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IN THE CIRCUIT COURT OF SEARCY COUNTY, ARKANSAS
CIVIL DIVISION

JMS ENTERPRISES, INC., on behalf of itself and all other taxpayers similarly situated **PLAINTIFF**

v. **CASE NO. _____**

OZARK MOUNTAIN SOLID WASTE DISTRICT and SEARCY COUNTY TAX COLLECTOR Joey Pruitt **DEFENDANTS**

COMPLAINT

Comes now JMS Enterprises, Inc., on behalf of itself and all other taxpayers similarly situated, by and through its attorneys Matt Bishop and Wendy Howerton, and for its Complaint against Defendants, states as follows:

1. The Defendant, Ozark Mountain Solid Waste District, is a regional solid waste management district created pursuant to Ark. Code Ann. §8-6-701 *et seq.* The district is comprised of Baxter, Boone, Carroll, Marion, Newton and Searcy Counties.

2. The Defendant Searcy County Tax Collector is an officer of Baxter County, a political subdivision of the State of Arkansas.

3. The Defendants have imposed an illegal tax on Plaintiff, and other owners of residence and business parcels of real property within the geographic confines of the Ozark Mountain Solid Waste District and Searcy County.

4. The named Plaintiff is a property owner in Searcy County, Arkansas, within the Ozark Mountain Solid Waste District. The Plaintiff has been invoiced for said tax by Searcy County under threat of a lien being imposed by Searcy County upon its properties. See attached "Exhibit 1."

5. The subject matter of this case is illegal charges levied and collected by Defendants from 2012 to the present and a tax levied in 2018 and for each year up to twenty (20) years in the

future on each residence or business parcel of real property in Baxter, Boone, Carroll, Marion, Newton and Searcy counties.

6. That this Court has jurisdiction and venue is proper.

7. This is an action brought pursuant to the Constitution of the State of Arkansas, Article 16, Sections 11 and 13, to protect the citizens, residents and inhabitants of the aforementioned counties from an illegal exaction by the Defendants in the form of a levy and collection of a tax.

8. This is a class action as a matter of law. Plaintiff sues on behalf of itself and all other citizens of said county who are payors of the tax referenced herein.

9. Plaintiff seeks declaratory judgment pursuant to Ark. Code Ann. §16-111-103, declaring that the charge described herein is an unlawful tax, and the levy and collection of this unlawful tax is an illegal exaction in violation of Article 16, Section 13 of the Arkansas Constitution.

10. Alternatively, Plaintiff seeks declaratory judgment pursuant to Ark. Code Ann. §16-111-103 declaring that the charge described herein is a fee that is charged to the Plaintiff without authorization of law and in excess of Defendants' statutorily granted powers.

STATEMENT OF FACTS

11. In 2005, the Defendant Ozark Mountain Solid Waste District (hereinafter "Ozark") purchased certain real property then used as a landfill which was located in Baxter County, Arkansas. Defendant Ozark also purchased certain related personal property used in the operation of the landfill. The total purchase price was approximately $12,340,000.

12. In order to fund this purchase, Defendant Ozark issued tax exempt bonds.

13. That Ark. Code Ann. §8-6-801 *et seq.*, entitled "Bonds by Regional Solid Waste Management Districts" governs the issuance of tax exempt bonds by solid waste districts.

14. That Ark. Code Ann. §8-6-803 provides that a solid waste management board may pledge "any rents, fees, and charges" it imposes to secure the bonds.

15. That Ark. Code Ann. §8-6-714 is entitled "Rents, fees, and charges" and sets forth the impositions on the taxpayers that the district can make. It states in pertinent part:

> "(a)(1)(A) A regional solid waste management board may fix, charge and collect rents, fees, and charges of no more than two dollars ($2.00) per ton of solid waste related to the movement or disposal of solid waste within the district, including without limitation fees and charges:
>
> (i) Related to the district's direct involvement with the district's disposal or treatment; or
> (ii) That support the district's management of the solid waste needs of the district.
>
> (B) The board may fix, charge and collect fees or charges under subdivision (a)(1)(A)(ii) of this section only if the board:
>
> (i) Employs or otherwise makes available from another agency an enforcement officer to:
>
> (a) Enforce all local ordinances, statutes, and regulations for which the district has been previously given enforcement authority regarding solid waste including the Illegal Dump Eradication and Corrective Action Program Act, §8-6-501 et seq.
>
> (b) Seek to prevent and to identify and eliminate illegal dump sites;
>
> (ii) Has a program for household hazardous waste collection and disposal; and
>
> (iii) Has a program that includes rural areas of the district and the recycling of bulky waste.
>
> (2) The board may fix, charge, and collect fees or charges for solid waste generated:
>
> (A) Within or without the district delivered to a landfill or transfer station within the district, regardless of whether the disposal facilities are owned or operated by the district; or
>
> (B) Within the district but delivered to a location outside the district.

(3) The board may fix, charge, and collect penalties from entities that fail to timely remit rents, fees, and charges under this section.

. . .

(d) The board may levy a service fee on each residence or business for which the board makes solid waste collection or disposal services available.

(e)(1)(A) The board may, by majority vote, require fees or delinquent fees to be collected with the real and personal property taxes of any county within the district.

(B) If the board elects to collect such fees in this manner, it shall so notify the county tax collector, who shall enter such fees on tax notices to be collected with the real and personal property taxes of the county.

(C) No county tax collector shall accept payment of any property taxes where the taxpayer has been billed for solid waste collection services unless the service fee is also receipted.

(2) If a property owner fails to pay the service fee, it shall become a lien on property."

16. Stated plainly, the Defendant Ozark could levy the taxpayer via the power of the remaining Defendants for the following rents, fees and charges:

a) $2.00 per ton of solid waste if Defendant was moving or disposing of solid waste within the district or otherwise supporting the district's "management of solid waste needs" within the district. This is commonly known as the "tipping fee;"

b) The $2.00 per ton was also conditioned upon the district making an enforcement officer available and if it had a program for hazardous waste collection and a program for recycling in rural areas that included bulky waste;

c) A fee or charge for solid waste delivered to a landfill or transfer station within the district or waste generated within the district going to a site outside the district;

d) A fee for solid waste generated within another district and delivered to Defendant for disposal, but only against the generator, transporter or facility;

e) A fee on each residence or business for which the board makes solid waste collection or disposal services available.

Those are all the bases for income that the Defendant, Ozark Mountain Solid Waste District, is entitled to utilize.

17. As stated previously, Arkansas law also authorized the issuance of tax exempt bonds by the District, allowing it to raise funds from investors. Defendant, Ozark Mountain Solid Waste District, took advantage of this provision and issued in excess of $12,000,000 worth of bonds to sophisticated investors whose interest was monitored by Bank of the Ozarks as Trustee. The Trust Indenture [a term describing the agreement between the bond issuer and the bondholders] of the bonds provided the following security for the bonds:

> 1. The real property lying in Baxter County, Arkansas described in Exhibit "A" hereto (the "Land"), together with (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Land;
>
> . . .
>
> 2. All personal properties of whatever nature now owned by the District
>
> . . .
>
> 3. All revenues and income (excluding funds derived from taxes) received by the District while any bonds issued under this Indenture are outstanding, including particularly, the income received by the District from the disposal of solid waste at the Facility and the collection of solid waste by the Hauling Company; excluding, however, certain funds held to pay arbitrage rebate as further described in Section 513 of the Indenture, and to pay the cost of closure and postclosure care of the Facility. . .

The Indenture goes on to define the terms "income" and "revenues" as follows:

> "The moneys derived by the District from tipping fees and charges for the disposal of solid waste at the Facility and the collection of solid waste by the Hauling Company and any other solid waste collection, disposal and treatment facilities owned or operated by the District, any service fees that may be collected by the District, investment income and all other moneys (excluding moneys derived from taxes) received by the District which are not restricted as to use."

See attached Exhibit 2, Trust Indenture.

18. On February 12, 2013, the Arkansas Department of Environmental Quality (hereinafter "ADEQ") filed suit against Defendant Ozark in Baxter County Circuit Court in a case entitled Arkansas Department of Environmental Quality v. Ozark Mountain Solid Waste District, Baxter County Case No. CV-2013-32-4. ADEQ alleged an unsuccessful federal bankruptcy filing by the District and various environmental problems with the landfills operated by Defendant. ADEQ obtained a judgment against Defendant Ozark authorizing ADEQ to take possession of certain accounts of Defendant Ozark and expend those funds in the cleanup of the problems. "Exhibit 3." The judgment did not authorize any further charge upon the residents of the district or the property of Defendant Ozark.

19. On December 2, 2014, Bank of the Ozarks, as Trustee for the bondholders who took advantage of the tax exempt bonds, filed a Complaint for the Appointment of Receiver in Pulaski County Circuit Court alleging Defendant Ozark was no longer operational, had failed to comply with various terms of the bond agreements, including defaulting on the payment terms as of 2012. See "Exhibit 4 [Exhibits to Complaint omitted.]" The case is styled Bank of the Ozarks, as trustee for the bondholders v. Ozark Mountain Solid Waste District, Pulaski County Circuit Court Case No. 60CV-14-4479 (hereinafter "Bondholders' Suit"). The Receiver was appointed by the Court via consent order on May 15, 2015. See "Exhibit 5."

20. On November 15, 2016, the Receiver filed "Receiver's Report and Recommendations and Motion for Approval and Implementation of Recommendations" in the Bondholders' Suit. "Exhibit 6." The Receiver's Report claimed:

> 9. Sources of District Revenues. The Arkansas legislature empowered the district boards to "fix, charge and collect rents, fees, and charges of no more than two dollars ($2.00) per ton of solid waste related to the movement or disposal of solid waste within the district . . . ." Ark. Code Ann. §8-6-714(a)(1)(A). This first type of fee is commonly referred to as a "tipping fee" and the District presently imposes the maximum amount of fee allowed under the statute. The board is also authorized

> to charge and collect fees for solid waste disposal of (sic) within the district irrespective of whether the waste was generated in the district. Ark. Code Ann. § 8-6-714(a)(2). Additionally, the board "*may levy a service fee on each residence or business for which the board makes solid waste collection or disposal services available*."Ark. Code Ann. §8-6-714(d) [Emphasis supplied]. With a majority vote, the board may "require fees or delinquent fees to be collected with the real and personal property taxes of any county within the district." Ark. Code Ann. §8-6-714(e)(1)(A).

21. The Receiver's report went on to detail, in Paragraphs 10 and 11, the claims of the bondholders and ADEQ. The bondholder's claim was for principal balance then due and owing of $11,090,000.00 and $2,186,296.27 in accrued interest. ADEQ's claim was simply an estimate of $16,000,000.00 for the remaining cost of closing the landfill and various post-closing expenses after the over $2,500,000 in funds they had already obtained in the Baxter County suit.

22. The Receiver's report concluded Defendant Ozark would need to generate revenues of $1,000,000 per year to service the aforementioned sums (not to include the interest owed the bondholders) even after the seizure and sale of the District's real property as well as the various proceeds in bank accounts and delivery to ADEQ and the bondholders of those sums. As secured creditors, the proceeds from the security would normally be all the bondholders were entitled to obtain. Presumably when sophisticated investors make the decision to take advantage of tax-exempt bonds, they do due diligence regarding their investment and require adequate security, knowing that the possibility of default exists.

23. Nevertheless, the Receiver, appointed at the request of the bondholders, recommended the Defendants impose a tax upon the resident and business real property owners within the Defendant counties and that ADEQ also be able to benefit from this tax in obtaining reimbursement for the "Landfill Post-Closure Trust Fund." Prior to the 2014 ADEQ appropriations bill, this avenue of recovery for ADEQ or the bondholders did not exist.

24. ADEQ's role in this tax is unique to Defendant Ozark's situation. Arkansas Code

Annotated § 19-5-979 established the "Landfill Post-Closure Trust Fund," which according to its terms:

> (b) The fund shall consist of those special revenues as specified in § 19-6-301(167), federal funds, interest earned, and any gifts or donations, there to be used solely for the administration of and for landfill post-closure corrective action as administered by the Arkansas Department of Environmental Quality as set out in § 8-6-1001 et seq. and shall not be appropriated for any other purpose.

The fees in the referenced Ark. Code Ann. §19-6-301 are fees described in Ark. Code Ann. §8-6-1003 imposed upon the landfill operator by ADEQ. Ark. Code Ann. §8-6-1004 also authorizes ADEQ to charge fees to landfill transporters. For many years, these fees paid by the operator and transporters, as well as federal grants, interest earned, and gifts and donations were the only sources of income for the Landfill Post-Closure Trust Fund. There was no fee assessed upon any other parties, including owners of real property within the six counties or counties within any other solid waste management district.

25. That changed in 2014, when the Arkansas Legislature approved HB 1040, the ADEQ appropriations bill. Included in this bill was the following:

> "SECTION 45. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. <u>LANDFILL POST-CLOSURE TRUST FUND.</u>
>
> (a) The General Assembly finds that:
> (1) A growing number of regional solid waste management districts within the state are facing difficulty in funding the necessary costs of closure and post-closure care of landfills owned by the districts; and
> (2) Without closure and post-closure care of landfills, irreparable harm to human health and the environment will occur.
> (b) Notwithstanding §8-6-1001 et seq. and Acts 2013, No. 1202, §41, the Arkansas Department of Environmental Quality also may:
> (1) Expend monies from the Landfill Post-Closure Trust Fund to a state-approved contractor or the regional solid waste management district to complete all actions necessary to achieve the final closure and post-closure care of a landfill owned by a regional solid waste management district if the department determines that the regional solid waste management district:

(A) Has filed for protection under federal bankruptcy law;
(B) Is unable to meet its debt obligations in the ordinary course of its operations; or
(C) Is otherwise insolvent; and

(2) Institute a civil action against the regional solid waste management district and all of the entities composing the regional solid waste management district to seek the recovery of any funds expended from the Landfill Post-Closure Trust Fund under subdivision (b)(1) of this section, unless satisfactory repayment arrangements are reached and agreed upon by the department with the district and the bondholders.

(3) This section is in effect only from July 1, 2014 through June 30, 2017."

Emphasis added.

26. In effect, this unpublished piece of legislation changed the revenue sources of the Landfill Post-Closure Trust Fund. Prior to this legislation, the only sources were various fees charged to the landfill operators and transferees plus whatever federal funds could be obtained. This legislation, obviously crafted specifically for the Ozark Mountain Solid Waste District, now expanded and ADEQ could not only sue the District as an entity, but now each county within the district could be sued for these costs. However, it did not have to do so if a "satisfactory repayment arrangement" was reached and agreed upon by the department with the district AND the "bondholders." The specificity of bondholders as opposed to "secured creditors" is unique, and like the requirements in subsection (a), make the provision uniquely tailored to the situation at the Ozark Mountain Solid Waste District, rather than more general language which might encompass other districts. The only limitation on this new right to sue the District was that it expired June 30, 2017.

27. The ADEQ did not institute an action for costs incurred by the Landfill Post-Closure Trust Fund prior to June 30, 2017.

28. To service the debt of the bondholders and ADEQ, the Receiver recommended the Defendants levy an "annual service fee" of $18.00 upon all residences and businesses within the

geographic confines of Defendant Ozark. This fee was anticipated to generate gross amounts of approximately $1,200,000, with all but $100,000 to go to the bondholders and ADEQ. It was anticipated that the bondholders would be paid in full in 2035. "Exhibit 6. [Exhibits to Receiver's Report omitted.]" The proposed fee is to continue until such time as the taxpayers have delivered over $11,000,000 to the investors who purchased the tax-exempt bonds, and over $16,000,000 to ADEQ in addition to the various state taxes Arkansas citizens already pay to fund ADEQ.

29. The recommendation also requested that once ADEQ was paid the fee be reduced to $2.00 annually, and upon payment in full of the principal amount due the bondholders, Defendant Ozark could choose to eliminate the fee altogether. "Exhibit 6." A subsequent modification to the Receiver's Report was filed but did not substantively change the original, though it did set forth the expected revenue and repayment to ADEQ and the bondholders in spreadsheet form. It is attached as "Exhibit 7" hereto.

30. On April 21, 2017, having inexplicably received no objection to the Receiver's Recommendation from Defendant Ozark, the Pulaski County Circuit Court entered its order approving the Receiver's Recommendation. "Exhibit 8." Specifically, the Court held:

> 5. Pursuant to Ark. Code Ann. §8-6-714(d) and other applicable law, the Receiver, acting on behalf of the District, shall cause an annual service fee of $18.00 (the "Service Fee") to be assessed against each residence and business parcel located within the District. The Service Fee shall commence in 2018 and continue until such time as the claims of the Trustee and ADEQ have been paid in full, all as more particularly described in the Report and Recommendations.
>
> . . .
>
> 7. The Receiver shall cause the Service Fee to be billed on the property tax bill of each residence and business owner throughout the District. The Receiver is authorized to immediately contact and direct the respective county assessors, collectors and/or treasurers to set up the appropriate mechanisms for assessment and collection of the Service Fee from the affected real property owners.
>
> 8. The Receiver shall cause the Service Fee collected hereby to be promptly transmitted by the county collectors and/or treasurers on an annual basis to the Trustee which shall act as payment agent free of charge to the District and/or the

Receiver. The Trustee shall be responsible for annual distribution of the proceeds to the intended recipients, all as more particularly described in the Report and Recommendations. Bank of the Ozarks shall be exempt from any requirement to post bond for its services."

31. That on December 19, 2017, a supplemental order was entered clarifying who would pay the $18.00 charge, stating specifically:

> "Paragraph 5 of the Order is hereby substituted in its entirety to read as follows: "pursuant to Ark. Code. Ann. §8-6-714(d) and other applicable law, the Receiver, acting on behalf of the District, shall cause an annual service fee of $18.00 (the "Service Fee") to be assessed against each residence and business parcel located within the District. For clarification, such parcels shall include all improved parcels within the District having the following ACD Parcel types:
>
> RB – Residential Building
> CB – Commercial Business
> CI – Commercial Improved
> RI – Residential Improved
> MH – Mobile Homes
> AI – Agriculture Improved
> AB – Agriculture Building
>
> The Service Fee shall commence in 2018 and continue until such time as the claims of the Trustee and ADEQ have been paid in full, all as more particularly described in the Report and Recommendations."

"Exhibit 9."

32. That commencing with the 2017 ad valorem tax invoice, the $18.00 fee was included on the invoice mailed to all owners of real property with the above classifications within the geographic confines of Defendants. See "Exhibit 1."

33. That the Defendants purport to collect the fee pursuant to Ark. Code Ann. §8-6-714, which provides in pertinent part:

> "**(C)** No county tax collector shall accept payment of any property taxes where the taxpayer has been billed for solid waste collection services unless the service fee is also receipted.
>
> **(2)** If a property owner fails to pay the service fee, it shall become a lien on the property."

COUNT ONE: ILLEGAL EXACTION

34. That the $18.00 charge constitutes a tax upon the owners of real property of the above described parcels.

35. That as the Bondholder's Complaint states, the Defendant Ozark does not operate any landfills, is not operational, and lacks the necessary financial resources to operate in the ordinary course of business.

36. While Defendants characterizes the $18.00 as a "fee" Arkansas courts are not bound by an entity calling an exaction upon taxpayers a "fee" and not a "tax." The distinction between a tax and a fee is that government imposes a tax for general revenue purposes, but a fee is imposed in the government's exercise of its police purposes. City of North Little Rock v. Graham, 278 Ark. 547, 647 S.W.2d 452 (1983). A fee must be fair and reasonable and bear a reasonable relationship to the *benefits conferred* on those receiving the services. City of Marion v. Baioni, 312 Ark. 423, 850 S.W.2d 1 (1993). [Emphasis added].

37. The $18.00 charge herein is not for the Defendants' exercise of its police powers. Rather, it goes almost entirely to creditors. Paying creditors is not a function of the Defendants' exercise of police powers, for as the Receiver noted, the Defendant Ozark is not operational. Moreover, paying creditors is never an exercise of police powers.

38. Further, the $18.00 confers no benefit on those taxpayers bearing it, because the entity charging it provides no services to said taxpayers; rather, it is a fee designed solely to benefit ADEQ, which already has the funds it needs to clean up, and the investors in the bonds who chose to take the risk of investing.

39. That Ark. Code Ann. §8-6-701 et seq. does not authorize the Defendants to impose a tax upon the citizens of the aforementioned counties for the benefit of ADEQ and the bondholders.

COUNT TWO: VIOLATION OF SEPARATION OF POWERS

40. The Arkansas Constitution, after setting forth the three branches of government, the Executive, Legislative and Judiciary, provides, "No person or collection of persons, being of one of these departments, shall exercise any power belonging to either of the others, except in the instances hereinafter expressly directed or permitted." Article 4, Section 2 of the Arkansas Constitution.

41. That Article 5, Section 31 of the Arkansas Constitution provides, "No State tax shall be allowed, or appropriation of money made, except to raise means for the payment of the just debts of the State, for defraying the necessary expenses of government, to sustain common schools, to repel invasion and suppress insurrection, except by a majority of two-thirds of both houses of the General Assembly."

42. That the Orders from the Bondholders Suit impose a tax upon the owners of real property within the geographic confines of Defendants.

43. That the imposition of this tax via the Bondholders' Suit Court's orders constitutes a violation of Article 4, Section 2 of the Arkansas Constitution.

COUNT THREE: DEFENDANT CANNOT IMPOSE A FEE WITHOUT SERVICES

44. That even construed as a fee, the $18.00 tax is invalid, as well as the $2.00 per ton fee levied against residence and parcel owners.

45. That Ark. Code Ann. §8-6-714 sets forth the Defendants' power to charge the taxpayers within the District, allowing "no more than two dollars ($2.00) per ton of solid waste related to the movement or disposal of solid waste within the district." Ark. Code Ann. § 8-6-714(d), which was cited as the basis for the $18.00 charge, provides the Board "may levy a service fee on each residence or business for which the board makes solid waste collection or disposal available."

46. That the Defendant Ozark is offering no services to the taxpayers, has provided no services enumerated since at least 2012, and Defendants are thus prohibited from collecting a service fee.

COUNT FOUR: THE IMPOSED FEE IS EXCESSIVE

47. That as detailed in the Receiver's report, the Defendant Ozark is not operational. Being generous to the Defendant Ozark, all that it does is provide educational information, though the extent is not detailed.

48. The Receiver's report does detail where the funds collected from the $18.00 charge are to be directed. Paragraph 14(c) of the report estimates the fee will generate $1,241,676.00 per year. The first $1,000,000 of that is to go to ADEQ and the bondholders. The next $100,000 is directed to the Defendant Ozark, and the balance to ADEQ again. "Exhibit 7."

49. That the Receiver's report makes it clear the Defendants are still charging the $2.00 per ton "tipping fee." Paragraph nine (9) of the Report, discussing the Defendant Ozark's sources of revenue states: "This first type of fee is commonly referred to as a "tipping fee" and the District presently imposes the maximum amount of fee allowed under the statute." See "Exhibit 7."

