has by resolution attached hereto and which is hereby incorporated herein and expressly made a part of this agreement, authorized the signatory thereof to execute this contract of obligation and bind the County/Municipality to the terms hereof.

6. The effective date of this contract is the date this contract is executed by the Director of the Department.

IN WITNESS WHEREOF the parties hereto have set their hands and seals.

AR. DEPT. OF POLLUTION CONTROL & ECOLOGY

Randall Mathis

Typed Director's Name

Randall Mathis

Signed Name

5/18/98

Date

ACKNOWLEDGMENT

**THE STATE OF ARKANSAS
COUNTY OF CRAIGHEAD**

Subscribed and sworn to before me, a Notary Public this the 11th day of May, 1998.

DONNA K. JACKSON
Notary Public
CRAIGHEAD CO., AR
My Commission Expires July 28, 2001