50. That the $18.00 tax clearly has no relation to any services performed by Defendant Ozark and its collection by Defendants is thus an excessive illegal exaction.

51. That the $2.00 per ton fee is being charged while no services are being rendered, the landfill is inoperable and is thus an excessive fee or illegal exaction.

PRAYER FOR RELIEF

Wherefore, Premises Considered, the Plaintiff prays for the following relief:

a) To enjoin Defendants, and each of them, from assessing, levying, or otherwise collecting the $18.00 charge, to declare such charge is a tax, and to refund to the taxpayers all such taxes previously collected or assembled;

b) To enjoin Defendants, and each of them, from assessing, levying, or otherwise collecting the $2.00 per ton charge, to declare such charge is an illegal fee or tax, and to refund to the taxpayers all such charges previously collected or assembled;

c) To grant a reasonable attorney's fee to be paid from the sums illegally exacted;

d) For such other and further relief as this Court deems proper.

Respectfully Submitted,

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Joey Pruitt
Sheriff and Collector
P.O. Box 812
Marshall, AR 72650
870-448-5050

2017 Tax Statement

Searcy County, Arkansas

Printed 6/5/2018 10:53:20 AM

Taxes Due 1st business day in March.
Delinquent after October 15, 2018

Payment Options:
Online: https://www.ark.org/propertytax/searcy/index.php
Mobile: Smart Phone Device: mobile.ar.gov
In Person: We are now accepting credit cards
By Mail: Send self-addressed stamped envelope for receipt return
By Phone: 1-866-257-2055 (County Code 64)

Make checks payable to: SEARCY COUNTY TAX COLLECTOR

Please return this statement with payment. Examine statement for

1006641

JMS ENTERPRISES INC
919 CR 710
GASSVILLE AR 72635

Parcel Number / Owner's Name / Legal Description	School District	Valuation	Millage	Description of Tax	Tax Amount	Total Tax Due
900-00437-001 JMS ENTERPRISES INC 208 CEDAR ST MARSHALL 25-15-16 25-15-16 0.93 acres PT NE SW AND PT SE NW	17C	48,630	52.05	Real Estate OZARK MTN SOLID WASTE	2,531.19 18.00	$2,549.19
900-00437-008 JMS ENTERPRISES INC MARSHALL 25-15-16 25-15-16 0.288 acres PT SE NW & PT NE SW	17C	580	52.05	Real Estate	30.19	$30.19
900-00574-000 JMS ENTERPRISES INC FAIR ST MARSHALL 25-15-16 25-15-16 0.5 acres PT NW SE	17C	18,480	52.05	Real Estate OZARK MTN SOLID WASTE	961.88 18.00	$979.88
900-00588-001 JMS ENTERPRISES INC 208 W FAIR ST MARSHALL 25-15-16 25-15-16 4.38 acres PT NW SE (FLEA MKT & STORAGE)	17C	55,200	52.05	Real Estate OZARK MTN SOLID WASTE	2,873.16 18.00	$2,891.16

Total Tax Due **6,450.42**

Taxing Unit	Tax Dollars	Millage Rate Real	Millage Rate Personal	Effective Tax Rate Real	Effective Tax Rate Personal
SCSD	$4,491.64	0.03655	0.03655	0.7310%	0.7310%
Marshall City	$553.00	0.00450	0.00450	0.0900%	0.0900%
Marshall City Streets	$184.33	0.00150	0.00150	0.0300%	0.0300%
County General	$491.56	0.00400	0.00400	0.0800%	0.0800%
County Library	$368.67	0.00300	0.00300	0.0600%	0.0600%
County Bld Mant Fund	$122.89	0.00100	0.00100	0.0200%	0.0200%
County Roads (Split)	$184.33	0.00150	0.00150	0.0300%	0.0300%
Other	$54.00				
Total Tax	**$6,450.42**	**0.05205**	**0.05205**	**1.0410%**	**1.0410%**

Millages reflect the current tax year only. Dollar distribution may not be accurate if this statement shows delinquent taxes.

Amendment 79 and Act 142 provides that homeowners may be able to receive up to $350 tax credit on the property that is their principal residence. Also, it provides that homeowners can receive a freeze on their assessed value if they are 65 years of age or older or 100% disabled. Contact the Searcy County Assessor's

EXHIBIT
1

Scanned
1 of 1
145715

FILED
11:20 a.M.
OCT 20 2005
CLERK
by D.C.

This instrument prepared by:
FRIDAY, ELDREDGE & CLARK, LLP
2000 Regions Center
400 West Capitol Avenue
Little Rock, Arkansas 72201-3493

TRUST INDENTURE

Between

NORTHWEST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT

and

BANK OF THE OZARKS, TRUSTEE

dated as of

October 1, 2005

14098-2005

EXHIBIT
number 2

TRUST INDENTURE

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TRUST INDENTURE

THIS TRUST INDENTURE executed as of the 1st day of October, 2005, by and between the Northwest Arkansas Regional Solid Waste Management District (the "District"), a regional solid waste management district organized and existing under the laws of the State of Arkansas, as party of the first part, and Bank of the Ozarks, an institution organized under and existing by virtue of the laws of the State of Arkansas with its principal office, domicile and post office address in Little Rock, Arkansas (the "Trustee"), as party of the second part,

W I T N E S S E T H:

WHEREAS, the District has been organized for the purpose of complying with the provisions of Act 752 of 1991, as amended; and

WHEREAS, the District covers an area made up of the following Arkansas counties (the "Counties"): Baxter, Boone, Carroll, Marion, Newton and Searcy; and

WHEREAS, in order for the District to meet the needs of the residents of the Counties for disposal of solid waste, the District has acquired from RLH, Incorporated ("RLH") an approximately 200 acre sanitary landfill with approximately 500 adjoining acres of undeveloped land and related properties located near Mountain Home, Arkansas (the "Facility"); and

WHEREAS, the District also acquired from RLH an eleven truck municipal solid waste hauling company, including an office facility and welding shop and related properties located near Mountain Home, Arkansas (the "Hauling Company"); and

WHEREAS, in order to provide interim financing of the costs of acquiring the Facility and Hauling Company and to provide funds for working capital, interest during construction and closure costs, the District issued its Temporary Waste Disposal Revenue Bond (RLH Landfill Acquisition Project), Series 2005, dated August 31, 2005 in the principal amount of $9,200,000 (the "Temporary Bond"); and

WHEREAS, in order to finance the cost of refunding the Temporary Bond, new construction at the Facility, a debt service reserve, costs of issuance of bonds, financial assurance for closure and postclosure care obligations and additional working capital, the District proposes to issue its Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A and Waste Disposal Refunding and Construction Revenue Bonds, Taxable Series 2005B under Title 8, Chapter 6, Subchapter 8 of the Arkansas Code of 1987 Annotated in the aggregate principal amount of $12,340,000 (the "Series 2005 Bonds"); and

WHEREAS, the District has entered into an agreement with the Underwriter identified in Section 101 hereof for the sale of the Series 2005 Bonds bearing interest at the rates hereinafter set forth; and

WHEREAS, the execution and delivery of this Trust Indenture and the issuance of the Series 2005 Bonds have been in all respects duly and validly authorized by Resolution of the Board of the District (the "Board"), duly adopted and approved on September 28, 2005; and

WHEREAS, the Series 2005 Bonds are to be in substantially the following form with necessary and appropriate variations, omissions and insertions for each subseries as permitted or required by this Trust Indenture, to wit:

(Face of Series 2005 Bond)

REGISTERED

No._____

REGISTERED

$_____

UNITED STATES OF AMERICA

STATE OF ARKANSAS
NORTHWEST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
WASTE DISPOSAL REFUNDING AND CONSTRUCTION REVENUE BOND
[TAXABLE] SERIES 2005__

Dated Date:	Interest Rate:	Maturity Date:	CUSIP:
October 1, 2005		November 1, ____	_____

Registered Owner: Cede & Co.

Principal Amount:

For value received, NORTHWEST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT promises to pay to the Registered Owner shown above the Principal Amount shown above on the Maturity Date identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid principal amount hereof at the Interest Rate per annum set forth above from the interest payment date next preceding the date on which this Bond is authenticated unless this Bond is authenticated on an interest payment date, in which case it shall bear interest from such date, or unless this Bond is authenticated prior to the first interest payment date for the bonds of this issue, in which case it shall bear interest from the Dated Date shown above, or unless this Bond is authenticated during the period from the Record Date (as defined below) to the next interest payment date, in which case it shall bear interest from such interest payment date, or unless at the time of authentication of this Bond, interest is in default hereon, in which case it shall bear interest from the date to which interest has been paid. Interest is payable on each May 1 and November 1, commencing November 1, 2006.

Principal of this Bond is payable to the Registered Owner in lawful money of the United States of America upon presentation when due at the principal corporate trust office of Bank of the Ozarks (the "Trustee"), in Little Rock, Arkansas. Payment of each installment of interest shall be made to the person in whose name this Bond is registered on the registration books of the District maintained by the Trustee at the close of business on the fifteenth day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date") irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date. Such interest payments shall be by check of the Trustee mailed to such Registered Owner at the address appearing on such registration books.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is issued under the authority of the Constitution and laws of the State of Arkansas, including particularly Title 8, Chapter 6, Subchapter 8 of the Arkansas Code Annotated (the "Act"). It shall not be valid unless the Certificate of Authentication shall have been signed by the Trustee.

This Bond is one of an issue of bonds of the District designated "Waste Disposal Refunding and Construction Revenue Bonds, [Taxable] Series 2005__" (the "Series 2005__ Bonds"), in the aggregate principal amount of $_____. The Series 2005__ Bonds are being issued for the purpose of providing funds to finance a portion of the cost of refunding the District's Temporary Waste Disposal Revenue Bond (RLH Landfill Acquisition Project), Series 2005, dated August 31, 2005, funding a debt service reserve, paying expenses of authorizing and issuing the Series 2005__ Bonds, and [new landfill construction] [providing working capital and financial assurance for postclosure care]. The District is also issuing its Waste Disposal Refunding and Construction Revenue Bonds [Taxable] Series ___ (the "Series 2005__ Bonds and the Series 2005A Bonds and the Series 2005B Bonds are collectively referred to herein as the "Bonds"). The Bonds are all issued under and are all equally and ratably secured and entitled to the protection of a Trust Indenture, dated as of October 1, 2005 (the "Indenture"), duly executed and delivered by the District to the Trustee. Reference is made to the Indenture for provisions with respect to the conditions for the issuance of additional bonds, the nature and extent of the security, the rights, duties and obligations of the District, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly the Act, and pursuant to a resolution of the District's board (the "Board") duly adopted, which resolution authorizes the execution and delivery of the Indenture. The Bonds are obligations only of the District and are not obligations of the State of Arkansas or any political subdivision of the State. The District has no taxing power. In the Indenture, the District has pledged its revenues and other resources, including particularly, revenues derived from the operation of the District's landfill and related properties (the "Facility") and its solid waste hauling facilities and related properties (the "Hauling Company"), to the extent and as authorized by the Act (excluding, however, certain funds held for arbitrage rebate payments and the cost of closure and postclosure care of the Facility). In addition, the District has granted the Trustee a security interest in the personal properties now owned by the District and replacements thereof and a mortgage lien on certain undeveloped land adjoining the District's landfill and other real property owned by the District, all as described in the Indenture and subject to Permitted Encumbrances (as defined in the Indenture).

The Bonds are issuable only in the form of registered bonds without coupons in denominations of $5,000 or an integral multiple thereof. The District and the Trustee may deem and treat the Registered Owner hereof as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and shall not be affected by any notice to the contrary.

This Bond is transferable, in whole or in part, only upon delivery to the Trustee of the bond, accompanied by a written instrument of transfer in substantially the form endorsed hereon, duly executed by the Registered Owner or his attorney-in-fact or legal representative. Upon such transfer, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name or names of the new registered owner or owners a new fully registered bond or bonds of authorized denominations of the same maturity, series and interest rate for the aggregate principal amount of the bond transferred at the earliest practicable time. There shall be no charge to the transferor or transferee for any transfer, except an amount or amounts sufficient to reimburse the District and the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. If this Bond or any portion hereof has been called for redemption prior to maturity, the Trustee shall not be required to make transfers of registration of the portion called for redemption within 30 days prior to the redemption date.

The Series 2005 Bonds are subject to extraordinary, optional, mandatory sinking fund and special mandatory redemption as follows:

(1) Extraordinary Redemption. The Series 2005__ Bonds must be redeemed from proceeds of the Series 2005__ Bonds not needed for the purposes intended, on any interest payment date, in whole or in part, at a price equal to the principal amount being redeemed plus accrued interest to the redemption date, pro rata among maturities and sinking fund installments by lot or in such manner as the Trustee may determine.

(2) Optional Redemption. The Series 2005__ Bonds are subject to redemption at the option of the District from funds from any source, in whole at any time or in part on any interest payment date, on and after November 1, 2010, in inverse order of maturity (and by lot within a maturity in such manner as the Trustee may determine) at redemption prices equal to the principal amount being redeemed plus accrued interest to the redemption date.

(3) Mandatory Sinking Fund Redemption. To the extent not previously redeemed, the Series 2005__ Bonds [maturing on November 1, 2025, November 1, 2030 and November 1, 2035] are subject to mandatory sinking fund redemption by lot in such manner as the Trustee shall determine, on November 1 in the years and in the amounts set forth below, at a redemption price equal to the principal amount being redeemed plus accrued interest to the date of redemption:

[Series 2005A Bonds Maturing November 1, 2025

Year	Principal Amount
2022	$415,000
2023	440,000
2024	460,000
2025 (maturity)	485,000

Series 2005A Bonds Maturing November 1, 2030

Year	Principal Amount
2026	$505,000
2027	535,000
2028	560,000
2029	590,000
2030 (maturity)	620,000

Series 2005A Bonds Maturing November 1, 2035

Year	Principal Amount
2031	$650,000
2032	685,000
2033	720,000
2034	755,000
2035 (maturity)	795,000]

[Series 2005B Bonds Maturing November 1, 2010

Year	Principal Amount
2007	$170,000
2008	180,000
2009	190,000
2010 (maturity)	205,000

Series 2005B Bonds Maturing November 1, 2013

Year	Principal Amount
2011	$220,000
2012	235,000
2013 (maturity)	250,000

Series 2005B Bonds Maturing November 1, 2017

Year	Principal Amount
2014	$265,000
2015	285,000
2016	305,000
2017 (maturity)	235,000]

The provisions for mandatory sinking fund redemption of the Series 2005__ Bonds are subject to the provisions of the Indenture which permit the District to receive credit for the Series 2005__ Bonds previously redeemed or for Series 2005__ Bonds acquired by the District and surrendered to the Trustee.

(4) Special Mandatory Redemption from Surplus Revenues. The Bonds are subject to special mandatory redemption prior to maturity, in whole or in part, on any interest payment date, pro rata among maturities and sinking fund installments by lot or in such manner as the Trustee may determine, from Surplus Revenues (defined below) at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

Surplus Revenues are defined as revenues derived from the Facility and the Hauling Company in excess of the amount necessary to (a) operate and maintain the Facility and the Hauling Company, (b) pay the principal of and interest on all debt obligations of the District, (c) pay closure and postclosure care costs, (d) provide a Depreciation Fund in such amount as is determined by the District to be necessary for the purpose of replacing capital equipment, (e) provide financial assurance for closure and postclosure care in the amount required by law, and (f) provide a Capital Improvement Fund in the amount of $2,500,000 or such greater amount as is determined by the District to be necessary for the development of the Facility.

[(5) Special Mandatory Redemption upon Sale of Hauling Company Assets. The Series 2005A Bonds are subject to special mandatory redemption on any date as a whole or in part at a redemption price equal to principal amount being redeemed plus accrued interest to the date of redemption, in a principal amount not to exceed the greater of the (i) proceeds received by the District from any sale of the Hauling Company assets and (ii) the proceeds of the Series 2005A Bonds allocated to the acquisition of the Hauling Company; provided, however, that the projected net revenues of the District following such sale, after giving effect to the redemption of Series 2005A Bonds, shall equal 110% of the remaining maximum annual debt service on the Bonds. The redemption date shall be the earliest practicable date following such sale. The Series 2005A Bonds shall be redeemed on pro rata basis, as to be determined by the Trustee, of all maturities and sinking fund installments of the Series 2005A Bonds.]

In case any outstanding Bond is in a denomination greater than $5,000, each $5,000 of face value of such Bond shall be treated as a separate Bond of the denomination of $5,000.

Notice of redemption identifying the Bonds or portions thereof (which must be $5,000 or an integral multiple thereof) to be redeemed by numbers and maturities shall be given by the Trustee, not less than thirty nor more than sixty days prior to the date fixed for redemption, by mailing a copy of the redemption notice by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed. Failure to mail an appropriate notice or any such notice to one or more registered owners of Bonds to be redeemed shall not affect the validity of the proceedings for redemption of other Bonds as to which notice of redemption is duly given and in proper and timely fashion. All such Bonds or portions thereof thus called for redemption shall cease to bear interest on and after the date fixed for redemption, provided funds for their redemption are on deposit with the Trustee at that time.

Modifications or alterations of the Indenture, or of any indenture supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

IT IS HERETO CERTIFIED, RECITED AND DECLARED and the District hereby covenants that it is duly and legally organized and existing under the Constitution and laws of the State of Arkansas, and all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this Bond, together with all obligations of the District, does not exceed any constitutional or statutory limitation; and that the revenues pledged by the District to the payment of the principal of and interest on this Bond as the same become due and payable, will be sufficient in amount for that purpose.

[THE SERIES 2005A BONDS ARE QUALIFIED TAX-EXEMPT OBLIGATIONS DESIGNATED BY THE DISTRICT FOR PURPOSES OF SECTION 265(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.]

IN WITNESS WHEREOF, the District has caused this Bond to be executed by its Chairman and Secretary and its corporate seal to be impressed or imprinted hereon.

NORTHWEST ARKANSAS REGIONAL
SOLID WASTE MANAGEMENT DISTRICT

By: _____
Chairman

ATTEST:

_____
Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds described in the within mentioned Trust Indenture and is one of the Waste Disposal Refunding and Construction Revenue Bonds, [Taxable] Series 2005__, of the Northwest Arkansas Regional Solid Waste Management District.

Date of Authentication: _____

BANK OF THE OZARKS
Little Rock, Arkansas

By: _____
Authorized Officer

TRANSFER

FOR VALUE RECEIVED, _____ ("Transferor"), hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATE: _____

_____
(Transferor)

GUARANTEED BY:

_____

NOTICE: Signature(s) must be guaranteed by a guarantor acceptable to the Trustee.

and;

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the District according to the import thereof, and to constitute this Indenture a valid lien on the properties mortgaged and a valid pledge of the revenues herein made to the payment of the principal of and interest on all bonds issued under and pursuant to the provisions of this Indenture, have been done and performed, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS TRUST INDENTURE WITNESSETH:

That the District in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the bonds by the holders thereof, and of the sum of One Dollar ($1.00) in lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of and interest on all bonds issued under this Indenture according to their tenor and effect and the performance and observance by the District of all the covenants expressed or implied herein and in the bonds, does hereby grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, and unto its successor or successors in trust, and to them and their assigns forever, for the securing of the performance of the obligations of the District hereafter set forth:

1.

The real property lying in Baxter County, Arkansas described in Exhibit A hereto (the "Land"), together with (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Land; (ii) all hereditaments, easements, appurtenances, riparian rights, condemnation awards, mineral rights and water rights now or hereafter belonging or in any way pertaining to the Land or to any building now or hereafter located thereon and all the estates, rights and interests of the District in the Land; (iii) all rents, issues, profits and revenues derived from the Land from time to time accruing, whether under leases, subleases or tenancies now existing or hereafter created, reserving to the District however, so long as there is no "event of default" under this Indenture the right to receive and collect, but not more than one month prior to accrual, and retain all such rents, issues, profits and revenues and to exercise all rights thereunder; from now until the indebtedness secured hereby shall be paid or deemed paid or this Indenture is sooner released pursuant to terms hereinafter provided; and (iv) all additions, accessions, increases, parts, fittings, accessories, replacements, substitutions, betterments, repairs and proceeds of any and all of the foregoing.

2.

All personal properties of whatever nature now owned by the District, situated in the County including, without limitation, all assets, franchises, rights, privileges, licenses, equipment, machinery, vehicles, furnishings and fixtures, including particularly, without limitation, the properties described in Exhibit B attached hereto.

3.

All revenues and income (excluding funds derived from taxes) received by the District while any bonds issued under this Indenture are outstanding, including particularly, the income received by the District from the disposal of solid waste at the Facility and the collection of solid waste by the Hauling Company; excluding, however, certain funds held to pay arbitrage rebate as further described in Section 513 of the Indenture, and to pay the cost of closure and postclosure care of the Facility as further described in Section 506 hereof.

4.

Replacement properties (as described in Section 418) and any and all other property of every name and nature from time to time heretofore or hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the District or by any other person, firm or corporation to the Trustee, which is hereby authorized to receive any and all such property at any time and at all times and to hold and to apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever:

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders of all bonds issued under and pursuant to the provisions of this Indenture without privilege, priority or distinction as to lien or otherwise of any of the bonds over any of the other bonds; provided, however, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the bonds and the interest due or to become due thereon, at the times and in the manner provided in the bonds according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required under the applicable provisions of this Indenture, or shall provide, as permitted thereby, for the payment thereof by depositing or causing to be deposited with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that, and it is expressly declared, all bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the properties mortgaged and pledged by this Indenture are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereafter expressed, and the District has agreed and covenanted and, does hereby agree and covenant, with the Trustee and with the respective holders, from time to time, of the bonds or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS AND USES OF WORDS

Section 101. Definitions. In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

"Act" - Title 8, Chapter 6, Subchapter 8 of the Arkansas Code of 1987 Annotated.

"Additional Bonds" - Bonds issued in accordance with the provisions of Section 207 of this Indenture.

"Arvest" - The issuer of a letter of credit providing closure and postclosure care financial assurance for the Facility. The initial issuer of the letter of credit is Arvest Bank of Yellville.

"Board" - The governing body of the District.

"Bond Counsel" - Friday, Eldredge & Clark, LLP, Little Rock, Arkansas.

"Bond Fund" - The Solid Waste Revenue Bond Fund of the District created by Section 504 of this Indenture into which are to be deposited funds for the purpose of paying the debt service on all bonds that may be issued under this Indenture.

"Bonds" - All bonds issued under this Indenture, including the Series 2005 Bonds and Additional Bonds.

"Capital Improvement Fund" - The Solid Waste Capital Improvement Fund of the District created by Section 508 of this Indenture into which moneys are deposited and from which expenditures are to be made as provided in Article V of this Indenture.

"Chairman" - The Chairman and presiding officer of the Board.

"Closure Fund" - The fund or funds established for closure and postclosure care of the Facility as required by Section 506 of this Indenture.

"Code" - The Internal Revenue Code of 1986, as amended.

"Construction Fund" - The Solid Waste Construction Fund of the District provided for in Section 601 of this Indenture into which moneys are to be deposited and from which expenditures are to be made as provided in Article VI of this Indenture.

"Counties" - The Counties of Baxter, Boone, Carroll, Marion, Newton and Searcy in Arkansas.

"Debt Service Reserve Fund" - The fund of the District created by Section 505 of this Indenture as a reserve for payment of principal of and interest on the Bonds.

"Depreciation Fund" - The Solid Waste Depreciation Fund of the District provided for in Section 507 of this Indenture into which moneys are to be deposited and from which expenditures are to be made as provided in Article V of this Indenture.

"District" - Northwest Arkansas Regional Solid Waste Management District, a regional solid waste management district.

"Facility" - The District's sanitary landfill on approximately 200 acres of land located at 1192 RLH Landfill Road, Mountain Home in Baxter County, including approximately 500 adjoining acres of undeveloped land and related properties.

"Government Securities" - Direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form).

"Hauling Company" means the municipal solid waste hauling company including an office facility and welding shop located near Mountain Home in Baxter County and related properties.

"Holder" or "bondholder" or "owner of the Bond" or "Bondowner" - The registered owner of any Bond.

"Income" or "revenues" - The moneys derived by the District from tipping fees and charges for the disposal of solid waste at the Facility and the collection of solid waste by the Hauling Company and any other solid waste collection, disposal and treatment facilities owned or operated by the District, any service fees that may be collected by the District, investment income and all other moneys (excluding moneys derived from taxes) received by the District which are not restricted as to use.

"Indenture" or "Trust Indenture" - This Trust Indenture, together with all indentures supplemental hereto.

"Land" - The real property described on Exhibit A attached hereto.

"Mortgaged Property" or "mortgaged properties" - All of the properties, interests and rights described in the granting clauses of this Indenture.

"Operation and Maintenance Fund" - The Solid Waste Operation and Maintenance Fund of the District provided for in Section 503 of this Indenture into which deposits are to be made to cover expenses of operation, maintenance and repair of the properties of the District.

"Outstanding Bonds" or "Bonds outstanding hereunder" - All Bonds which have been authenticated and delivered under this Indenture except:

(a) Bonds canceled because of payment or redemption prior to maturity;

(b) Bonds for the payment or the redemption of which the necessary provisions shall have been made as required by this Indenture, including, in the case of Bonds to be redeemed prior to maturity, the giving or making provision for the giving of notice of redemption; and

(c) Bonds in lieu of which others have been authenticated under Section 206.

"Parity Obligations" - Obligations so defined in Section 207(e).

"Paying Agent" - The bank or trust company named by the District as the place at which the debt service on the Bonds is payable, with the original Paying Agent being the Trustee.

"Permitted Encumbrances" - are defined as (i) the Trust Indenture; (ii) utility, access and other easements and rights-of-way, restrictions, reversions and exceptions that the District certifies will not interfere with or impair the efficient operation of its properties; (iii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facility and the Mortgaged Property, and as do not materially impair the use of the Facility and Mortgaged Property for disposal of waste; (iv) the lien and security interest in any of the Mortgaged Property in favor of Arvest so long as the letter of credit for closure and postclosure care of the Facility or any renewal or replacement thereof is outstanding, which lien and security interest may rank ahead of the lien securing the Bonds with respect to the Mortgage Property securing Arvest on the date the Series 2005 Bonds are issued; (v) liens and security interests that are subordinate in security to the lien and security interest in favor of the Bonds; (vi) first perfected security interests in the personal property financed; and (vii) liens and security interests securing Parity Obligations.

"Person" - Includes natural persons, firms, associations, corporations and public bodies.

"Project" - The acquisition, construction and equipping of improvements to the Facility.

"Rebate Fund" - The Rebate Fund of the District provided for in Section 513 of this Indenture into which moneys are to be deposited for the purpose of complying with the arbitrage rebate requirements of Section 148(f) of the Code.

"Record Date" - The fifteenth day of the month (whether or not a business day) next preceding each interest payment date.

"Revenue Fund" - The Solid Waste Revenue Fund of the District provided for in Section 502 of this Indenture into which all revenues and income received by the District from any source are to be deposited.

"Secretary" - The Secretary and recording officer of the Board.

"Series 2005 Bonds" - The Series 2005A Bonds and the Series 2005B Bonds.

"Series 2005A Bonds" - One of the initial series of the Bonds issued under this Indenture in the aggregate principal amount of $9,800,000.

"Series 2005B Bonds" - One of the initial series of the Bonds issued under this Indenture in the aggregate principal amount of $2,540,000.

"Tax-Exempt Bonds" - Bonds issued by the District the interest on which is excludable from gross income for federal income tax purposes. The Series 2005A Bonds are Tax-Exempt Bonds.

"Temporary Bond" - The District's Temporary Waste Disposal Revenue Bond (RLH Landfill Acquisition Project), Series 2005, dated August 31, 2005 and in the principal mount of $9,200,000.

"Trustee" - The Trustee for the time being, whether original or successor, with the original Trustee being Bank of the Ozarks, Little Rock, Arkansas.

"Underwriter" - Crews & Associates, Inc.

Section 102. Use of Words. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa.

ARTICLE II

THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds or other obligations of the District may be issued under the provisions of this Indenture except in accordance with this Article.

Section 202. Issuance of Bonds. The initial series of Bonds shall be the Series 2005 Bonds and shall be divided between the Series 2005A Bonds and the Series 2005B Bonds. The Series 2005A Bonds will be in the aggregate principal amount of Nine Million Eight Hundred Thousand Dollars ($9,800,000) and shall be designated "Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A." The Series 2005B Bonds will be in the aggregate principal amount of Two Million Five Hundred Forty Thousand Dollars ($2,540,000) and shall be designated "Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Taxable Series 2005B." All Series 2005 Bonds issued under this Indenture shall be issued substantially in the form hereinabove set forth and in the recitals of this Indenture with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

Section 203. Details of Series 2005 Bonds. Each Series 2005 Bond shall be dated as of the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated on an interest payment date, in which event it shall be dated such interest payment date, or (b) authenticated prior to an interest payment date, in which event it shall be dated October 1, 2005, or (c) authenticated during the period from the Record Date to the next interest payment date, in which event it shall bear interest from such interest payment date; provided, however, that if at the time of authentication of any Series 2005 Bond interest is in default, such bond shall be dated as of the date to which interest has been paid. The Series 2005 Bonds shall be numbered per series consecutively from 1 upward in order of issuance. The Series 2005 Bonds bear interest payable semiannually on May 1 and November 1 of each year, commencing November 1, 2006, and mature on November 1 in the years and in the amounts and bear interest as follows:

Series 2005A Bonds

Year	Amount	Rate
2017	$90,000	4.50%
2018	350,000	4.55
2019	365,000	4.60
2020	380,000	4.70
2021	400,000	4.80
2025	1,800,000	5.00
2030	2,810,000	5.10
2035	3,605,000	5.10

Series 2005B Bonds

Year	Amount	Rate
2010	$745,000	6.75%
2013	705,000	7.00
2017	1,090,000	7.00

The principal of and interest on the Bonds shall be payable in any coin or currency which on the respective dates of payment of such principal and interest is legal tender for the payment of debts due the United States of America.

Section 204. Execution. The Bonds shall be executed on behalf of the District by the Chairman and Secretary (by their manual or facsimile signatures) and shall have impressed or imprinted thereon the seal of the District. Facsimile signatures shall have the same force and effect as manual signatures. In case any officer whose signature or facsimile of whose signature shall appear on a Bond shall cease to be such officer before the delivery of the Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 205. Authentication. Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form hereinabove set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 206. Mutilated, Destroyed or Lost Bonds. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the District shall, if not then prohibited by law, cause to be executed and the Trustee shall authenticate and deliver a new bond of like date, number, series maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the holder's paying the reasonable expenses and charges of the District and the Trustee in connection therewith, and, in the case of a Bond destroyed or lost, his filing with the Trustee evidence satisfactory to the Trustee that such Bond was destroyed or lost, and of his ownership thereof, and furnishing to the District and the Trustee indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a new bond, the District may pay the same without the surrender thereof.

Section 207. Additional Bonds. (a) After issuance of the Series 2005 Bonds, the District shall have the right to, and may, at one time or from time to time, issue under and secure by this Indenture Additional Bonds, subject to the terms, conditions and limitations set forth in this Section. Upon authorization by resolution of the Board as aforesaid, the Bonds of a series issued under this Section shall be executed substantially in the form and manner hereinabove set forth or referred to and shall be deposited with the Trustee for authentication and delivery, but before said Bonds shall be

delivered by the Trustee, there must have been filed with the Trustee items required by subsection (b).

(b) Before any Additional Bonds are delivered by the Trustee, there must be delivered to the Trustee:

(1) A copy, certified by the Secretary, of the resolution authorizing the series of Additional Bonds and directing their delivery to or upon the order of purchasers therein named upon payment of the purchase price therein set forth;

(2) A certificate of the Chairman stating that no event of default specified in this Indenture has happened and is then continuing;

(3) An opinion of counsel selected by the District but satisfactory to the Trustee that all required legal action precedent to the issuance of the Additional Bonds have been taken and that, when executed, authenticated and delivered, such bonds will be valid, binding and enforceable obligations of the District secured by this Indenture on a parity with previously issued Bonds secured hereby; and

(4) A certificate of an independent certified public accountant to the effect that "adjusted gross revenues" of the District (hereinafter defined in subsection (d)) for the fiscal year immediately preceding the delivery of the Additional Bonds (the "immediately preceding fiscal year") were sufficient in amount:

(i) to pay all operation and maintenance expenses of the District for the immediately preceding fiscal year; and

(ii) to make all payments into the funds of the District created by this Indenture (exclusive of the Operation and Maintenance Fund, the Bond Fund, the Closure Fund and the Deprecation Fund) required by the provisions of this Indenture to be made during the immediately preceding fiscal year; and

(iii) to leave a balance equal to not less than 125% of the combined maximum annual principal and interest requirements, during the current or any subsequent fiscal year of the District, for (A) the then outstanding Bonds, (B) the Additional Bonds then held by the Trustee for delivery and (C) any then outstanding Parity Obligations.

(c) The Additional Bonds shall be dated, interest shall be payable semiannually on the dates, the principal shall mature as serial bonds or as term bonds, or as a combination thereof, and they may contain provisions for redemption prior to maturity as well as other provisions, all as shall be set forth in the resolution authorizing their issuance. The authorizing resolution shall set forth the details concerning the Additional Bonds, which shall be embodied in a supplemental indenture by and between the District and the Trustee. When there shall have been filed with the Trustee the resolution, certificates and opinion referred to in subsection (b), and the Bonds executed and sealed by the officers of the District herein provided for, and delivered to the Trustee, the Trustee shall authenticate the Additional Bonds and deliver them to the purchaser upon payment of the purchase price. All such Additional Bonds shall be issued on a parity with all other Bonds issued hereunder.

(d) The term "adjusted gross revenues," as used in paragraph (4) of subsection (b), is hereby defined as the sum of:

(1) The gross revenues actually received by the District during the fiscal year referred to in such paragraph (4) of subsection (b); plus

(2) Any additional revenues (as projected by the accountant executing the certificate as to adjusted gross revenues, on the basis of actual gross receipts) that would have been derived from a rate increase actually placed into effect during such fiscal year if such rate increase had been in effect throughout the fiscal year; plus

(3) Any additional annual revenues as projected in a certificate of an independent consulting engineer (on the basis of the then current tipping fees and waste disposal rates) to be derived from new customers to be served upon completion of improvements then under construction or to be financed from the proceeds of the Additional Bonds delivered to the Trustee.

Notwithstanding anything in this subsection (d) to the contrary, the amounts referred to in clauses (2) and (3) of this subsection (d) shall not in the aggregate exceed 10% of the "adjusted gross revenues."

(e) Nothing in this Indenture shall prohibit the District from issuing bonds or other obligations of indebtedness other than under this Indenture. Such obligations may, subject to compliance with subsection (b), be issued on a parity with Bonds issued hereunder. Obligations issued on a parity with the Bonds shall be referred to herein as "Parity Obligations." All other obligations of the District shall be subject and subordinate to the lien, pledge and security interest of this Indenture, and to all Bonds and Parity Obligations then outstanding or thereafter issued except (a) obligations to provide financial assurance for closure and postclosure care of the Facility existing on the date the Bonds are issued and any renewals or replacements thereof and (b) obligations to acquire personal property secured by a first perfected security interest in the personal property financed (and not with respect to the revenues pledged under the Trust Indenture).

Section 208. Delivery of Bonds. Upon the execution and delivery of this Indenture, the District shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2005 Bonds and deliver them to the Underwriter upon payment of the purchase price, plus accrued interest from the date of the Series 2005 Bonds to the date of delivery.

Section 209. Registration and Transfer. The District shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee as bond registrar. Any Bond may be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the bond registrar.

Upon the transfer of any Bond, the District shall issue in the name of the transferee, in authorized denominations, a new Bond or Bonds, of the same maturity, in the same aggregate principal amount and of the same series as the surrendered Bond.

The District and the Trustee may deem and treat the registered owner of any Bond as the absolute owner, whether such Bond shall be overdue or not, for

the purpose of receiving payment of, or on account of, the principal of and interest on, such Bond and for all purposes, and neither the District nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

There shall be no charge to the transferor or transferee for any transfer, except an amount or amounts sufficient to reimburse the District and the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Neither the District nor the Trustee shall be required to make transfers of registration with respect to any Bond or portion thereof called for redemption prior to maturity within thirty days prior to its redemption date.

Section 210. Cancellation. All Bonds which are paid, either at maturity or upon redemption prior to maturity, shall be canceled and, at the option of the Trustee, either (i) cremated, shredded or otherwise disposed of, or (ii) returned to the District. In the case of cremating, shredding or other disposition pursuant to (i) above, the Trustee shall execute and forward to the District an appropriate certificate describing the Bonds involved and the manner of disposition.

Section 211. Payment of Principal and Interest. Principal of and interest on the Bonds and the Bonds of subsequent series issued hereunder shall be payable at the place, on the dates and in the manner provided herein or in the Bonds of the particular series.

Section 212. DTC Book-Entry Only System. (a) Any provisions in this Indenture to the contrary notwithstanding, the Series 2005 Bonds shall initially be issued in the form of one fully-registered bond in the principal amount of each maturity of each series of the Series 2005 Bonds, which Series 2005 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Except as provided in paragraph (b) below, all of the Series 2005 Bonds shall be registered in the registration books maintained by Trustee in the name of Cede & Co., as nominee of DTC; provided if DTC shall request that the Series 2005 Bonds be registered in the name of a different nominee, Trustee shall exchange all or any portion of the Series 2005 Bonds for an equal aggregate principal amount of Series 2005 Bonds of each series registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the District or the Trustee either a Series 2005 Bond or any other evidence of ownership of the Series 2005 Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2005 Bonds on the registration books maintained by Trustee in connection with discontinuing the book-entry system as provided in paragraph (c) below or otherwise.

(b) So long as any Series 2005 Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Series 2005 Bonds shall be made to DTC or its nominee in accordance with the District's Letter of Representations to DTC (the "Representation Letter") on the dates provided for such payments under this Indenture. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the District or the Trustee with respect to the principal or redemption price of or interest on the Series 2005 Bonds to the extent of the sum or sums so paid. In the event of

the redemption of less than all of the Series 2005 Bonds outstanding, Trustee shall not require surrender by DTC or its nominee of the Series 2005 Bonds so redeemed, but DTC (or its nominee) may retain such Series 2005 Bonds and make an appropriate notation on the Series 2005 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to Trustee, upon request, a written confirmation of such partial redemption and thereafter the records maintained by Trustee shall be conclusive as to the amount of the Series 2005 Bonds which have been redeemed.

(c) The District and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2005 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on such Series 2005 Bonds, selecting the Series 2005 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners under this Indenture, registering the transfer of Series 2005 Bonds, obtaining any consent or other action to be taken by Bondowners and for all other purposes whatsoever; and neither the District nor the Trustee shall be affected by any notice to the contrary. Neither the District nor the Trustee shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Series 2005 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books as being a Bondowner, with respect to either: (1) the Series 2005 Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on such Series 2005 Bonds, (4) any notice which is permitted or required to be given to Bondowners under this Indenture, (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of Series 2005 Bonds, and (6) any consent given or other action taken by DTC as Bondowner.

(d) So long as any Series 2005 Bonds are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Registered Owners of such Series 2005 Bonds under this Indenture shall be given to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondowners pursuant to this Indenture by the District or the Trustee with respect to any consent or other action to be taken by Bondowners, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the District or the Trustee may establish a special record date for such consent or other action. The District or the Trustee shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(f) The book-entry system for registration of the ownership of the Series 2005 Bonds may be discontinued at any time if either (1) after notice to the District and the Trustee, DTC determines to resign as securities depository for the Series 2005 Bonds, or (2) after notice to DTC and the Trustee, the District determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the District. In either of such events (unless in the case described in clause (2) above, the District appoints a successor securities depository), the Series 2005 Bonds shall be delivered in registered certificate form to such persons, and in such principal amounts, as may be designated by DTC, but without any liability on the part of the

District or the Trustee for the accuracy of such designation. Whenever DTC requests the District and the Trustee to do so, the District and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing such Series 2005 Bonds.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. The Series 2005 Bonds. The Series 2005 Bonds are subject to redemption prior to maturity as provided in the Series 2005 Bonds. The District covenants and agrees to cause to be paid into the Bond Fund created in Section 504 hereof sufficient funds to redeem the Series 2005 Bonds subject to mandatory sinking fund redemption in the amounts and on the dates set forth in the Series 2005 Bonds. Therefore, in calculating the monthly payments to be deposited into the Bond Fund, the term "next installment of principal on the outstanding Bonds" shall include the principal of the Series 2005 Bonds maturing on the next principal payment date and the principal of the Series 2005 Bonds which will be redeemed in accordance with the mandatory sinking fund redemption provisions of the Series 2005 Bonds on the next interest payment date scheduled for such redemption.

The District may acquire Series 2005 Bonds by purchase at a price not in excess of par plus accrued interest, inclusive of brokerage fees, and surrender to the Trustee any Series 2005 Bonds so acquired, in exchange for which the District shall receive a credit hereunder in an amount equal to the principal amount of the Series 2005 Bonds so acquired and surrendered, for and of the then next date for mandatory sinking fund redemption of Series 2005 Bonds of the same maturity.

Section 302. Additional Bonds. Any Additional Bonds issued pursuant to the provisions of Section 207 of this Indenture may be made subject to redemption, in whole or in part, in such manner, at such times, upon such terms and at such prices as shall be provided in the resolution (and supplemental indenture) authorizing their issuance.

ARTICLE IV

GENERAL COVENANTS

Section 401. Payment of Principal and Interest. The District covenants that it will promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof. To this end the District hereby pledges its revenues and other resources of whatever nature to the extent and as authorized by the Act, including particularly the income and revenues received by the District from tipping fees and from charges and rates for disposal of solid waste; excluding, however, all amounts held in the Closure Fund and the Rebate Fund.

Section 402. Performance of Covenants. The District covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered under this Indenture and in all resolutions pertaining thereto. The District covenants that it is duly authorized under the Constitution and laws of the State of Arkansas, including particularly and without limitation the Act, to issue all Bonds authorized hereby and to execute and deliver this Indenture, to mortgage the Mortgaged Property and to pledge the income and revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the District according to the import thereof.

Section 403. Title to Properties. The District covenants that it lawfully owns and is lawfully possessed of the Facility, the Hauling Company and Mortgaged Property and that it has good and indefeasible title and estate therein subject to Permitted Encumbrances and that it warrants and will defend the title thereto and every part thereof to the Trustee, its successors and assigns, for the benefit of the holders of the Bonds against the claims and demands of all persons whomsoever. The District covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such deeds of trust or indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming unto the Trustee all and singular the Mortgaged Property and the revenues and income pledged hereby to the payment of the principal of and interest on all Bonds secured by this Indenture.

Section 404. Taxes and Governmental Charges. The District covenants that it will promptly cause to be paid all lawful taxes, charges, assessments, imposts and governmental charges at any time levied or assessed upon or against the Facility, the Hauling Company and Mortgaged Property, or any part thereof, that might impair or prejudice the lien and priority of this Indenture or the security for the Bonds; provided, however, that nothing contained herein shall require the District to cause to be paid any such taxes, assessments, imposts or charges so long as the validity thereof is being contested in good faith and by appropriate legal proceedings, and, provided, also that such delay in payment shall not subject the Facility, the Hauling Company and the Mortgaged Property or any part thereof to forfeiture or sale.

Section 405. Maintenance and Repair. The District covenants and it will at all times cause to be maintained, preserved and kept the Facility, the Hauling Company and the Mortgaged Property in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs, replacements, additions, betterments and improvements so that the operation and business pertaining to the Facility, the Hauling Company and the Mortgaged Property shall at all times be conducted properly and so that the Mortgaged Property shall be fully maintained.

Section 406. Recording and Filing. The District covenants that it will cause this Indenture, and all indentures supplemental thereto, to be kept recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holders of the Bonds and the rights of the Trustee hereunder, and that the District will file or cause to be filed such further instruments and statements, if any, as may be necessary to fully preserve and protect the security of the holders of the Bonds and the rights of the Trustee hereunder.

Section 407. Books and Records. The District covenants that so long as any Bonds issued under and secured by this Indenture shall be outstanding and unpaid, the District will keep, or cause to be kept, proper books of record and account, in which full, true and correct entries will be made of all dealings or transactions of and in relation to the Facility, the Hauling Company and the Mortgaged Property and revenue and income for the District. The District agrees to have the books of record and account audited by an independent certified public accountant at the end of each fiscal year and to furnish a copy of the audit report to the Trustee within 180 days after the end of the fiscal year.

The District further covenants that all books and documents pertaining to the Facility, the Hauling Company and the Mortgaged Property and the revenues and income of the District shall at all times be open to the inspection of such accountants or agents as the Trustee may from time to time designate.

Section 408. Environmental Matters. The District represents that no notice of, charge, or investigation is pending, or, to the knowledge of the District, is threatened with respect to the violation of any Environmental Law in connection with any of its properties and that, to the best of its knowledge, the District has obtained, and is in compliance with, all licenses, permits and other authorizations which are required by applicable Environmental Laws.

The District covenants that it will continue to comply with all Environmental Laws and that if the District receives notice of any violation of the Environmental Laws (an "Environmental Complaint"), from any person or entity, including the United States Environmental Protection Agency, the District shall give, within fourteen business days, oral and written notice of same to the Trustee. The Trustee shall have the right, but not the obligation, to exercise any of its rights as provided in this Indenture.

As used in this Section, "Environmental Law" means any applicable federal, state or local law, rule, regulation, order, decree or ordinance relating to environmental protection or pollution, including, without limitation, any laws, rules, regulations, orders, decrees or ordinances relating to emissions, discharges, releases or threatened releases, of pollutants, contaminants or hazardous or toxic materials, petroleum or petroleum products, or wastes into ambient air, surface water, ground water, or land or otherwise relating to the

manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, or hazardous or toxic materials or wastes.

The Trustee is under no obligation to verify that the District is complying with Environmental Laws.

Section 409. Encumbrance of the Facility and Mortgaged Property. The District covenants that it will not encumber the Facility or the Mortgaged Property or any part hereof, or its interest therein or create or permit to be created any charge or lien on its revenues and income except Permitted Encumbrances and otherwise as may be expressly authorized in this Indenture.

Section 410. Insurance. The District covenants that at all times while any Bonds are outstanding, it will at all times insure and keep insured to the full insurable value hereof in a responsible insurance company or companies authorized and qualified under the laws of the State of Arkansas to assume the risk thereof, or, with the approval of the Trustee, by means of adequate insurance maintained by it out of its own earnings or in conjunction with other companies through an insurance fund, trust or other agreement, all insurable improvements on and constituting part of the Mortgaged Property, the Hauling Company and the Facility, at any time and from time to time, by fire and extended coverage insurance. The insurance policies are to be taken with companies reasonably satisfactory to the Trustee, are to carry a clause making them payable to the Trustee as its interest may appear, and are either to be placed in the custody of the Trustee or satisfactory evidence of said insurance shall be filed with the Trustee. In the event of loss, the District shall notify the Trustee and the proceeds of such insurance shall be applied solely toward the reconstruction, replacement or repair of the damaged properties, and in such event the District covenants that it will, with reasonable promptness, cause to be commenced and completed the reconstruction, replacement and repair work, and the Trustee shall release to the District insurance moneys received by the Trustee to the extent necessary to pay for the reconstruction, replacement and repair work or to reimburse the District if the District pays for the same. Any proceeds of insurance not required for such reconstruction, replacement and repair work with respect to the Mortgaged Property shall be deposited in the Bond Fund.

Section 411. Permit Covenant. The District hereby covenants and agrees that it will continuously monitor and report to the Trustee the estimated remaining capacity for each permitted area within the Facility on an annual basis. If any annual report indicates that the Facility's remaining permitted capacity is projected to be exhausted prior to final maturity of the Bonds, the District covenants and agrees that it will initiate and pursue diligently the regulatory process required to obtain a final permit for expansion of the Facility in a timely manner so as not to allow the Facility's capacity to be exhausted while Bonds remain outstanding.

Section 412. No Arbitrage. The District covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any of the Tax-Exempt Bonds under Section 103 of the Code. The District will not directly or indirectly use or permit the use of any proceeds of the Tax-Exempt Bonds or any other funds of the District, or take or omit to take any action that would cause any of the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the District will comply with all requirements of Section 148 of the Code to the extent

applicable to the Tax-Exempt Bonds. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Section 413. Private Business Use Limitation. The District shall assure that (i) not in excess of ten percent (10%) of the proceeds of any issue of Tax-Exempt Bonds is used for a "Private Business Use" (as such term is defined in the Code); and (ii) in the event that in excess of five percent (5%) of the proceeds of any issue of Tax-Exempt Bonds is used for a Private Business Use, then said excess over said five percent (5%) of the proceeds of any issue of Tax-Exempt Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the facilities financed or refinanced by such Tax-Exempt Bonds.

Section 414. Private Loan Limitation. The District shall assure that not in excess of five percent (5%) of the proceeds of any issue of Tax-Exempt Bonds is used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

Section 415. Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and regulations promulgated thereunder.

Section 416. Information Reporting. The Chairman or Vice Chairman of the District shall, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the any Tax-Exempt Bonds are issued, submit to the Secretary of the Treasury a statement concerning the such Tax-Exempt Bonds which will satisfy the requirements of paragraph (2) of Section 149(e) of the Code and applicable regulations.

Section 417. Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the Series 2005A Bonds for purposes of paragraph (3) of Section 265(b) of the Code and covenants that the Series 2005A Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax, including the Series 2005A Bonds, have been or shall be issued by the District during 2005. The District has no "subordinate entities" within the meaning of Section 265 of the Code.

Section 418. Sale of Property. The District covenants that it will not sell or otherwise dispose of all or substantially all of the Hauling Company assets or any of the Mortgaged Property or Facility real property; provided, however, the District may from time-to-time,

(a) Sell, exchange or otherwise dispose of any items of personal property or release, relinquish or extinguish any interest therein which is not needed or serves no useful purpose in connection with the maintenance and efficient operation of the solid waste collection and disposal facilities of the District, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of, if replacement is necessary or desirable or shall be transferred to the Bond Fund, hereinafter created, as the District may

determine. All properties acquired as replacements for properties sold or disposed of shall be made subject to the lien of this Indenture.

(b) Sell all or substantially all of the Hauling Company assets and properties, so long as such sale is at not less than fair market value and the proceeds thereof are deposited in a Special Bond Redemption Fund and used to redeem the Series 2005A Bonds, on the earliest practicable date, in accordance with the provisions of this Indenture; and further provided that, the projected Net Revenues of the District following such sale, after giving effect to the redemption of Series 2005A Bonds, shall equal 110% of the remaining maximum annual debt service on the Bonds.

(c) Sell unimproved real property so long as an engineer certifies to the Trustee that the land to be sold is not necessary to the development of the landfill operations at the Facility, that the land is sold for not less than fair market value and the sales price is deposited into a Special Bond Redemption Fund and used to redeem the Series 2005A Bonds on the first available date.

The Trustee is hereby expressly authorized to take the necessary steps to release the lien of this Indenture as to any property disposed of.

Section 419. Condemnation. In the event all or any portion of the Mortgaged Property is taken under the power of eminent domain, the condemnation award shall either be used to replace the portion of the Mortgage Property taken or shall be deposited into a Special Bond Redemption Fund and used to redeem the Series 2005A Bonds on the first available date.

ARTICLE V

REVENUES AND FUNDS

Section 501. Rate Covenant. (a) The District covenants and agrees that it will continuously operate the Facility and the Hauling Company (unless sold as permitted by this Indenture) as a revenue producing undertaking and will fix, charge and collect tipping fees and rates, fees and charges for the collection and disposal of solid waste which shall produce Net Revenues of the Facility in each fiscal year at least sufficient to make all required deposits to the Debt Service Reserve Fund and the Closure Fund, and leave a balance equal to 110% of the scheduled debt service requirements for that fiscal year of all outstanding Bonds and Parity Obligations (the "Net Revenue Coverage Ratio").

(b) The District covenants that it will revise the tipping fees and rates and other fees and charges for use of the Facility and the Hauling Company from time to time as necessary to meet the Net Revenue Coverage Ratio.

(c) If the District fails to meet the Net Revenue Coverage Ratio in any fiscal year, it will undertake a study of the rate revisions necessary to meet the Net Revenue Coverage Ratio. The study shall be completed and filed with the Trustee not later than the 15th day of the sixth month of the following fiscal year. Revised rates, fees and charges, as indicated in the study, shall be placed into effect not later than the 15th day of the sixth month of the fiscal year immediately following the fiscal year in which the study is made. If the District complies with the provisions of this subsection (c), it shall not be deemed in default under subsection (a) for the fiscal year in which the rate study is made and the immediately following fiscal year, provided that the total revenues in each of these fiscal years is sufficient to make the deposits into the Bond Fund, the Operation and Maintenance Fund, the Debt Service Reserve Fund and the Closure Fund.

(d) The following terms shall have the following meanings for purposes of this section:

"Fiscal year" means the period between January 1 and December 31.

"Net Revenues of the Facility" means gross revenues of the District's solid waste disposal, collection and treatment facilities, including particularly, without limitation, revenues from the Facility and the Hauling Company, less the amounts required to pay the operation expenses excluding depreciation and interest expenses.

Section 502. Revenue Fund. All revenues and income received by the District from any source other than taxes shall be paid upon receipt into a special fund hereby created and designated "Solid Waste Revenue Fund." The moneys in the Revenue Fund are hereby pledged and shall be applied in the manner hereinafter set forth.

Section 503. Operation and Maintenance Fund. There shall be paid from the Revenue Fund into a fund hereby created and designated "Operation and Maintenance Fund," on the first business day of each month while any Bonds issued under this Indenture are outstanding, an amount sufficient, together with existing moneys held for the credit of the Fund, to pay the reasonable monthly expenses of operation, repair and maintenance of the properties of the District for such month, and, to the extent determined by the District, to pay

costs of betterments and improvements to properties of the District, and from which disbursement shall be made only for those purposes. Fixed annual charges, such as insurance premiums, the cost of major repair and maintenance expenses and costs of betterments and improvements, may be computed and set up on an annual basis and one-twelfth (1/12) of the amount thereof may be paid into the Operation and Maintenance Fund each month. If in any month for any reason there shall be a failure to transfer and pay the required amount into the Operation and Maintenance Fund, the amount of any deficiency shall either be cured by the transfer by the District of other funds into the Operation and Maintenance Fund or shall be added to the amount otherwise required to be transferred from the Revenue Fund and paid into the fund in the next succeeding month. If in any fiscal year, a surplus shall be accumulated in the Operation and Maintenance Fund over and above the amount which shall be necessary to defray the reasonable and necessary costs of operation, repair and maintenance of the properties of the District during the then current fiscal year, and the next ensuing fiscal year, such surplus may be transferred and deposited in the Bond Fund.

Section 504. Bond Fund. (a) There is hereby created a special fund to be designated "Solid Waste Revenue Bond Fund" for the purpose of paying debt service on all Bonds that may be issued under this Indenture. There shall be deposited into the Bond Fund from proceeds of the sale of the Bonds (1) the accrued interest plus (2) any additional amounts, as determined at the time, as shall be necessary, together with the accrued interest, to adequately provide for the payment of interest until revenues in a sufficient amount thereof are available in the District. There shall also be deposited into the Bond Fund any other funds directed by this Indenture to be transferred into the Bond Fund.

(b) After the required deposit has been made in the Operation and Maintenance Fund, there shall be paid from the Revenue Fund into the Bond Fund, on the 15th day of each month, an amount equal to the sum of:

(1) one-sixth (1/6) of the next installment of interest on the outstanding Bonds, plus an amount sufficient to provide for Trustee's and Paying Agent's fees; provided, however, the monthly deposits under this paragraph for the months after delivery, and before the first interest payment date, of the Bonds and any subsequent series of bonds shall be adjusted if necessary so that the deposits made will be sufficient to cover the interest due; plus

(2) one-twelfth (1/12) of the next installment of principal on the outstanding Bonds; provided, however, (A) the monthly deposits under this paragraph for the months after delivery, and before the first principal payment date, of any series of bonds shall be adjusted if necessary so that the deposits made will be sufficient to cover the principal due and (B) the monthly deposits under this paragraph with respect to the Series 2005 Bonds shall not commence until November 2006. The additional deposits herein required in the event of the issuance of Additional Bonds need not commence until the time necessary to accumulate the first principal maturity of the Additional Bonds in twelve monthly installments.

(c) The District shall receive a credit against required monthly deposits into the Bond Fund for any moneys placed into the Bond Fund other than pursuant to (a)(2), above.

(d) If for any reason the funds in the Bond Fund shall at any time be insufficient to meet any required payment, then the amount of any such deficiency shall be paid immediately from the Revenue Fund into the Bond Fund.

(e) When the moneys in the Bond Fund, together with moneys in the Debt Service Reserve Fund (hereinafter created) shall be and remain sufficient to pay the principal of and interest on all outstanding Bonds issued under this Indenture, and the Trustee's and Paying Agent's fees, there shall be no obligation to make any further payments into the Bond Fund.

(f) The moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds and the Trustee's and Paying Agent's fees and for no other purpose except as specifically authorized herein.

(g) The District hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay the principal of and interest on Bonds as the same become due and payable and the Trustee's and Paying Agent's fees, and to use the same to pay the principal and interest and the fees of the Trustee and of the Paying Agent as the same become due and payable. In addition, the District hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund and use the same to redeem Bonds that have been called for redemption by the District prior to maturity and to pay Paying Agent's fees in connection therewith. By the execution of this Indenture, the Trustee accepts the obligations and directions herein contained.

Section 505. Debt Service Reserve Fund. (a) There is hereby created a special fund to be designated "Debt Service Reserve Fund" for the purpose of providing a reserve for payment of principal of and interest on the Bonds. The Debt Service Reserve Fund shall be established and maintained in an amount equal to one-half of the maximum annual principal and interest requirements on all outstanding Bonds (the "Required Level").

(b) Upon the issuance of the Bonds, there shall be deposited in the Debt Service Reserve Fund, the Required Level.

(c) Moneys held for the credit of the Debt Service Reserve Fund shall be used for payment of principal of and interest on Bonds for which Bond Fund moneys are not available and for no other purpose except as specifically permitted herein. If the amount held for the credit of the Debt Service Reserve Fund shall ever be less than the Required Level, the Fund shall be restored to the Required Level within an eighteen (18) month period. Monthly payments shall be made from the Revenue Fund not later than the 15th day of each month after the required deposits into the Operation and Maintenance Fund and the Bond Fund.

(d) Moneys held for the credit of the Debt Service Reserve Fund which exceed the Required Level shall be withdrawn from the Debt Service Reserve Fund and deposited into the Bond Fund.

Section 506. Closure Fund. The District shall establish a fund or funds to provide financial assurance for the closure and postclosure care of the Facility as required by law. These funds shall be identified herein collectively as the "Closure Fund." After making the required payments into the Operation and Maintenance Fund, Bond Fund, and Debt Service Reserve Fund, there shall be paid from the Revenue Fund into the Closure Fund annually on the last business day of each fiscal year while any of the Bonds of this issue are outstanding, such sums as shall be determined by the District to be necessary

to meet the District's financial assurance under the law with respect to the closure and postclosure care of the Facility. The moneys in the Closure Fund shall be used solely for the purposes of (a) paying the cost of closing the Facility or federal or state mandated cleanup, (b) paying the cost of postclosure care of the Facility, (c) paying amounts owed to RLH, Incorporated under the District's contract with RLH, Incorporated with respect to closure care of the Facility, (d) the costs for letters of credit to provide financial assurance for closure or postclosure care, and (e) other lawful purposes to the extent the District has funds in the Closure Fund in excess of the amount required by law that the District determines will not be necessary to fund its closure and postclosure care obligations with respect to the Facility. The Closure Fund and all moneys therein shall not be subject to the lien of this Indenture.

In lieu of depositing moneys into the Closure Fund, the requirements of this Section may be satisfied by depositing a surety bond, letter of credit or insurance policy in the principal amount equal to the requirement, or portion, being satisfied.

Section 507. Depreciation Fund. After making the required payments into the Operation and Maintenance Fund, Bond Fund, Debt Service Reserve Fund, and Closure Fund, the District may deposit moneys into a fund hereby created and designated "Solid Waste Depreciation Fund." The moneys in the Depreciation Fund shall be used solely for the purpose of funding replacements of capital equipment for the District, except that moneys in the Depreciation Fund shall be used to the extent necessary at any time to prevent the default in the payment of the principal and interest on the Bonds and the Trustee's and Paying Agent's fees.

Section 508. Capital Improvement Fund. A special fund is hereby created and designated "Solid Waste Capital Improvement Fund." The District is hereby authorized and directed, after making the transfers or deposits required pursuant to Sections 503 through 507, to transfer the moneys remaining in the Revenue Fund into the Capital Improvement Fund at the rate of at least $150,000 per year. The District may cease to fund the Capital Improvement Fund when there has been accumulated the sum of $2,500,000. The moneys in the Capital Improvement Fund shall be used solely for the purpose of funding additional cells at the Facility or any other lawful purpose.

Section 509. Revenue Fund Surplus. Any surplus in the Revenue Fund that constitutes "Surplus Revenues" as defined in the form of the Series 2005 Bonds shall be deposited into a Special Bond Redemption Fund and used to redeem the Series 2005 Bonds in accordance with the terms thereof. Any other surplus may be withdrawn from the Revenue Fund and deposited in such fund(s) or account(s) as specified by the Board and used for any lawful purpose.

Section 510. Depositories of Funds. The Bond Fund and the Debt Service Reserve Fund shall be established and maintained in the Trustee. The Revenue Fund, the Operation and Maintenance Fund, Closure Fund, Depreciation Fund and Capital Improvement Fund shall be established in such banks or trust companies as are from time to time designated by the District, provided each must be a member of the Federal Deposit Insurance Corporation.

All moneys in any of the above funds in excess of the amount insured by the Federal Deposit Insurance Corporation shall be secured by perfected pledges of Government Securities or other securities authorized to Arkansas law to secure public funds, or invested as herein authorized.

Section 511. Method of Payments. Payments from the various funds shall be made by requisition, check or voucher signed by an officer, an agent, or employee of the District designated by the Board for such purpose, and each such requisition, check or voucher shall contain at least necessary information to reflect the name of the person to whom payment is made, the amount of the payment and the purpose for which the payment is made.

Section 512. Nonpresentment of Bonds. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if there shall have been deposited with the Paying Agent for the purpose, or left in trust if previously so deposited, funds sufficient to pay the principal thereof, together with all interest unpaid and due thereon, to the date of maturity thereof, or to the date fixed for redemption thereof, as the case may be, for the benefit of the holder thereof, all liability of the District to the holder thereof for the payment of the principal thereof and interest thereon shall forthwith cease, leave and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of the Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond.

Section 513. Rebate Fund. (a) Creation. There is hereby created by the District and ordered established with the Trustee a trust fund to be designated by the Trustee to as the "Solid Waste Rebate Fund"(the "Rebate Fund").

The Rebate Fund shall be held in trust by the Trustee and, subject to paragraph (c) of this Section, shall be held for the benefit of the United States of America. The Rebate Fund shall not be held for the benefit of the bondholders or the Trustee. The Trustee shall have no lien on or security interest in the Rebate Fund with respect to the payment of any fees, charges or expenses due to the Trustee under this Indenture.

(b) Determination and Payment of Rebate. The District and the Trustee acknowledge that the exclusion of the interest paid on the Tax-Exempt Bonds from gross income for purposes of federal income taxation is dependent upon continued compliance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The District shall, unless and until the District delivers to the Trustee a written opinion of counsel as described in paragraph (c) of this Section, make the determinations and take the required actions as are necessary, in the opinion of counsel, to comply with the requirements of Section 148(f) of the Code and the regulations pertaining thereto with respect to each issue of Tax-Exempt Bonds. The District shall rebate to the United States, not later than sixty (60) days after the end of the initial five year period for each issue of Tax-Exempt Bonds, and not later than sixty (60) days after the end of each five-year period thereafter, an amount which ensures that at least ninety percent (90%) of the Rebate Amount (as hereinafter defined) with respect to such issue of Tax-Exempt Bonds at the time of such payment will have been paid to the United States, and, within sixty (60) days after the payment or redemption of all principal of each issue of Tax-Exempt Bonds, an amount sufficient to pay the remaining unpaid balance of the Rebate Amount, all in the manner and as required by Section 148 of the Code and the regulations pertaining thereto. As used herein, "Rebate Amount" means the amount described in Section 148(f)(2) of the Code, computed in accordance with the provisions of Section 148(f)(2) and the regulations

pertaining thereto now. With respect to the Series 2005A Bonds, the first five year period shall end on November 1, 2009.

The District shall determine the Rebate Amount at the close of each five-year period for each issue of Tax-Exempt Bonds and upon payment or redemption of all principal of each issue of Tax-Exempt Bonds. To assist it in making the determination, the District shall employ a firm of certified public accountants, a law firm or other specialist in the calculation of arbitrage rebate (the "Rebate Analyst"). A "Rebate Report," stating the Rebate Amount and containing appropriate supporting documentation required to verify calculations of the Rebate Amount, shall be furnished by the District to the Trustee within thirty (30) days after the close of each five-year period for each issue of Tax-Exempt Bonds and within thirty (30) days after payment or redemption of all principal of each issue of Tax-Exempt Bonds. The District and the Trustee shall retain copies of each Rebate Report until six years after final payment or redemption of all principal of each issue of Tax-Exempt Bonds. Upon receipt of a Rebate Report, the District shall pay to the Trustee, for deposit into the Rebate Fund, the Rebate Amount so determined.

The Trustee shall separately account for the earnings from the investment of moneys in the Rebate Fund, and such earnings shall become a part of the Rebate Amount.

Moneys in the Rebate Fund shall be paid by the District to the United States at such times and in such amounts as are necessary to comply with the provisions of Section 148(f) of the Code and the regulations issued thereunder. Upon receipt by the Trustee of a written request of the District certifying that certain amounts in the Rebate Fund are not subject to rebate and an opinion of Bond Counsel to the effect that failure to rebate such amounts will not cause interest on an issue of Tax-Exempt Bonds to become includable in gross income of the bondholders for federal income tax purposes under existing laws, regulations, rulings and decisions, the Trustee shall transfer any such amounts to the credit of the Bond Fund. Except as provided in the previous sentence, moneys in the Rebate Fund shall be applied solely to meet the District's rebate obligations. The term "Bond Counsel" means a law firm of nationally recognized standing in the field of tax-exempt municipal securities selected by the District and acceptable to the Trustee.

The Trustee shall notify the District by first class mail posted at least 45 days before any Rebate Amount is due that such payment will be due. Failure to receive any such notice will not relieve the District of its obligations hereunder.

The provisions of this Section shall remain in full force and effect notwithstanding the defeasance of all Tax-Exempt Bonds.

(c) Exemption from Rebate. Notwithstanding the foregoing, in the event the Trustee is furnished with a written opinion of Bond Counsel (as defined in paragraph (b) above), to the effect that it is not necessary under existing laws, regulations, rulings and decisions to pay any portion of earnings on investments held under this Indenture or otherwise to the United States in order to assure the exclusion from gross income for federal income tax purposes of interest on any issue of Tax-Exempt Bonds, the requirements set forth in the preceding portions of this Section (with respect to the portion of such earnings specified in such opinion) need not be complied with and shall no longer be effective, and all amounts at the time on deposit in the Rebate Fund

(to the extent covered by such opinion) shall be transferred as specified in such opinion.

ARTICLE VI

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS; CONSTRUCTION OF PROJECT

Section 601. Proceeds of Series 2005 Bonds. (a) The proceeds of the sale of the Series 2005A Bonds shall be disbursed and handled as follows:

(i) The accrued interest shall be deposited by the Trustee into the Bond Fund.

(ii) The sum of $332,334.36 shall be deposited by the Trustee into the Debt Service Reserve Fund.

(iii) Expenses of issuance of the Series 2005A Bonds shall be paid by the Trustee pursuant to the delivery instructions of the District to the Trustee.

(iv) The sum of $7,902,390.30 shall be paid by the Trustee to First Security Bank for purposes of refunding a portion of the Temporary Bond.

(v) The balance of the proceeds of the Series 2005A Bonds shall be deposited by the Trustee into a special fund hereby created with the Trustee and designated "Solid Waste Construction Fund". The amount on deposit in the Construction Fund in excess of the amount insured by the Federal Deposit Insurance Corporation must be continuously secured by a perfected pledge of Government Securities or other securities authorized by Arkansas law to secure public funds; provided, however, that any moneys in the Construction Fund invested in accordance with the provisions of Article VII hereof need not be secured.

(b) The proceeds of the sale of the Series 2005B Bonds shall be disbursed and handled as follows:

(i) The accrued interest shall be deposited by the Trustee into the Bond Fund.

(ii) The sum of $86,135.64 shall be deposited by the Trustee into the Debt Service Reserve Fund.

(iii) Expenses of issuing the Series 2005B Bonds plus the letter of credit fee due Arvest shall be paid by the Trustee pursuant to the delivery instructions of the District to the Trustee.

(iv) The sum of $1,391,526.37 shall be paid by the Trustee to First Security Bank for the purpose of refunding a portion of the Temporary Bond.

(v) The sum of $610,000 shall be deposited by the District into the Closure Fund;

(vi) The sum of $300,000 shall be deposited by the District into the Revenue Fund; and

(vi) The balance of the proceeds shall be deposited by the Trustee into the Construction Fund.

Section 602. Construction Fund Expenditures. Moneys on deposit in the Construction Fund shall be expended for costs of accomplishing the Project and

expenses of issuing the Bonds. Such expenditures shall be in accordance with and pursuant to requisitions signed by one or more duly designated representatives of the District (which designation shall be in writing and filed with the Trustee) and each such requisition shall be filed with the Trustee, and shall be accompanied by, or shall specify, at least the following information:

(a) The name of the person, firm or corporation to whom payment is to be made;

(b) The amount of the payment; and

(c) That the disbursement is for a proper cost or expense of or pertaining to the Project or the issuance of the Bonds.

The Trustee shall keep records concerning and reflecting all disbursements from the Construction Fund.

Section 603. Proceeds of Additional Bonds. The proceeds of Additional Bonds shall be held and disbursed as provided in the supplemental indenture under which the Additional Bonds are issued.

Section 604. Construction of Project. The District agrees to make, or cause to be made, all contracts and do, or cause to be done, all things necessary for the acquisition, construction and equipping of the Project, and that it shall cause the Project to be acquired, constructed, installed and equipped at the Facility. All of such acquisition, construction and installation shall be made in accordance with the permits granted or to be granted by the Arkansas Department of Environmental Quality (or successor agency of the State of Arkansas) ("ADEQ").

The District hereby agrees that in order to effectuate the purposes of this Indenture it will make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, any contracts, orders, receipts, writings and instructions with any other persons and in general do all things which may be requisite or proper, for completing the Project. So long as the District is not in default under any of the provisions of this Indenture, the District shall have full power to carry out the acts and agreements provided in this Section.

The District agrees to construct and equip, or cause to be constructed and equipped, the Project with all reasonable dispatch. The District covenants and agrees to obtain from ADEQ all necessary permits to accomplish the Project.

Section 605. Establishment of Completion Date. The "Completion Date" shall be the date on which the Trustee shall acknowledge, in writing to the District, receipt of a following certificate in form satisfactory to the Trustee, which certificate the District shall furnish to the Trustee within ninety days after the substantial completion of the Project. For purposes of this Section 605, the "Project" shall be the entire Project or the portion thereof that the District has determined to finance with the proceeds of an issue of the Bonds. The certificate shall be signed by the Chairman and state (i) that the acquisition, construction, installation and equipping of the Project have been completed and that the entire cost of the Project has been paid or is then due and payable in accordance with the certificates submitted pursuant to Section 602 of this Indenture (provided, that money may be

specified by the District to be held in the Construction Fund to be used to correct minor defects in the Project which the District has ordered to be remedied and minor items of work and materials awaiting seasonal completion may be specified, which specifications shall include (a) the amount required to remedy such defects or to be seasonally completed and (b) a representation that such amounts will be sufficient to pay when due the cost of such items; (ii) that no claim or claims exist arising out of the construction contract out of which a lien based on furnishing labor or materials exist or might ripen; provided, however, there may be excepted from the foregoing statement any construction claim or claims out of which a lien exists or might ripen in the event that the District intends to contest such construction claim or claims, in which event such claim or claims shall be described; provided, further, that in that event the District shall state that moneys are on deposit in the Construction Fund or are available to the District sufficient to make payment of the full amount which might in any event be payable in order to satisfy such claim or claims; and (iii) that the Project conforms to the permit issued by ADEQ therefore and is suitable and sufficient for efficient operation for the purpose for which the Project will be used; provided, however, that such certificate may be given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

Section 606. Reimbursement. The District will not expend the proceeds of an issue of Tax-Exempt Bonds to reimburse itself for any cost paid prior to the date such Tax-Exempt Bonds were issued except in accordance with United States Treasury Regulation §1.150-2.

ARTICLE VII

INVESTMENTS

Section 701. Investments. (a) Moneys held for the credit of the Debt Service Reserve Fund shall, at the direction of the District, be invested and reinvested by the Trustee in Eligible Investments maturing (except in the case of money market funds) within five (5) years from the date of investment.

(b) Moneys held for the credit of the Rebate Fund shall be invested and reinvested by the Trustee in Government Securities which shall mature not later than the date or dates on which the money held for the credit of the Rebate Fund will be required for the purposes intended.

(c) Moneys held for the credit of any other Fund under this Indenture may be invested and reinvested, as directed by the District, in Eligible Investments which shall mature (except in the case of money market funds) not later than the date or dates on which the money held for the credit of the particular fund will be required for the purposes intended as determined by the District.

(d) Obligations so purchased as an investment of moneys in any Fund shall be deemed at all times a part of such Fund and the interest accruing thereon and any profit realized from such investment, shall be credited to such Fund, and any loss resulting from such investment shall be charged to such Fund.

(e) "Eligible Investments," as used in this Section, include only:

(1) Government Securities;

(2) Money market funds comprised exclusively of Government Securities, provided such funds are registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933; and

(3) Certificates of Deposit issued by banks that are members of the Federal Deposit Insurance Corporation and, to the extent not insured by the Federal Deposit Insurance Corporation, secured by a valid and enforceable pledge of Government Securities or other securities authorized by Arkansas law to secure public funds having a market value, at all times while the Certificate of Deposit is outstanding, at least equal to the principal and interest to become due on the Certificate of Deposit. The pledged securities must be delivered to the District or the depository making the investment.

(f) The Trustee shall determine the market value of all investments on November 10 of each year and shall report the market value to the District and to the Underwriter. The District shall cooperate with the Trustee by providing the necessary information bout investments of moneys not held by the Trustee.

(g) Moneys in the Special Bond Redemption Fund may not be invested at a yield in excess of the yield on the Bonds, as specified in a letter of instruction from Bond Counsel to the Trustee.

ARTICLE VIII

POSSESSION AND USE OF MORTGAGED PROPERTY

Section 801. Possession and Use. So long as not otherwise provided in this Indenture, the District shall be suffered and permitted to possess, use and enjoy the Mortgaged Property and appurtenances.

Section 802. Easements. The Trustee shall be authorized, when requested by the District, to join with the District in taking the necessary steps, or, if required, to execute an appropriate release of the lien of this Indenture, to grant easements over, along, across and under the Mortgaged Property, provided that the location of any such easements and the nature thereof shall not interfere with the present or logical future use of the Mortgaged Property by the District, and the Trustee shall be entitled to rely upon and act in accordance with a certificate of a duly qualified engineer, who may be an engineer employed by the District.

Section 803. Leases and Management Contracts. The District will not lease all or any part of the Facility or the Hauling Company or enter into a management contract with respect to thereto (excluding the management contract with the Northwest Arkansas Economic Development District, Inc. that expires on December 31, 2005) with any person without obtaining an opinion of Bond Counsel filed with and acceptable to the Trustee to the effect that such lease or management contract will not adversely affect the tax-exempt status of interest on the Tax-Exempt Bonds for federal income tax purposes.

Section 804. Correction of Real Property Description. The Land as described in Exhibit A is intended to include only approximately 500 acres of undeveloped real property adjoining the approximately 200 acre landfill that is a part of the Facility. Notwithstanding anything herein to the contrary, the Trustee is hereby authorized and directed to enter into a supplement to this Indenture if necessary to correct the description of the Land in order to meet the intent of the Trustee and the District.

ARTICLE IX

DISCHARGE OF LIEN

Section 901. Discharge of Lien. If the District shall pay or cause to be paid to the holders and owners of the Bonds the principal, premiums, if any, and interest to become due thereon at the times and in the manner stipulated therein, and if the District shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the District the estate hereby conveyed, and assign and deliver to the District any property at the time subject to the lien of this Indenture which may then be in its possession, except cash held by it for the payment of the principal of, premiums, if any, and interest on the Bonds.

Bonds shall be deemed to have been paid for purposes of this Indenture if there has been deposited with the Trustee in trust either (a) moneys in an amount, or Government Securities the principal of and interest on which will, together with any moneys held by the Trustee at the same time and available for such purpose pursuant to this Indenture, without further investment or reinvestment of either the principal amounts thereof or the interest earnings thereon, provide amounts which will be sufficient to pay when due the principal, interest, and premium, if any, to become due and payable on or prior to the respective redemption dates or maturity dates of such Bonds, and (b) in case any of such Bonds are to be redeemed on any date prior to their maturity, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving of such notice.

The District may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 1001. Events of Default. If any of the following events occur, it is hereby defined and declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment of any interest on any Bond or any Parity Obligation and the continuance thereof for a period of thirty (30) days;

(b) Default in the due and punctual payment of any moneys required to be paid to the Trustee under provisions of Article V and the continuation thereof for a period of thirty (30) days;

(c) Default in the due and punctual payment of the principal of any Bond or any Parity Obligation, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture, in the Bonds, in any Parity Obligation or in any document securing a Parity Obligation, and the continuance thereof for a period of six (6) months after written notice to the District by the Trustee or by the holders of not less than ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder.

(e) Any other "event of default" as defined in a Parity Obligation or a document securing a Parity Obligation.

(f) Default in the due and punctual payment, of the principal of or interest on any other indebtedness of the District secured by all or any part of the Mortgaged Property and the continuance thereof for a period of thirty (30) days.

The term "default" shall mean default by the District in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture, in the Bonds, in any Parity Obligation or in any document securing a Parity Obligation, exclusive of any period of grace required to constitute a default an "event of default" as hereinabove provided, or as provided in a Parity Obligation or a document securing a Parity Obligation.

Section 1002. Acceleration. Upon the occurrence of an event of default, the Trustee may, and upon the written request of the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding under this Indenture (regardless of series) shall, by notice in writing delivered to the District, declare the principal of all Bonds hereby secured and then outstanding under this Indenture and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Section 1003. Right of Entry; Appointment of Receiver. Upon the occurrence of any event of default, the District, upon demand of the Trustee,

shall forthwith surrender to it the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of, all or any part of the Mortgaged Property with the books, papers and accounts of the District pertaining thereto, to the Hauling Company and to the Facility and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as by the Trustee shall be deemed wise; and the Trustee, with or without such permission, may collect, receive and sequester the revenues, earnings, income, products and profits therefrom and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and all taxes, assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the money so received by the Trustee in accordance with the applicable provisions of this Article X. Whenever all that is due upon such Bonds and installments of interest under the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the District, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property, the Trustee shall render annually to the registered owners a summarized statement of income and expenditures in connection therewith.

Upon the occurrence of an event of default and commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, without notice or demand and without regard to the adequacy of the security for the Bonds, the Trustee shall have the right to the appointment of a receiver of all or any portion of the Mortgaged Property and of the profits, revenues and other income thereof, but, notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of, and to collect and receive the income from the Mortgaged Property held by, or required to be deposited or pledged with, the Trustee hereunder and to retain control of, and to collect and receive the income from, all Mortgaged Property.

Section 1004. Other Remedies. Upon the occurrence of an event of default the Trustee may, as an alternative, proceed either after entry or without entry, to pursue any available remedy by suit at law or equity to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder, including, without limitation, foreclosure and mandamus.

The District hereby authorizes the Trustee, subject to any mandatory requirements of applicable law, to sell the Land as an entirety or from time to time in part to the highest bidder at public auction at such place and at such time (which sale may be adjourned from time to time in the Trustee's discretion by announcement at the time and place fixed for such sale, without further notice) and upon such terms as the Trustee may fix and briefly specify in a notice of sale to be first published at least thirty (30) days prior to such sale and to be published once each week for three (3) successive weeks prior to such sale in a newspaper of general circulation in Baxter County, Arkansas, or otherwise in compliance with Act 53 of 1987, as amended from time to time.

In addition, the Trustee may foreclose this Mortgage by judicial proceedings in the manner provided by the laws of the State of Arkansas for

the foreclosure of mortgages, and in such event the Trustee may bid for or become the purchaser of the property at the foreclosure sale and be entitled to have the purchase price payable at foreclosure sale payable by credit to the judgment of foreclosure.

If an event of default shall have occurred, and if it shall have been requested so to do by the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder and shall have been indemnified as provided in Section 1101 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred upon it by this Section and by Section 1003 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 1005. Bondholders May Direct. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds outstanding hereunder shall have the right, at any time, by any instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 1006. Receiver. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the mortgaged property and of the tolls, rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

Section 1007. Waiver by District. In case of an event of default on its part as aforesaid, to the extent that such rights may then lawfully be waived, neither the District nor anyone claiming through it or under it shall or will set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the District, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement, sale and redemption to which it may be entitled under the laws of the State of

Arkansas, including particularly all right of redemption under the Act of the General Assembly of the State of Arkansas of May 8, 1899, and all acts amendatory or in replacement thereof as supplemental thereto.

Section 1008. Application of Moneys. Available moneys shall be applied by the Trustee as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: to the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of Article V of this Indenture.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amount

of principal to be paid on such dates shall cease to accrue. The Trustee shall have such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any bond until such bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1009. Enforcement by Trustee. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds hereby secured, and any recovery of judgement shall be for the equal benefit of the holders of the outstanding Bonds.

Section 1010. Limitation of Bondholder Rights. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101, or of which by said subsection it is deemed to have notice, nor unless such default shall have become an event of default and the holders of twenty-five percent (25%) in aggregate principal amount of Bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1101 nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the District to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place in said Bonds expressed.

Section 1011. Rights Continue. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken, except to the extent the Trustee is legally bound by such adverse determination.

Section 1012. Waivers by Trustee. The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration or maturity of principal, and shall do so upon the written request of the holders of fifty percent (50%) in principal amount of all Bonds outstanding hereunder (of all series but not necessarily of each series); provided, however, that there shall not be waived (a) any event of default in the payment of principal of any Bonds issued hereunder and outstanding hereunder at the date of maturity specified therein or (b) any default in the payment of the interest or of deposits into the Bond Fund unless prior to the waiver or rescission all arrears of interest, with interest at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of Bond Fund payments, as the case may be, and all expenses of the Trustee shall have been paid or provided for and in case of any such waiver or rescission or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Trustee, the District and the bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE XI

THE TRUSTEE

Section 1101. Responsibilities. The Trustee hereby accepts the trust imposed upon it by this Indenture, and agrees to perform said trusts upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any duties required of it by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and its duties hereunder, and may in all cases pay, and be reimbursed for, reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care, or, if selected or retained by the District prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection the Trustee is deemed to have notice, approved by the Trustee in the exercise of such care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in accordance with any such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for the recording or rerecording, filing or refiling of this Indenture, or for insuring the properties herein conveyed or collecting any insurance moneys, or for the validity of the execution by the District of this Indenture or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured by, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof, except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture, it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the District, except as hereinafter set forth; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed.

(c) The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to by genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of the same bond and upon bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee

shall be entitled to rely upon a certificate of the District signed by the Chairman and attested by the Secretary as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which it has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion, at the reasonable expense of the District, in every case secure such further evidence as it may think necessary or advisable but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the District under the seal of the District to the effect that a resolution in the form therein set forth had been adopted by the Board of Directors of the District as conclusive evidence that such resolution has been adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the District to make or cause to be made any of the payments to the Trustee required to be made by Article V (with the time limitation noted in subsection (b) of Section 1001) unless the Trustee shall be specifically notified in writing of such default by the District or by the holders of at least ten percent (10%) in aggregate principal amount of Bonds outstanding hereunder (of all series but not necessarily of each series) and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be personally liable in the case of entry by it on the Mortgaged Property or for any debts contracted or for damages to persons or to personal property injured or damages, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as in this indenture provided.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the properties herein conveyed, including all books, papers and records of the District pertaining to the properties of the District and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action of evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the

purpose of establishing the right of the District to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(l) Notwithstanding any other provision of this Indenture, before taking such action hereunder the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee, by reason of any action so taken by the Trustee.

Section 1102. Compensation; Lien. The Trustee shall be entitled to payment and/or reimbursement for its reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in and about the execution of the trusts created by this Indenture and in and about the exercise and performance by the Trustee of the powers and duties of the Trustee hereunder, and for all reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee). Upon default by the District, but only upon default, pursuant to the provisions of this Indenture pertaining to default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or interest of any Bond issued hereunder upon the mortgaged properties for the reasonable and necessary advances, fees, costs and expenses incurred by the Trustee.

Section 1103. Merger or Consolidation. Any bank or trust company into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1104. Notices to Bondholders. If a default occurs of which the Trustee is by subsection (g) of Section 1101 hereof required to take notice or if notice of default be given it as in subsection (g) provided, then the Trustee shall give written notice thereof by mail to the registered owners of all Bonds.

Section 1105. Intervention in Judicial Proceedings. In any judicial proceeding to which the District is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of bondholders and shall do so if requested in writing by the owners of at least ten percent (10%) of the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this Section 1105 are subject to the approval of the court having jurisdiction in the premises.

Section 1106. Resignation. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving written notice to the District. Such resignation shall take effect upon the appointment of a

successor trustee by the bondholders or by the District. Such notice may be served personally or sent by certified mail.

Section 1107. Removal. The Trustee may be removed at any time by any instrument or concurrent instruments in writing delivered to the Trustee and to the District, and signed by either the owners of a majority in aggregate principal amount of Bonds outstanding hereunder or, so long as no event of default has occurred and is continuing, the District.

Section 1108. Successor Trustees. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of action hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds outstanding hereunder, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the District by an instrument executed and signed by the Chairman and attested by the Secretary under its seal, shall appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the bondholders in the manner above provided; and any such temporary trustee so appointed by the District shall immediately and without further act be superseded by the trustee so appointed by such bondholders.

Section 1109. Acceptance of Successors. Every successor or temporary trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the District an instrument in writing accepting such appointment hereunder, and thereupon such successor or temporary trustee, without any further act or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the District or of its successor trustee, execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities, moneys and any other property held by it as trustee hereunder to its successor. Should any instrument in writing from the District be required by any successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the District. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the District, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 1110. Paying Agent Compensation. There shall be paid the standard and customary Paying Agent's fees and charges of the Paying Agent for handling the payment of the principal of and interest on the Bonds and funds sufficient to pay the same shall be deposited with the Paying Agent prior to the dates on which payments are required to be made on principal and interest.

Section 1111. Trustee May Pay Governmental Charges. In case the District shall fail seasonably to pay or to cause to be paid any tax, assessment or governmental or other charge upon any part of the property herein conveyed, to the extent, if any, that the District may be liable for same, the Trustee may pay such tax, assessment or governmental charge, without prejudice, however,

to any rights of the Trustee or the bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid by the District from the revenues derived from the mortgaged property upon demand, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the proceeds of revenues collected from the mortgaged property if not paid by the District; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the holders of at least ten percent (10%) of the aggregate principal amount of bonds outstanding hereunder and shall have been provided with adequate funds for the purpose of such payment.

Section 1112. Reliance on Instruments. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted and relied upon by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the payment and withdrawal of cash hereunder.

Section 1113. Co-Trustees and Separate Trustees. The District and the Trustee shall have power to appoint and upon the request of the Trustee the District shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustees of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co-trustee any property, title, right or power deemed necessary or desirable. In the event that the District shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do, the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the District be required by the separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyance and instruments in writing shall, on request, be executed, acknowledged and delivered by the District. Every such co-trustee and separate trustee shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(1) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and

(2) The Trustee, at any time by an instrument in writing, may remove any such separate trustee or co-trustee.

Every instrument, other than this Indenture, appointing any such co-trustee or separate trustee, shall refer to this Indenture and the conditions of this Article XI expressed, and upon the acceptance in writing by such separate trustee or co-trustee, he, they or it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Indenture. Any such separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee as his, their or its agent or attorney-in-fact

with full power and authority, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and on behalf of him, them or it and in his, their or its name. In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of the separate trustee or co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co-trustee.

Section 1114. Paying Agent Succession. The provisions hereof pertaining to the merger, consolidation, resignation, removal and appointment of successors of and for the Trustee shall be applicable to the merger, consolidation, resignation, removal and appointment of successors of and for the Paying Agent.

ARTICLE XII

SUPPLEMENTAL INDENTURES

Section 1201. Without Consent of Bondholders. The District and the Trustee may, from time to time and at any time, enter into such indenture supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall thereafter form a part hereof), (a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indentures, or (b) to grant to or confer upon the Trustee for the benefit of the holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee, or (c) in connection with the issuance of Additional Bonds hereunder or (d) make any other deletion, modification or change which the Trustee determines will not adversely affect the owners of the Bonds or the security for the Bonds in any material respect.

At least thirty (30) days prior to the execution of any supplemental indentures for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution of such supplemental indentures to be mailed, postage prepaid, to all registered owners of Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indentures and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all bondholders. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental indentures.

Section 1202. With Consent of Bondholders. Subject to the terms and provisions contained in this Section, and not otherwise, the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then outstanding (of all series but not necessarily each series) shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval of bondholders of the execution of any supplemental indenture as provided in Section 1201 of this Article.

If at any time the District shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the District, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered owners of Bonds. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to publish such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as

provided in this Section. If the holders of not less than two-thirds (2/3) in aggregate principal amount of Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms of the provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE XIII

MISCELLANEOUS

Section 1301. Authenticity of Instruments. Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request, directions, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership by any person of bonds shall be determined by reference to the bond registration books maintained by the Trustee.

Section 1302. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1303. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1304. Governing Law. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of Arkansas.

IN WITNESS WHEREOF, Northwest Arkansas Regional Solid Waste Management District has caused these presents to be signed in its name and behalf by its Chairman and its seal to be hereunto affixed and attested by its Secretary, and to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its name and behalf and attested, by its duly authorized officers, all as of the date and year first above written.

NORTHWEST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT

By: _____
Chairman

ATTEST:

_____
Secretary

(SEAL)

NW ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT

BANK OF THE OZARKS
Little Rock, Arkansas

By: _____

Title: Sr. Vice President

ATTEST:

By: _____

Title: V.P.

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF BOONE)

On this 14th day of October, 2005, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named Robert Reynolds, Chairman of Northwest Arkansas Regional Solid Waste Management District, to me personally known, who stated that he was duly authorized in his respective capacity to execute the foregoing instrument for and in the name of the District, and further stated and acknowledged that they had signed, executed and delivered the 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.

Martha L. McEntire
Notary Public

My Commission Expires:

May 13th, 2011

MARTHA L. MCENTIRE
Boone County
My Commission Expires
May 13, 2011

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF SEARCY)

On this 14th day of October, 2005, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named Johnny Hinchey, Secretary of Northwest Arkansas Regional Solid Waste Management District, to me personally known, who stated that he was duly authorized in his respective capacity to execute the foregoing instrument for and in the name of the District, and further stated and acknowledged that they had signed, executed and delivered the 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.

Wesley Smith
Notary Public

My Commission Expires:
12-31-06

ACKNOWLEDGMENT

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

On this 17th day of October, 2005, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named Sheila Mayden and Rex Kyle, Senior Vice President and Present of the Trust Department, respectively, of Bank of the Ozarks, Little Rock, 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 and behalf of the Bank, and further stated and acknowledged that they had signed, executed and delivered the 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.

Michelle D. Leone
Notary Public

My Commission Expires:

MICHELLE D. LEONE
Notary Public-State of Arkansas
Pulaski County
My Commission Expires 11-10-2009

EXHIBIT A

TRACT A: All of the following described tracts of land located in Township 21 North, Range 14 West of the Fifth Principal Meridian in Baxter County, Arkansas, more specifically described as follows: All of the North 1/2 of the Northwest 1/4 of Section 36; Also, all of the Southwest 1/4 and the South 1/2 of the Northwest 1/4 of Section 25; Also, all of the North 1/2 of the Northeast 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 35; Also, all of the Southeast 1/4 and the South 1/2 of the Northeast 1/4 and that part of the East 1/2 of the Southwest 1/4 and that part of the Southeast 1/4 of the Northwest 1/4 of Section 26 lying South and East of County Road 16.

LESS AND EXCEPT, all of the Southeast 1/4 of the Southeast 1/4 of Section 26; Also all of the Southwest 1/4 of the Southeast 1/4 of Section 26; Also all of the Northwest 1/4 of the Northeast 1/4 of Section 35.

TRACT B: A tract of land in the Southeast 1/4 of the Northeast 1/4 of Section 16, Township 19 North, Range 13 West, City of Mountain Home, Baxter County, Arkansas being described as follows: Commencing at a found County Surveyor's disk at the Northwest corner of said Southeast 1/4 of the Northeast 1/4, thence South 88°33'00" East, along the North line of said Southeast 1/4 of the Northeast 1/4 for 585.77 feet; thence South 01°22'00" West for 84.16 feet to the point of beginning; thence Southeasterly, along the Southwesterly right-of-way line of Arkana Road, and along a curve to the right having a radius of 127.10 feet and a chord bearing and distance of South 34°35'00' East, 80.66 feet for an arc distance of 82.08 feet to a point of tangency; thence continuing along said Southwesterly right-of-way line, South 16°04'58" East for 66.83 feet; thence South 13°44'02" East for 108.00 feet; thence South 14°56'08" East for 197.67 feet; thence North 78°45'13" West along the centerline of a drainage ditch for 100.36 feet; thence continuing along said centerline, North 86°40'37" West for 76.15 feet; thence North 10°56'47" East along the Easterly top of bank of Hicks Creek for 260.40 feet; thence continuing along said top of bank, North 06°10'13" West for 147.74 feet to the point of beginning.

Subject to any and all easement, covenants or restrictions of record or fact.

LESS AND EXCEPT, that part, if any, of the following described tract included in the above described 0.7995 acre tract: All that part of the following described property which lies North of the street which is now known as Leo T. C. Davis Drive, East of the creek, and West of 16th Street, to-wit: Part of the Southeast 1/4 of Northeast 1/4, Section 16, Township 19 North, Range 13 West, bounded and described as follows: Beginning at the Northwest corner of said Southeast 1/4 Northeast 1/4, run thence South 55°37' East, 896.3 feet to a point intersecting the centerline of ditch shown and the West boundary of Arkana Road, said point being the point of beginning; run thence following the course along West boundary of Arkansas Road, South 21°31' East, 129.6 feet; thence South 31°12' East, 100 feet; thence South 41°45' East, 100 feet; thence South 53°36' East, 100 feet; thence South 59°50' East, 200 feet; then leaving said West boundary of said road, run thence South 0°40' West, 145.9 feet; thence North 79°30' West, 972.3 feet; thence North 47°14' East, 343.6 feet; thence North 47°47' West, 42.9 feet to centerline of creek; thence along said centerline of creek, North 40°04' East, 215.5 feet to the point of intersection with the above mentioned ditch, thence along the centerline of said ditch, South 84°30' East, 180.2 feet to the point of beginning, containing 6.45 acres, more or less.

TRACT C: Part of the Southeast 1/4 Northeast 1/4 of Section 16, Township 19 North, Range 13 West, bounded and described as follows: Starting at the Northeast corner of said forty and run thence South along the East line thereof, 144 yards for a point of beginning for the lands herein described; run thence West about 200 yards down the ditch or drain to the East right-of-way line of the Mountain Home-Arkana Public Road; run thence Southeasterly along the right-of-way line of said road to where the same intersects the East line of said forty; run thence North along the East line of said forty about 190 yards to the point of beginning.

07279 RLH SANITATION, INC
71-0526616
FYE: 12/31/2004

Tax Asset Detail 1/01/04 - 12/31/04

02/09/2005 1:53 PM
Page 1

Asset	*	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(h) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group BUILDINGS												
1		SHOP BUILDING	2/15/83	23,621.76	0.00	0.00	22,791.27	0.00	22,795.27	826.49	PRE	15.0
2		LAND	2/15/83	21,932.33	0.00	0.00	0.00	0.00	0.00	21,932.33	Memo	0.0
3		NEW BUILDING	5/15/84	48,084.19	0.00	0.00	48,084.19	0.00	48,084.19	0.00	PRE	18.0
4		LANDSCAPING-OFFICE	7/25/86	3,577.31	0.00	0.00	3,577.31	0.00	3,577.31	0.00	PRE	5.0
5		BUILDING	7/01/86	1,085.00	0.00	0.00	974.98	56.42	1,031.40	53.60	SL	19.0000
6		OFFICE BUILDING ADDITION	7/10/90	74,360.14	0.00	0.00	31,779.78	2,360.64	34,130.92	40,229.22	SL	31.5
7		CARPET	3/29/91	3,100.55	0.00	0.00	3,100.55	0.00	3,100.55	0.00	200DB	7.0
		BUILDINGS		175,761.28	0.00c	0.00	110,302.58	2,417.06	112,719.64	63,041.64		
Group IMPROVEMENTS												
212		IMPROVEMENTS	6/30/92	19,261.98	0.00	0.00	19,261.98	0.00	19,261.98	0.00	200DB	7.0
213		IMPROVEMENTS	11/01/93	14,907.55	0.00	0.00	4,791.86	471.27	5,263.13	9,642.42	SL	31.5
214		IMPROVEMENTS	3/01/94	10,219.36	0.00	0.00	2,572.80	262.55	2,835.35	7,406.19	SL	39.0
215		IMPROVEMENTS	4/27/95	420.00	0.00	0.00	92.79	10.77	103.56	316.44	SL	39.0
216		IMPROVEMENTS	5/03/95	5,486.87	0.00	0.00	1,209.05	140.18	1,349.23	4,137.64	SL	39.0
217		IMPROVEMENTS	6/08/95	9,356.95	0.00	0.00	2,068.25	239.51	2,289.34	7,067.21	SL	39.0
218		IMPROVEMENTS	7/07/95	6,108.16	0.00	0.00	1,328.32	156.57	1,484.89	4,623.27	SL	39.0
219		IMPROVEMENTS	8/16/95	17,832.79	0.00	0.00	3,830.14	457.33	4,287.47	13,545.32	SL	39.0
220		IMPROVEMENTS	9/06/95	1,071.87	0.00	0.00	227.86	27.48	255.34	816.53	SL	39.0
221		IMPROVEMENTS	10/12/95	7,791.18	0.00	0.00	1,639.78	199.77	1,839.55	5,951.63	SL	39.0
222		IMPROVEMENTS	11/10/95	5,180.69	0.00	0.00	1,079.32	132.84	1,212.16	3,968.48	SL	39.0
223		IMPROVEMENTS	6/15/96	23,353.17	0.00	0.00	4,515.95	598.80	5,114.75	18,238.42	SL	39.0
224		IMPROVEMENTS	11/08/00	6,909.56	0.00	0.00	333.66	177.17	510.83	6,398.73	SL	39.0
254		IMPROVEMENTS	12/03/02	8,814.00	0.00	0.00	227.41	218.31	445.72	8,368.28	SL	39.0
		IMPROVEMENTS		136,415.06	0.00c	0.00	43,375.15	3,694.95	48,470.10	88,944.96		
Group OFFICE EQUIPMENT												
53		FILE CABINETS	5/18/94	4,686.00	0.00	0.00	4,686.00	0.00	4,686.00	0.00	200DB	7.0
54		COMPUTER	6/17/94	1,059.68	0.00	0.00	1,059.68	0.00	1,059.68	0.00	200DB	5.0
55		OFFICE EQUIPMENT	10/20/94	451.26	0.00	0.00	451.26	0.00	451.26	0.00	200DB	7.0
56		OFFICE EQUIPMENT	11/17/94	115.82	0.00	0.00	115.82	0.00	115.82	0.00	200DB	7.0
57		HAND HELD RADIO	2/13/95	478.17	0.00	0.00	478.17	0.00	478.17	0.00	200DB	5.0
58		HAND HELD RADIO	6/21/95	483.75	0.00	0.00	483.75	0.00	483.75	0.00	200DB	5.0
59		ROLL OFF CONTAINERS	7/26/95	29,583.88	0.00	0.00	29,583.88	0.00	29,583.88	0.00	200DB	7.0
60		1 CANON MF6025 COPIER	2/13/95	8,410.00	0.00	0.00	8,410.00	0.00	8,410.00	0.00	200DB	7.0
61		CARD FILE SYSTEM	3/17/95	1,251.38	0.00	0.00	1,251.38	0.00	1,251.38	0.00	200DB	7.0
62		SECT CHAIR & FILE DRAWER	2/13/95	616.53	0.00	0.00	616.53	0.00	616.53	0.00	200DB	7.0
63		TELEPHONE	3/27/95	419.45	0.00	0.00	419.45	0.00	419.45	0.00	200DB	5.0
64		COMPUTER	3/30/95	1,160.85	0.00	0.00	1,160.85	0.00	1,160.85	0.00	200DB	7.0
65		TELEPHONE	5/11/95	462.16	0.00	0.00	462.16	0.00	462.16	0.00	200DB	5.0
66		2 SECT CHAIRS	6/21/95	210.87	0.00	0.00	210.87	0.00	210.87	0.00	200DB	7.0
67		TELEPHONES	11/06/95	4,623.52	0.00	0.00	4,623.52	0.00	4,623.52	0.00	200DB	5.0
68		FILE CABINET	11/27/95	457.90	0.00	0.00	457.90	0.00	457.90	0.00	200DB	5.0
69		XL 15 LIVING AIR	12/01/95	633.68	0.00	0.00	633.68	0.00	633.68	0.00	200DB	7.0
70		COMPUTERS	12/15/95	6,735.99	0.00	0.00	6,735.99	0.00	6,735.99	0.00	200DB	5.0

EXHIBIT B

Tax Asset Detail 1/01/04 - 12/31/04

Asset	*	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: OFFICE EQUIPMENT (continued)												
71		XL 15 LIVING AIR	12/20/95	633.68	0.00	0.00	633.68	0.00	633.68	0.00	200DB	7.0
72		COMPUTERS	1/31/96	6,735.99	0.00	0.00	6,735.99	0.00	6,735.99	0.00	200DB	5.0
73		LASER PRINTER	3/12/96	494.79	0.00	0.00	494.79	0.00	494.79	0.00	200DB	5.0
74		MOBILE RADIO	8/28/96	462.53	0.00	0.00	462.53	0.00	462.53	0.00	200DB	5.0
75		COMPUTER PRINTER	10/04/96	2,205.27	0.00	0.00	2,205.27	0.00	2,205.27	0.00	200DB	5.0
76		COMPUTER PRINTER	12/11/96	1,109.34	0.00	0.00	1,109.34	0.00	1,109.34	0.00	200DB	5.0
77		MOBILE RADIO	1/31/96	403.13	0.00	0.00	403.13	0.00	403.13	0.00	200DB	5.0
78		MOBILE RADIO	5/13/96	480.32	0.00	0.00	480.32	0.00	480.32	0.00	200DB	5.0
79		MOBILE RADIO	5/29/96	106.45	0.00	0.00	106.45	0.00	106.45	0.00	200DB	5.0
80		EQUIPMENT	8/28/96	1,582.50	0.00	0.00	1,582.50	0.00	1,582.50	0.00	200DB	5.0
81		MOBILE RADIO	9/17/96	479.25	0.00	0.00	479.25	0.00	479.25	0.00	200DB	5.0
82		EQUIPMENT	10/31/96	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	200DB	5.0
83		RADIO	11/03/96	401.23	0.00	0.00	401.23	0.00	401.23	0.00	200DB	5.0
84		EQUIPMENT	11/13/96	10,500.00	0.00	0.00	10,500.00	0.00	10,500.00	0.00	200DB	7.0
85		2 LIVING AIR PACKERS	2/21/97	1,063.13	0.00	0.00	1,063.46	13.67	1,063.13	0.00	200DB	7.0
86		FRIDEN ELECTRONIC SCALE	3/03/97	206.70	0.00	0.00	206.48	2.26	206.70	0.00	200DB	7.0
87		MOBILE RADIO	3/21/97	461.10	0.00	0.00	461.76	14.34	461.10	0.00	200DB	7.0
88		2 HP 4 MOWERS	5/16/97	359.75	0.00	0.00	359.75	18.79	359.75	0.00	200DB	7.0
89		30 GR MOWERS	8/15/97	378.13	0.00	0.00	378.13	8.00	378.13	0.00	200DB	5.0
90		AFC 8 BACKUP 8-00	8/12/97	287.83	0.00	0.00	287.83	0.00	287.83	0.00	200DB	5.0
91		CANON FAX MACHINE	11/18/97	1,332.81	0.00	0.00	1,332.81	0.00	1,332.81	0.00	200DB	5.0
92		COMPAQ PRESARIO & HP DESI	11/10/97	2,155.80	0.00	0.00	2,155.80	0.00	2,155.80	0.00	200DB	5.0
93		IBM TP 380 P150 & IBM 33.6 MO	11/25/97	2,265.73	0.00	0.00	2,265.73	0.00	2,265.73	0.00	200DB	5.0
94		2 CHANNEL 40W MOBILE RADI	2/23/98	363.52	0.00	0.00	489.08	59.29	538.37	25.15	200DB	7.0
95		CLERICAL CHAIRS	4/21/98	810.24	0.00	0.00	707.77	70.31	778.08	36.16	200DB	7.0
96		40W VHF MOBILE RADIO	5/06/98	363.52	0.00	0.00	486.08	59.29	538.37	25.15	200DB	7.0
97		2 CALCULATORS	7/13/98	489.60	0.00	0.00	489.60	0.00	489.60	0.00	200DB	5.0
98		50W PORTABLE RADIO	8/11/98	457.40	0.00	0.00	396.16	40.83	436.99	20.41	200DB	5.0
99		50W PORTABLE RADIO	9/01/98	457.40	0.00	0.00	396.16	40.83	436.99	20.41	200DB	7.0
100		OASIS WATER COOLER	9/10/98	309.40	0.00	0.00	267.98	27.61	295.59	13.81	200DB	7.0
101		COMPAQ PRESARIO 2256/MV4(	10/22/98	1,485.18	0.00	0.00	1,485.18	0.00	1,485.18	0.00	200DB	5.0
102		PENTIUM III COMPUTER & BRC	7/12/99	2,209.13	0.00	0.00	2,053.13	156.00	2,209.13	0.00	200DB	5.0
103		CB 3300 CLEAN BURN OIL FUK	12/07/99	8,117.69	0.00	0.00	6,082.38	707.93	6,790.31	1,327.38	200DB	7.0
104		CPU	3/05/00	826.29	0.00	0.00	683.51	95.19	778.70	47.59	200DB	5.0
105		PRINTER	3/06/00	425.43	0.00	0.00	351.92	49.01	400.93	24.50	200DB	5.0
106		10 CHANNEL 4 WATT PORTABL	4/20/00	478.09	0.00	0.00	328.75	42.67	371.42	106.67	200DB	7.0
107		40 WATT 4 CHANNEL UHF MOE	5/05/00	576.90	0.00	0.00	396.69	51.49	448.18	128.72	200DB	7.0
108		SP50 10 CHANNEL 5 WATT POR	8/31/00	427.90	0.00	0.00	294.24	38.19	332.43	95.47	200DB	7.0
109		STARTAC TELEPHONE	8/23/00	1,325.29	0.00	0.00	911.31	118.28	1,029.59	295.70	200DB	7.0
110		TIME CLOCK	11/14/00	383.83	0.00	0.00	263.92	34.44	298.36	85.09	200DB	7.0
111		TIME CLOCK	12/15/00	410.30	0.00	0.00	282.27	36.64	318.91	91.39	200DB	7.0
119		COMPUTER SYSTEM	1/13/87	1,613.75	0.00	0.00	1,613.75	0.00	1,613.75	0.00	200DB	5.0
120		COMPUTER DISK DRIVE	3/12/87	436.75	0.00	0.00	436.75	0.00	436.75	0.00	200DB	5.0
121		OKIDATA PRINTER	1/12/88	1,265.00	0.00	0.00	1,265.00	0.00	1,265.00	0.00	200DB	5.0
122		EQUIPMENT	1/22/87	364.90	0.00	0.00	364.90	0.00	364.90	0.00	200DB	7.0
123		NEW RADIO	7/24/87	275.00	0.00	0.00	275.00	0.00	275.00	0.00	200DB	7.0
124		FEC SLASHER SAW	12/17/87	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	200DB	7.0
125		NEW MOBILE RADIO 7 ANTENI	12/24/87	934.50	0.00	0.00	934.50	0.00	934.50	0.00	200DB	7.0
126		27 TRAINOLES FOR TRASH	12/31/87	1,038.96	0.00	0.00	1,038.96	0.00	1,038.96	0.00	200DB	7.0

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Asset	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(b) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr.	Tax Net Book Value	Tax Method	Tax Period
Group: OFFICE EQUIPMENT (continued)											
127	MOTORS	2/16/88	800.00	0.00	0.00	800.00	0.00	800.00	0.00	200DB	7.0
128	2-318 EVO MOTORS	2/13/88	1,570.00	0.00	0.00	1,570.00	0.00	1,570.00	0.00	200DB	7.0
129	USED HEATER	3/16/88	262.50	0.00	0.00	262.50	0.00	262.50	0.00	200DB	7.0
130	2 USED RADIOS & ANTENNAS	4/08/88	1,112.80	0.00	0.00	1,112.80	0.00	1,112.80	0.00	200DB	7.0
131	USED RADIOS	6/21/88	1,075.36	0.00	0.00	1,075.36	0.00	1,075.36	0.00	200DB	7.0
132	USED EQUIPMENT	10/03/88	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	200DB	7.0
133	VACUUM CLEANER	4/25/89	481.90	0.00	0.00	481.90	0.00	481.90	0.00	200DB	7.0
134	HAND HELD RADIO	4/25/89	595.00	0.00	0.00	595.00	0.00	595.00	0.00	200DB	7.0
135	FILE CABINET	7/13/89	488.25	0.00	0.00	488.25	0.00	488.25	0.00	200DB	7.0
136	AIR COMPRESSOR	9/28/89	1,007.37	0.00	0.00	1,007.37	0.00	1,007.37	0.00	200DB	7.0
137	WORLD TIME INDICATOR	9/04/90	865.00	0.00	0.00	865.00	0.00	865.00	0.00	200DB	7.0
138	NEW DESK	10/17/90	795.00	0.00	0.00	795.00	0.00	795.00	0.00	200DB	7.0
139	SOFA DESK & CHAIR	1/16/90	3,921.47	0.00	0.00	3,921.47	0.00	3,921.47	0.00	200DB	7.0
140	STEAM CLEANER	12/14/90	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	200DB	7.0
141	2 USED RADIOS	1/08/90	832.60	0.00	0.00	832.60	0.00	832.60	0.00	200DB	7.0
142	COMPUTER EQUIPMENT	1/07/90	211.00	0.00	0.00	211.00	0.00	211.00	0.00	200DB	7.0
143	2 COMPUTERS & PRINTER	1/21/90	3,342.16	0.00	0.00	3,342.16	0.00	3,342.16	0.00	200DB	5.0
144	MOBILE RADIO & ANTENNA	8/08/90	285.00	0.00	0.00	285.00	0.00	285.00	0.00	200DB	5.0
145	CANNON FACSIMILE MACHIN	7/10/90	2,514.75	0.00	0.00	2,514.75	0.00	2,514.75	0.00	200DB	7.0
146	PORTABLES RADIO	3/08/90	609.00	0.00	0.00	609.00	0.00	609.00	0.00	200DB	7.0
147	DESK	2/11/91	636.00	0.00	0.00	636.00	0.00	636.00	0.00	200DB	7.0
148	OFFICE FURNITURE	3/29/91	1,689.00	0.00	0.00	1,689.00	0.00	1,689.00	0.00	200DB	7.0
149	MOBILE RADIO & ANTENNA	1/07/91	712.37	0.00	0.00	712.37	0.00	712.37	0.00	200DB	7.0
150	STEAM CLEANER	1/14/91	1,400.00	0.00	0.00	1,400.00	0.00	1,400.00	0.00	200DB	7.0
151	PORTABLE RADIO	4/01/91	408.10	0.00	0.00	408.10	0.00	408.10	0.00	200DB	7.0
152	RADIOS	1/08/91	1,888.19	0.00	0.00	1,888.19	0.00	1,888.19	0.00	200DB	7.0
153	CELLULAR PHONE	4/03/92	413.40	0.00	0.00	413.40	0.00	413.40	0.00	200DB	7.0
154	COMPUTER EQUIPMENT	4/28/92	281.16	0.00	0.00	281.16	0.00	281.16	0.00	200DB	5.0
155	COMPUTER EQUIPMENT	7/08/92	1,064.95	0.00	0.00	1,064.95	0.00	1,064.95	0.00	200DB	5.0
156	COMPUTER EQUIPMENT	8/19/92	1,485.68	0.00	0.00	1,485.68	0.00	1,485.68	0.00	200DB	5.0
157	EQUIPMENT	6/15/92	3,100.00	0.00	0.00	3,100.00	0.00	3,100.00	0.00	200DB	5.0
158	USED OIL HEATER	9/17/92	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	200DB	7.0
159	1980 TRAILER	9/08/92	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	0.00	200DB	7.0
160	SECURITY SYSTEM	8/03/92	1,412.00	0.00	0.00	1,412.00	0.00	1,412.00	0.00	200DB	7.0
161	ROLL OFF EQUIPMENT	2/09/93	13,534.93	0.00	0.00	13,534.93	0.00	13,534.93	0.00	200DB	5.0
162	EQUIPMENT	3/01/93	2,792.50	0.00	0.00	2,792.50	0.00	2,792.50	0.00	200DB	7.0
163	ROLL OFF EQUIPMENT	8/17/93	10,827.60	0.00	0.00	10,827.60	0.00	10,827.60	0.00	200DB	7.0
164	ROLL OFF EQUIPMENT	11/10/93	10,827.60	0.00	0.00	10,827.60	0.00	10,827.60	0.00	200DB	7.0
240	MOTOROLA 40 WATT 4 CHANN	1/18/02	506.07	0.00	151.82	289.18	61.97	351.15	154.92	200DB	7.0
242	ATROL U24 HR. CP ACTIVITY I	3/21/02	245.87	0.00	100.76	197.64	42.35	239.99	105.88	200DB	7.0
244	TRASH COMPACTOR	4/13/02	4,074.14	0.00	1,225.24	2,333.79	500.10	2,833.89	1,240.25	200DB	7.0
249	CATERPILLAR 6760 COMPACTI	6/26/02	213,511.25	0.00	64,559.38	123,164.71	26,391.58	149,552.29	63,958.96	200DB	7.0
255	DELL INSPIRON 8200	11/04/02	1,861.06	0.00	540.32	1,195.91	242.06	1,437.97	363.09	200DB	7.0
257	COMPUTER SERVER	5/08/03	712.30	712.30	0.00	712.30	0.00	712.30	0.00	200DB	5.0
258	COMPUTER WORKSTATIONS-E	6/12/03	8,873.84	8,873.84	0.00	8,873.84	0.00	8,873.84	0.00	200DB	5.0
259	CABINET	6/03/03	294.00	0.00	147.00	168.00	36.00	204.00	90.00	200DB	7.0
260	QUICKBOOKS 2003 PRO	6/02/03	311.36	0.00	169.68	214.24	71.41	285.65	25.71	200DB	3.0
261	ROUTE MANAGER SOFTWARE	6/22/03	25,091.27	0.00	12,500.64	16,667.52	5,555.83	22,223.35	2,777.92	200DB	3.0
264	DELL LASER PRINTER & 4 1740	10/02/03	1,597.34	1,597.34	0.00	1,597.34	0.00	1,597.34	0.00	200DB	5.0

Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: OFFICE EQUIPMENT (continued)											
271	DELL COMPUTER EQUIPMENT	3/18/04	2,570.00	2,570.00c	0.00	0.00	2,570.00	2,570.00	0.00	200DB	5.0
272	COMPUTER SYSTEM ACCESS.	4/30/04	268.03	268.03p	0.00	0.00	268.03	268.03	0.00	200DB	5.0
273	SOFTWARE DATA CONVERSIO	5/29/04	995.00	331.54c	322.23	0.00	737.22	737.22	257.78	200DB	5.0
274	DELL COMPUTER EQUIPMENT	10/06/04	2,588.10	0.00c	1,294.05	0.00	1,552.86	1,552.86	1,035.24	200DB	5.0
	OFFICE EQUIPMENT		405,721.71	3,188.51c	81,105.12	377,636.70	19,691.45	412,227.45	74,394.55		
Group: PACKERS & CONTAINERS											
8	TRASH BINS	10/19/87	3,939.60	0.00	0.00	3,939.60	0.00	3,939.60	0.00	200DB	7.0
9	100 POLY CARTS	1/15/88	4,781.40	0.00	0.00	4,781.40	0.00	4,781.40	0.00	200DB	7.0
10	NEW TRASH BINS	2/24/88	14,945.98	0.00	0.00	14,945.98	0.00	14,945.98	0.00	200DB	7.0
11	100 POLY CARTS	9/30/88	5,812.06	0.00	0.00	5,812.06	0.00	5,812.06	0.00	200DB	7.0
12	TRASH CONTAINERS	9/30/88	7,771.40	0.00	0.00	7,771.40	0.00	7,771.40	0.00	200DB	7.0
13	8 YARD TRASH BINS	8/03/89	3,818.00	0.00	0.00	3,818.00	0.00	3,818.00	0.00	200DB	7.0
14	100 POLY CARTS	4/03/90	5,789.12	0.00	0.00	5,789.12	0.00	5,789.12	0.00	200DB	7.0
15	NEW TRASH BINS	4/17/90	14,931.09	0.00	0.00	14,931.09	0.00	14,931.09	0.00	200DB	7.0
16	NEW TRASH BINS	12/31/90	3,236.00	0.00	0.00	3,236.00	0.00	3,236.00	0.00	200DB	7.0
17	STEEL CONTAINERS	6/03/91	937.83	0.00	0.00	937.83	0.00	937.83	0.00	200DB	7.0
18	POLY CARTS	6/17/91	3,812.57	0.00	0.00	3,812.57	0.00	3,812.57	0.00	200DB	7.0
19	POLY CARTS	11/14/91	6,116.19	4,117.00	0.00	6,116.19	0.00	6,116.19	0.00	200DB	7.0
20	CONTAINERS	3/10/92	4,794.50	0.00	0.00	4,794.50	0.00	4,794.50	0.00	200DB	7.0
21	CONTAINERS	6/01/92	18,423.46	0.00	0.00	18,423.46	0.00	18,423.46	0.00	200DB	7.0
22	CONTAINERS	9/28/92	930.17	0.00	0.00	930.17	0.00	930.17	0.00	200DB	7.0
23	CONTAINERS	10/09/92	3,887.11	0.00	0.00	3,887.11	0.00	3,887.11	0.00	200DB	7.0
24	PACKERS & CONTAINERS	5/12/93	5,448.45	0.00	0.00	5,448.45	0.00	5,448.45	0.00	200DB	7.0
25	PACKERS & CONTAINERS	7/13/93	3,946.04	0.00	0.00	3,946.04	0.00	3,946.04	0.00	200DB	7.0
26	PACKERS & CONTAINERS	9/01/93	39,375.00	37,200.00	0.00	39,375.00	0.00	39,375.00	0.00	200DB	7.0
27	PACKER & CONTAINERS	6/22/94	14,776.88	0.00	0.00	14,776.88	0.00	14,776.88	0.00	200DB	7.0
28	PACKER & CONTAINERS	7/10/94	6,398.76	0.00	0.00	6,398.76	0.00	6,398.76	0.00	200DB	7.0
29	PACKER & CONTAINERS	10/28/94	24,927.66	0.00	0.00	24,927.66	0.00	24,927.66	0.00	200DB	7.0
30	CONTAINERS	1/03/95	29,600.00	0.00	0.00	29,600.00	0.00	29,600.00	0.00	200DB	7.0
31	CONTAINERS	5/17/95	28,624.57	0.00	0.00	28,624.57	0.00	28,624.57	0.00	200DB	7.0
32	CONTAINERS	8/18/95	5,307.86	0.00	0.00	5,307.86	0.00	5,307.86	0.00	200DB	7.0
33	PACKERS & CONTAINERS	6/17/96	4,479.57	1,295.82	0.00	4,479.57	0.00	4,479.57	0.00	200DB	7.0
34	PACKERS & CONTAINERS	2/23/96	9,128.34	9,128.34	0.00	9,128.34	0.00	9,128.34	0.00	200DB	7.0
35	PACKERS & CONTAINERS	9/30/96	6,040.84	6,040.84	0.00	6,040.84	0.00	6,040.84	0.00	200DB	7.0
36	OCTAMAG II	2/24/97	10,699.80	0.00	0.00	10,780.63	119.17	10,899.80	0.00	200DB	7.0
37	100 RK900S TUBS & LIDS	3/27/97	5,925.00	0.00	0.00	5,860.22	64.78	5,925.00	0.00	200DB	7.0
38	20 2 YD. & 30 4 YD. CONTAINER	4/30/97	20,414.99	5,277.93	0.00	19,911.51	503.48	20,414.99	0.00	200DB	7.0
39	15 2 YD. & 5 6 YD. CONTAINERS	10/28/97	8,832.17	0.00	0.00	8,157.44	674.73	8,832.17	0.00	200DB	7.0
40	100 RK90 GREEN TUBS & LIDS	4/30/98	5,948.00	0.00	0.00	5,191.71	530.85	5,682.57	265.43	200DB	7.0
41	OCTAMAG II COMPACTOR	8/27/98	11,195.10	0.00	0.00	9,696.38	999.15	10,695.53	499.57	200DB	7.0
42	OCTAMAG II COMPACTOR	10/23/98	11,819.60	0.00	0.00	10,237.27	1,014.89	11,252.16	527.44	200DB	7.0
43	100 GREEN TUBS & LIDS	11/13/98	5,810.00	0.00	0.00	5,032.20	518.33	5,550.53	259.27	200DB	7.0
44	40 4 YD. & 10 6 YD. CONTAINER	3/17/99	24,207.06	19,000.00	0.00	23,646.35	499.16	24,145.51	261.55	200DB	7.0
45	OCTAMAG II COMPACTOR/CON	5/11/99	11,433.60	0.00	0.00	9,025.03	1,014.13	10,039.16	1,394.44	200DB	7.0
46	100 RK90 GREEN TUBS & LIDS	10/19/99	6,889.84	0.00	0.00	5,160.41	601.54	5,761.95	1,127.89	200DB	7.0
47	MAGNUM IV COMPACTOR & 40	12/15/99	15,035.20	0.00	0.00	11,261.19	1,312.70	12,573.89	2,461.31	200DB	7.0

Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: PACKERS & CONTAINERS (continued)											
48	100 GREEN TUBS & LIDS	5/23/00	6,049.69	0.00	0.00	4,159.95	334.93	4,660.88	1,249.81	200DB	7.0
49	100 RK90 GREEN TUBS & LIDS	8/31/00	6,082.88	0.00	0.00	4,182.77	342.89	4,725.66	1,357.22	200DB	7.0
50	40 CUBIC YD PACKER BDY	3/20/01	4,760.60	0.00	0.00	2,674.71	394.83	3,273.54	1,487.06	200DB	7.0
51	100 RK90 GREEN TUBS & LIDS	3/20/01	6,323.20	0.00	0.00	3,157.95	399.07	4,343.02	1,975.18	200DB	7.0
112	EQUIPMENT	9/23/86	4,979.00	0.00	0.00	4,979.00	0.00	4,979.00	0.00	PRE	5.0
113	EQUIPMENT	3/01/87	6,613.24	0.00	0.00	6,613.24	0.00	6,613.24	0.00	200DB	7.0
114	EQUIPMENT	5/01/87	5,948.60	0.00	0.00	5,948.60	0.00	5,948.60	0.00	200DB	7.0
115	60 POLY CARTS	6/12/87	2,808.85	0.00	0.00	2,808.85	0.00	2,808.85	0.00	200DB	7.0
116	TRASH BINS	7/29/87	6,513.66	0.00	0.00	6,513.66	0.00	6,513.66	0.00	200DB	7.0
117	TRASH CONTAINERS	8/28/87	12,782.96	0.00	0.00	12,782.96	0.00	12,782.96	0.00	200DB	7.0
118	39 USED TRASH BINS	10/16/87	3,568.00	0.00	0.00	3,568.00	0.00	3,568.00	0.00	200DB	7.0
229	30 2YD & 15 6YD FRONT LOAD	8/16/01	19,884.17	0.00	0.00	1,561.00	0.00	1,561.00	0.00	200DB	7.0
236	MAGNUM IV INDUSTRIAL COL	7/01/01	13,839.87	0.00	0.00	11,241.72	2,105.88	13,741.71	8,241.46	200DB	7.0
237	30 2YD & 15 6YD CONTAINERS	8/08/01	19,384.17	0.00	0.00	8,304.68	1,101.89	9,406.57	9,977.60	200DB	7.0
238	100 WHEEL ASSEMBLIES	8/31/01	725.00	0.00	0.00	11,041.72	2,105.88	13,147.60	6,236.41	200DB	7.0
239	100 RK90 GREEN TUBS & LIDS	11/08/01	5,227.50	0.00	0.00	401.68	89.39	491.07	4,736.43	200DB	7.0
243	100 RK90 GREEN TUBS & LIDS	3/27/02	5,864.00	0.00	1,799.37	1,161.41	304.60	3,265.38	2,598.62	200DB	7.0
244	29 2YD FRONT LOAD COMPACTOR	4/11/02	4,908.73	0.00	4,737.50	1,888.91	788.91	2,677.82	2,230.91	200DB	7.0
246	15 4 YD FRONT LOAD PLANT T	3/01/02	7,058.42	0.00	2,692.02	5,289.29	1,000.00	6,289.29	769.13	200DB	7.0
247	10 6 YD FRONT LOAD PLANT T	5/03/02	7,058.42	0.00	2,540.33	4,869.67	906.31	5,775.98	2,282.44	200DB	7.0
250	100 RK90 GREEN TUBS & LIDS	7/12/02	6,362.84	0.00	1,908.85	3,632.98	779.13	4,412.11	1,950.73	200DB	7.0
252	200 RK90 GREEN TUBS & LIDS	10/19/02	6,196.29	0.00	1,858.89	3,540.74	708.73	4,249.47	1,946.82	200DB	7.0
253	25 RK90 GREEN LIDS W/HINGE	10/09/02	11,783.00	0.00	3,535.90	4,733.14	1,440.82	6,173.96	5,609.04	200DB	7.0
256	24 2YD, 10 4YD, 6 6YD FRONT L	3/08/03	-859.71	0.00	149.97	285.83	61.19	346.71	152.97	200DB	7.0
262	100 RK90 GREEN TUBS & LIDS	7/08/03	12,929.39	17,929.39	0.00	17,929.39	0.00	17,929.39	0.00	200DB	7.0
263	100 RK90 GREEN TUBS & LIDS	10/19/03	6,176.00	6,176.00	0.00	6,176.00	0.00	6,176.00	0.00	200DB	7.0
265	100 POLY CARTS	1/30/04	7,773.11	7,773.11	0.00	7,773.11	0.00	7,773.11	0.00	200DB	7.0
266	2 20YD, 5 30YD CONTAINERS &	5/29/04	7,047.37c	7,047.37c	0.00	0.00	7,047.37	7,047.37	0.00	200DB	7.0
267	2 20YD, 5 30YD CONTAINERS &	6/30/04	23,890.00c	23,890.00c	0.00	0.00	23,890.00	23,890.00	0.00	200DB	7.0
268	100 POLY CARTS	6/30/04	23,652.00c	23,652.00c	0.00	0.00	23,652.00	23,652.00	0.00	200DB	7.0
269	25 2YD, 10 4YD, 10 6YD CONTA	6/30/04	6,802.97c	6,802.97c	0.00	0.00	6,802.97	6,802.97	0.00	200DB	7.0
270	100 POLY CARTS	10/20/04	29,175.62c	29,175.62c	0.00	0.00	29,175.62	29,175.62	0.00	200DB	7.0
		10/26/04	8,243.47c	8,243.47c	0.00	0.00	8,243.47	8,243.47	0.00	200DB	7.0
	PACKERS & CONTAINERS		736,772.67	98,811.43c	16,014.72	567,498.90	122,537.71	690,052.71	46,719.96		
Group: ROLL OFF EQUIPMENT											
225	2 OPEN TOP & 1 PACKER BOX I	4/17/97	11,218.20	0.00	0.00	10,845.07	373.13	11,218.20	0.00	200DB	7.0
226	2 OPEN TOP BATHTUB 40 YD. C	9/12/97	6,897.60	0.00	0.00	5,515.98	381.70	6,897.68	0.00	200DB	7.0
227	4 20YD & 3 30YD OPEN TOP CO	2/20/98	18,523.20	0.00	0.00	16,043.45	1,633.17	17,676.62	846.58	200DB	7.0
228	ROLL OFF EQUIPMENT	3/20/98	5,000.00	0.00	0.00	4,330.61	446.25	4,776.86	223.12	200DB	7.0
229	2 30YD OPEN TOP BATHTUB CO	8/22/98	6,511.90	0.00	0.00	5,640.14	581.17	6,221.31	290.59	200DB	7.0
230	3 20YD & 4 30YD OPEN TOP BA	8/31/99	17,924.69	0.00	0.00	13,758.60	1,587.05	15,345.65	2,578.95	200DB	7.0
231	4 20YD & 3 30YD OPEN TOP BA	3/06/00	17,397.04	0.00	0.00	12,100.23	1,570.53	13,670.76	3,926.28	200DB	7.0
232	8 20YD OPEN TOP BATHTUB CO	7/19/00	19,584.90	0.00	0.00	13,741.60	1,783.54	15,525.14	4,058.89	200DB	7.0
233	7 30YD OPEN TOP BATHTUB CO	8/23/00	19,902.40	0.00	0.00	13,683.49	1,776.26	15,459.75	4,440.65	200DB	7.0
	ROLL OFF EQUIPMENT		123,458.94	0.00c	0.00	95,661.13	10,132.78	106,813.91	15,745.03		

Asset	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: TRUCKS & AUTOS											
165	EVO MOTOR	1/12/88	940.00	0.00	0.00	940.00	0.00	940.00	0.00	200DB	5.0
166	72 CRANE CARRIER	10/29/87	15,000.00	0.00	0.00	14,280.00	0.00	14,280.00	720.00	200DB	5.0
167	4 USED EVO BODIES	3/10/89	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	200DB	5.0
168	TRUCK	8/03/89	8,500.00	0.00	0.00	8,500.00	0.00	8,500.00	0.00	200DB	5.0
169	VAN	8/03/89	19,741.56	0.00	0.00	18,574.89	0.00	18,574.89	1,166.67	200DB	5.0
170	15000 GAL. FUEL TANK	1/09/90	9,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200DB	5.0
171	EVOS.	4/16/90	5,604.00	0.00	0.00	5,604.00	0.00	5,604.00	0.00	200DB	7.0
172	USED TRAILER	4/30/90	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	200DB	5.0
174	78 FORD	9/23/91	5,250.00	0.00	0.00	5,231.10	0.00	5,231.10	18.90	200DB	7.0
175	ROLL OFF EQUIPMENT	7/28/92	11,213.23	0.00	0.00	11,713.23	0.00	11,713.23	0.00	200DB	5.0
176	ROLL OFF EQUIPMENT	9/08/92	26,233.04	0.00	0.00	26,233.04	0.00	26,233.04	0.00	200DB	7.0
177	ROLL OFF EQUIPMENT	9/28/92	9,395.41	0.00	0.00	9,395.41	0.00	9,395.41	0.00	200DB	7.0
178	ROLL OFF EQUIPMENT	11/09/92	14,063.50	0.00	0.00	11,063.50	0.00	11,063.50	0.00	200DB	7.0
179	1993 MACK TRUCK	12/10/92	133,770.00	0.00	0.00	133,770.00	0.00	133,770.00	0.00	200DB	7.0
180	1993 MACK TRUCK	6/30/92	79,158.43	0.00	0.00	79,158.43	0.00	79,158.43	0.00	200DB	5.0
181	USED PICKUP	8/10/93	4,000.00	0.00	0.00	4,000.00	0.00	4,000.00	0.00	200DB	5.0
182	1994 TRUCK, MACK FRONT LO.	2/28/94	140,000.00	0.00	0.00	140,000.00	0.00	140,000.00	0.00	200DB	5.0
183	ROLL OFF CONTAINERS	3/01/94	36,300.00	0.00	0.00	36,300.00	0.00	36,300.00	0.00	200DB	5.0
184	ROLL OFF CONTAINERS	3/12/94	17,705.40	0.00	0.00	17,705.40	0.00	17,705.40	0.00	200DB	7.0
185	ROLL OFF CONTAINERS	10/20/94	16,912.97	0.00	0.00	16,912.97	0.00	16,912.97	0.00	200DB	7.0
186	ROLL OFF CONTAINERS	11/17/94	11,217.40	0.00	0.00	11,217.40	0.00	11,217.40	0.00	200DB	7.0
187	RADIO	8/25/94	685.96	0.00	0.00	685.96	0.00	685.96	0.00	200DB	7.0
188	AIR COMPRESSOR	7/21/94	11,289.00	0.00	0.00	11,289.00	0.00	11,289.00	0.00	200DB	7.0
189	1989 MACK TRUCK	5/16/94	27,000.00	0.00	0.00	27,000.00	0.00	27,000.00	0.00	200DB	7.0
190	1989 EVO TRUCK	6/02/94	19,300.00	0.00	0.00	16,500.00	0.00	16,500.00	0.00	200DB	5.0
191	1994 CHEVY TRUCK	12/15/94	12,713.19	0.00	0.00	12,713.19	0.00	12,713.19	0.00	200DB	5.0
192	1980 MACK TRUCK	1/03/95	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	200DB	5.0
193	1995 CHEVY EXT. CAB TRUCK	2/10/96	21,650.00	0.00	0.00	21,000.00	0.00	21,150.00	500.00	200DB	5.0
194	22' GOOSENECK TRAILER	5/02/95	5,925.00	0.00	0.00	3,925.00	0.00	3,925.00	0.00	200DB	5.0
195	1996 MACK-CDB TRUCK	3/28/96	77,970.00	0.00	0.00	77,970.00	0.00	77,970.00	0.00	200DB	7.0
196	MACK SNF6617	4/15/96	53,577.44	0.00	0.00	53,577.44	0.00	53,577.44	0.00	200DB	5.0
197	TRUCK	5/17/96	5,386.69	0.00	0.00	5,386.69	0.00	5,386.69	0.00	200DB	5.0
198	1997 CADILLAC ELDORADO	9/19/97	37,621.00	0.00	0.00	18,310.69	1,775.00	20,085.00	17,536.00	200DB	5.0
199	1998 MACK TRUCK	12/23/97	78,100.00	0.00	0.00	78,100.00	0.00	78,100.00	0.00	200DB	5.0
200	1998 CHEVY 2500 PICKUP	12/23/97	24,868.33	0.00	0.00	16,353.42	1,775.00	18,128.42	5,939.91	200DB	5.0
201	USED TRUCK	1/07/98	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200DB	5.0
202	TRASH PICK-UP TRUCK TC-109	2/06/98	55,940.00	0.00	0.00	55,940.00	0.00	55,940.00	0.00	200DB	5.0
203	LEFT AXLE FOR MACK MR6905	3/26/98	7,065.16	0.00	0.00	2,065.16	0.00	2,065.16	0.00	200DB	5.0
204	1998 MACK DUMP TRUCK	4/20/98	92,199.40	0.00	0.00	92,199.40	0.00	92,199.40	0.00	200DB	5.0
205	2000 MACK TRUCK	4/10/00	85,126.40	0.00	0.00	70,416.58	9,806.56	80,223.12	4,903.28	200DB	5.0
206	MACK TRUCK W/ATTACHMEN	5/12/00	57,636.84	0.00	0.00	47,677.19	6,639.77	54,316.96	3,319.88	200DB	5.0
207	CHEVY K2500 TRUCK	9/07/00	23,315.00	0.00	0.00	12,685.00	1,775.00	14,460.00	9,255.00	200DB	5.0
208	DOUBLE L ATV 10 FT. TRAILER	9/18/00	732.00	0.00	0.00	503.35	69.33	572.68	159.32	200DB	5.0
209	1985 EVO LODAL	11/29/00	4,500.00	0.00	0.00	3,722.40	518.40	4,240.80	259.20	200DB	5.0
210	F/U TRUCK	1/10/01	1,360.25	0.00	0.00	1,110.90	179.74	1,290.64	269.61	200DB	5.0
211	M812 W/WINCH	1/29/01	25,164.00	0.00	0.00	18,343.97	2,968.01	21,311.98	4,452.02	200DB	5.0
235	2000 MACK RD8883	6/27/01	94,199.00	0.00	0.00	67,496.89	10,920.84	78,412.73	16,381.27	200DB	5.0
241	2002 CHEVY TAHOE	2/25/02	38,783.94	0.00	11,635.18	25,752.53	2,606.28	28,358.81	10,425.13	200DB	5.0
248	1996 MACK TRUCK	5/06/02	20,354.38	0.00	0.00	10,688.28	3,946.44	14,634.72	5,719.66	200DB	5.0

07279: RUH SANITATION, INC
71-0626616
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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: TRUCKS & AUTOS (continued)											
251	1991 LODAL BVO MAG 20	8/23/02	23,927.46	0.00	0.00	12,442.28	4,594.07	17,036.35	6,891.11	200DB	5.0
273	2004 CADILLAC ESCALADE	3/14/04	57,016.15	0.00c	10,910.00	0.00	10,910.00	10,910.00	46,106.15	200DB	5.0
	TRUCKS & AUTOS		1,531,711.53	0.00c	21,545.18	1,136,911.98	58,570.44	1,397,484.42	134,227.11		
	*Less: Dispositions		38,783.94	0.00	0.00	25,252.53	0.00	25,252.53	13,531.41		
	Net TRUCKS & AUTOS		1,492,927.59	0.00c	21,545.18	1,111,659.45	58,570.44	1,372,231.89	120,695.70		
	Grand Total		3,190,941.10	102,000.00c	119,733.07	1,529,380.47	236,479.41	1,765,859.94	425,081.16		
	Less: Dispositions		38,783.94	0.00	0.00	25,252.53	0.00	25,252.53	13,531.41		
	Net Grand Total		3,152,157.16	102,000.00c	119,733.07	1,504,127.94	236,479.41	1,740,607.41	411,549.75		

07662 RLH, INC.
71-0430604
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Asset	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: EQUIPMENT											
13	SHOVEL FOR CRAIN	12/15/88	3,500.00	0.00	0.00	1,444.00	0.00	1,444.00	56.00	200DB	5.0
18	CAT 816B COMPACTOR	12/28/89	90,000.00	0.00	0.00	88,000.00	0.00	88,000.02	0.00	200DB	7.0
25	CORRALS	1/01/90	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	200DB	7.0
26	BARN	1/01/90	14,000.00	0.00	0.00	7,810.83	490.76	8,300.79	2,699.21	150DB	20.0
27	BARN	1/01/90	9,000.00	0.00	0.00	6,950.02	401.54	6,791.56	2,208.44	150DB	20.0
28	WELL & PUMP	1/01/90	5,000.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	200DB	7.0
29	FENCING	1/01/90	49,000.00	0.00	0.00	49,000.00	0.00	49,000.00	0.00	200DB	7.0
31	CABIN	5/13/92	21,872.12	0.00	0.00	5,033.45	692.77	5,726.22	15,045.90	SL	31.5
32	CABIN	4/03/93	25,938.02	0.00	0.00	8,776.53	823.45	9,599.78	16,338.24	SL	31.5
34	USED FUEL TANK	3/16/94	493.99	0.00	0.00	493.99	0.00	493.99	0.00	200DB	7.0
35	SQUARE BAILER	3/03/94	3,750.00	0.00	0.00	3,750.00	0.00	3,750.00	0.00	200DB	7.0
36	1994 CATERPILLAR DOZER	12/20/94	135,887.75	17,000.00	0.00	139,087.75	0.00	139,087.75	0.00	200DB	7.0
38	CATERPILLAR	2/17/95	135,887.75	0.00	0.00	135,887.75	0.00	135,887.75	0.00	200DB	7.0
39	CAT TRUCK	3/12/95	135,887.75	0.00	0.00	135,887.75	0.00	135,887.75	0.00	200DB	7.0
40	1995 CATERPILLAR 816 B COMP	3/17/95	110,307.50	0.00	0.00	110,307.50	0.00	110,307.50	0.00	200DB	7.0
41	RIPPER DRILL	3/17/95	69,250.00	0.00	0.00	69,250.00	0.00	69,250.00	0.00	200DB	7.0
42	BOILER	5/12/95	9,948.83	0.00	0.00	9,948.83	0.00	9,948.83	0.00	200DB	7.0
43	LINCOLN MODEL 12 HYDRAU	5/17/95	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200DB	7.0
44	SEED SPREADER	10/31/95	39,250.00	17,500.00	0.00	17,500.00	0.00	17,500.00	0.00	200DB	7.0
45	ROCHEM W.T. PLANT	11/27/95	50,182	0.00	0.00	50,182.00	0.00	50,182.00	0.00	200DB	7.0
46	1995 HONDA 4-WHEELER	11/30/95	194,080.40	70.00	0.00	194,010.00	0.00	194,010.00	0.00	200DB	7.0
47	MULCHER	2/29/96	2,000.00	0.00	0.00	2,000.00	0.00	2,000.00	0.00	200DB	7.0
48	RADIO	12/09/96	4,233.70	0.00	0.00	4,233.70	0.00	4,233.70	0.00	200DB	7.0
49	SUBMERSIBLE PUMP	4/23/97	424.00	424.00	0.00	424.00	0.00	424.00	0.00	200DB	7.0
50	ROBART WEEDER	7/29/97	606.90	606.90	0.00	606.90	0.00	606.90	0.00	200DB	7.0
51	LEACHATE STORAGE TANK	7/23/97	1,900.00	1,900.00	0.00	1,900.00	0.00	1,900.00	0.00	200DB	7.0
52	BRINKLEY SPREADER	7/13/97	7,632.79	7,035.59	0.00	7,035.59	0.00	7,035.59	0.00	200DB	7.0
53	JOHN DEERE SPRAYER	8/20/97	235.00	235.00	0.00	235.00	0.00	235.00	0.00	200DB	7.0
54	FIELD ROLLER	8/20/97	499.00	499.00	0.00	499.00	0.00	499.00	0.00	200DB	7.0
55	FERTILIZER/SPREADER BED	9/19/97	4,000.00	4,000.00	0.00	4,000.00	0.00	4,000.00	0.00	200DB	7.0
56	BELT OVER CHAIN CONVEYOR	2/26/98	2,400.00	2,400.00	0.00	2,400.00	0.00	2,400.00	0.00	200DB	7.0
57	TILT TRAILER MODEL AAAT	4/01/98	2,287.31	2,287.31	0.00	2,287.31	0.00	2,287.31	0.00	200DB	7.0
58	JOHN DEERE MOWER & BAGGI	5/14/98	300.00	300.00	0.00	300.00	0.00	300.00	0.00	200DB	7.0
59	GARDNER WAGNER WAGON D	6/23/98	3,680.00	3,680.00	0.00	3,680.00	0.00	3,680.00	0.00	200DB	7.0
60	CASE 580K BACKHOE LOADER	2/18/99	12,300.00	0.00	0.00	9,710.99	1,115.60	10,826.59	1,473.41	200DB	7.0
61	DISK TUBE MODULE REFURBI	2/28/99	21,425.00	19,000.00	0.00	20,630.86	189.65	20,840.52	284.48	200DB	7.0
62	48" BUCKET FOR BACKHOE	3/18/99	22,732.51	0.00	0.00	17,660.40	2,028.84	19,689.24	3,043.27	200DB	7.0
63	MOWER	8/06/99	5,031.26	0.00	0.00	3,908.66	489.03	4,397.71	673.55	200DB	7.0
64	EQUIPMENT(SEARS)	8/14/00	10,448.65	0.00	0.00	7,184.83	932.50	8,117.36	2,331.32	200DB	7.0
65	ATV CART	11/08/00	341.18	0.00	0.00	234.60	30.45	265.05	76.13	200DB	7.0
67	CB2100 CLEAN BURN	11/02/00	447.63	0.00	0.00	307.80	39.95	347.75	99.88	200DB	7.0
69	59 GALLION 1 12 ROADGRADER	2/12/01	6,200.00	0.00	0.00	3,438.63	774.68	4,213.31	1,986.69	200DB	7.0
70	USED SHEPPS FOOT ROLLER	8/18/87	3,750.00	0.00	0.00	3,750.00	0.00	3,750.00	0.00	200DB	7.0
71	SURVEY EQUIPMENT	2/25/88	5,200.00	0.00	0.00	3,200.00	0.00	3,200.00	0.00	200DB	7.0
79	CATERPILLAR 322BL EXCAVA	3/12/88	517.99	0.00	0.00	517.99	0.00	517.99	0.00	200DB	7.0
81	USED ROCHEM 9122 RIVERS O	8/10/01	95,674.50	0.00	0.00	53,834.34	11,954.33	65,788.67	29,885.83	200DB	7.0
83	WATER TANK	11/26/01	45,000.00	0.00	13,500.00	31,214.49	3,935.86	35,150.15	9,439.85	200DB	7.0
84	HYD PROPEL/DRIVE MOTOR	3/18/02	3,143.65	0.00	1,153.10	2,196.37	470.65	2,667.02	1,176.63	200DB	7.0
85	1977 60T TRAILER	4/03/02	13,806.69	0.00	4,141.95	7,889.43	1,690.59	9,580.02	4,226.67	200DB	7.0
		6/20/02	2,300.00	0.00	0.00	969.39	437.32	1,406.71	1,093.29	200DB	7.0

Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: EQUIPMENT (continued)											
87	PRESSURE WASHER	8/19/02	1,072.86	0.00	321.86	613.07	131.37	744.44	328.42	200DB	7.0
88	CATERPILLAR MODEL 226 SKI	10/03/02	15,892.13	0.00	4,767.64	3,081.22	1,941.97	11,077.19	4,864.94	200DB	7.0
89	CATERPILLAR MODEL 971-LGP	10/08/02	155,018.75	0.00	46,501.63	97,170.27	16,328.13	113,498.40	41,520.35	200DB	7.0
99	SCALE	7/12/02	133,769.25	0.00	0.00	68,090.24	24,479.72	92,569.96	61,199.29	200DB	7.0
100	SCALES	12/17/03	15,000.00	0.00	9,300.00	4,571.43	1,836.73	18,408.16	591.84	200DB	7.0
101	SCALE HOUSE	2/06/04	25,289.87	0.00c	12,639.94	0.00	14,431.22	14,431.22	10,858.65	200DB	7.0
102	GE HEAT/COOL SCALE HOUSE	2/06/04	14,398.51	0.00c	0.00	0.00	323.04	323.04	14,075.47	SL	39.0
			749.80	0.00c	374.40	0.00	427.89	427.89	320.91	200DB	7.0
	EQUIPMENT		1,538,206.43	0.00c	98,859.52	1,271,355.49	84,365.08	1,368,080.07	225,041.86		
Group: FULLY DEPR ASSETS											
1	DEPR. ASSETS BEB FILE	1/01/80	204,736.00	0.00	0.00	204,736.00	0.00	204,736.00	0.00	SL	40.0
2	ACRS DEPR ASSETS	1/01/81	120,692.00	0.00	0.00	120,692.00	0.00	120,692.00	0.00	PRE	5.0
3	ITC ASSETS	1/01/86	76,[illegible]	0.00	0.00	74,[illegible]	0.00	74,[illegible]	2,301.62	PRE	3.0
4	ITC ASSETS	1/01/85	1,[illegible]	0.00	0.00	120,[illegible]	0.00	120,[illegible]	6,572.79	PRE	5.0
5	ACRS 3	1/01/86	[illegible]	0.00	0.00	[illegible]	0.00	[illegible]	0.00	PRE	3.0
	FULLY DEPR. ASSETS		57[illegible]	0.00c	0.00	56,613.59	0.00	[illegible]	8,874.41		
Group: IMPROVEMENTS											
6	CARPET & TILE	5/11/00	1,914.94	0.00	0.00	1,346.77	170.91	1,487.68	427.26	200DB	7.0
72	BAT SHOP BUILDING	10/10/88	527.36	0.00	0.00	513.20	0.00	513.20	0.16	PRE	15.0
73	IMPROVEMENTS	2/03/89	4,517.13	0.00	0.00	1,027.91	113.82	2,163.73	2,353.40	SL	39.0
74	IMPROVEMENTS	6/15/96	25,188.45	0.00	0.00	5,297.69	697.14	5,994.74	21,233.71	SL	39.0
75	IMPROVEMENTS	7/15/94	20,940.72	0.00	0.00	5,713.84	536.94	6,250.78	14,689.94	SL	39.0
76	IMPROVEMENTS/CABIN	9/30/89	10,334.27	0.00	0.00	1,159.22	270.11	1,429.33	8,904.94	SL	39.0
79	SKYLIGHTS	11/08/00	588.00	0.00	0.00	47.12	15.08	62.20	525.80	SL	39.0
82	CONTAINMENT SLAB & WALL	3/01/02	6,828.00	0.00	0.00	313.68	128.08	441.76	6,339.24	SL	39.0
91	FENCING	2/21/03	2,833.10	0.00	2,135.93	3,141.24	1,346.25	4,487.49	3,345.61	200DB	7.0
92	AMANA A/C	2/03/03	566.69	0.00	170.01	326.68	97.15	323.83	242.86	200DB	7.0
93	METAL BUILDING	6/18/03	32,298.93	0.00	0.00	448.60	828.18	1,276.78	31,022.15	SL	39.0
95	FENCING	4/02/03	1,350.00	0.00	405.00	540.00	231.43	771.43	578.57	200DB	7.0
96	FENCING	5/22/03	1,325.00	0.00	662.50	757.14	162.25	919.39	405.61	200DB	7.0
97	CATTLE GUARD & 2-GATES	7/30/03	400.00	400.00	0.00	400.00	0.00	400.00	0.00	200DB	7.0
101	IMPROVEMENTS-LEWIS SIGN	1/11/04	647.89	0.00c	0.00	0.00	15.92	15.92	631.97	SL	39.0
104	IMPROVEMENTS-COX CONSTR	6/07/04	2,143.39	0.00c	0.00	0.00	29.77	29.77	2,113.62	SL	39.0
	IMPROVEMENTS		119,623.87	0.00c	3,593.44	18,964.00	4,692.03	23,556.03	96,067.84		
Group: LAND FILL											
78	LAND USED FOR LANDFILL	1/01/90	111,000.00	0.00	0.00	61,346.35	0.00	61,346.35	49,653.65	Memo	0.0
	LAND FILL		111,000.00	0.00c	0.00	61,346.35	0.00	61,346.35	49,653.65		

07562 RLH, INC.
71-0430604
FYE: 12/31/2004

Tax Asset Detail 1/01/04 - 12/31/04

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Page 3

Asset #	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: TRUCKS											
7	1993 TANKER TRAILER	4/12/95	12,750.00	0.00	0.00	12,750.00	0.00	12,750.00	0.00	200DB	5.0
8	1995 CHEVY PICKUP	8/27/95	16,900.00	0.00	0.00	16,435.00	465.00	16,900.00	0.00	200DB	5.0
68	GOOSENECK TRAILER	9/15/80	1,750.00	0.00	0.00	1,750.00	0.00	1,750.00	0.00	200DB	7.0
94	CATERPILLAR MODEL 250E AR	4/23/03	37,012.25	37,012.25	0.00	37,012.25	0.00	37,012.25	0.00	200DB	7.0
98	1974 FORD TRUCK	7/11/03	1,300.00	0.00	0.00	300.00	480.00	780.00	720.00	200DB	5.0
		TRUCKS	89,912.25	0.00	0.00	88,247.25	945.00	89,192.25	720.00		
		Grand Total	2,480,690.55	0.00	94,487.96	2,006,926.68	95,202.11	2,097,128.79	383,561.76		

List of Capital Improvements
Added to Purchase Price

Date:	Item	Amount
7-20-04	Bins for businesses	$29,199.62
10-27-04	96 Gallon Containers	$ 5,582.18
[redacted]		
1-23-05	Lodal – Collection Truck	$65,474.00
	Front-Loader Truck	$97,749.00
1-26-05	96 Gallon Containers (100)	$5,582.18
2-17-05	Copy Machine	$4,783.00
3-30-05	Used side-loader truck Truck Transport	$48,787.00 $ 1,640.00
4-4-05	New Roll-off truck	$120,129.40
4-18-05	New Roll-off bins	$23,080.00
[redacted]		
6-13-05	New Lodal (collection truck)	$60,974.00
	New Front loader w/ tag axle	$100,835.00
	New Bins – 20 & 30 yard	$23,080.00

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Candace Rye Clerk
by D.C. K Smith

IN THE CIRCUIT COURT OF BAXTER COUNTY, ARKANSAS
CIVIL DIVISION

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY — PLAINTIFF

VS. — NO. CV 2013-32-4

OZARK MOUNTAIN SOLID WASTE MANAGEMENT DISTRICT — DEFENDANT

ORDER GRANTING SUMMARY JUDGMENT

After consideration of the Arkansas Department of Environmental Quality ("ADEQ")'s Motion for Summary Judgment and the Brief in Support, the Response filed by Ozark Mountain Solid Waste Management District ("OMSWMD"), ADEQ's Reply, and arguments by Counsel, the Court hereby finds and orders the following:

1. That there is no genuine issue as to any material fact and that ADEQ is entitled to judgment as a matter of law regarding the violations cited.

2. That in recognition of the Defendant OMSWMD's current financial circumstances including its pending Chapter 9 Bankruptcy proceeding, and the imminent and substantial endangerment to the public health, safety, and welfare and the risk to the environment posed by the Defendant's facility, the Court orders as equitable and justified relief that ADEQ is hereby authorized to:

   a. take immediate possession of Arvest Bank reserve account #14370849 created for the closure of Defendant's Class I Landfill, Area 1-2 in the amount of One Million, Four Hundred Twenty-Eight Thousand, Four Hundred Nine Dollars and Thirty-One Cents($1,428,409.31), or its current value as of the date of this Order, whichever is greater;

EXHIBIT
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b. take immediate possession of Arvest Bank Trust Department trust account #43-5886-00-7 created for the closure of Defendant's Class I Landfill, Area 1-3 and the post closure of Areas 1-2 and 1-3 in the amount of One Million, Nine Thousand, Six Hundred Nineteen Dollars and Seventy-Eight Cents ($1,009,619.78), or its current value as of the date of this Order, whichever is greater;

c. take immediate possession of the three $25,000.00 CDs, Nos. 90580459, 90580547, and 90580352, issued by First Federal, pledged as financial assurance to ADEQ for closure of the waste tire facility, in the total amount of Seventy-Five Thousand Dollars ($75,000.00), or the current value as of the date of this Order, whichever is greater;

d. exercise its statutory authority to expend these funds for site stabilization, corrective action, closure and post-closure care at Defendant's landfills.

3. That Defendant, by its Chairman or designated representative, shall sign all necessary documents to complete transfer of all accounts, financial instruments and funds referenced in Paragraph 2, above, to ADEQ.

4. That ADEQ is ordered to exercise its statutory authority to expend any additional monies for site stabilization, corrective action, closure and post-closure care at Defendant's landfills as necessary from the Landfill Post-Closure Trust Fund.

5. That ADEQ shall be entitled to pursue its statutory authority to seek recovery of any funds expended from the Landfill Post-Closure Trust Fund and used for site stabilization,

corrective action, closure and post-closure care at Defendant's landfills and waste tire facility that are subject to ADEQ permits.

IT IS SO ORDERED this 12th day of May, 2014.

HONORABLE GORDON WEBB
CIRCUIT JUDGE

Prepared by:

Lorielle Gutting, Ark. Bar No. 2009185
Michael McAlister, Ark. Bar No. 89162
Attorneys for
Arkansas Department of
Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118-5317

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IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
_____ DIVISION

BANK OF THE OZARKS,
as Trustee for the Bondholders — PLAINTIFF

v. Case No. _____

OZARK MOUNTAIN SOLID WASTE DISTRICT — DEFENDANT

COMPLAINT FOR APPOINTMENT OF RECEIVER

Bank of the Ozarks, as Trustee for the Bondholders ("Trustee"), by and through its attorneys Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., and for its Complaint for Appointment of Receiver, states as follows:

PARTIES, JURISDICTION, AND VENUE

1. The Trustee is a banking entity created under Arkansas law authorized to exercise corporate trust powers and has a principal place of business in Little Rock, Arkansas, and is acting on behalf of and for the benefit of the holders ("Bondholders") of the $12,340,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A and 2005B (collectively, the "Bonds") dated October 1, 2005.

2. Defendant, Ozark Mountain Solid Waste District, formerly known as the Northwest Arkansas Regional Solid Waste Management District ("District"), is a regional solid waste management district created by the Arkansas General Assembly pursuant to Arkansas Code Annotated § 8-6-701 *et seq.* and governed by the provisions of Arkansas Code Annotated § 8-6-701 *et seq.* and §8-6-801 *et seq.*

EXHIBIT
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3. Pursuant to Ark. Code Ann. § 8-6-703, the District is governed by a regional solid waste management board (the "District Board"), which is composed of representatives of each of the six counties, all cities of the first class and all cities with a population over two thousand persons geographically located within the boundaries of the District. The county judge of each county and the mayor of each city serves on the board, unless the county judge or mayor appoints a representative to serve instead.

4. The District Board includes representatives of Baxter County, the City of Mountain Home, the City of Gassville, Boone County, the City of Harrison, Carroll County, the City of Green Forest, the City of Berryville, Marion County, the City of Bull Shoals, Newton County, the City of Jasper, Searcy County, and the City of Marshall, Arkansas (collectively, the "Cities and Counties"). Upon information and belief, Jeff Crockett, the mayor of Harrison, is currently Chairman of the District Board.

5. The Court has jurisdiction over this matter pursuant to Arkansas Code Annotated § 16-13-201.

6. Venue is proper in this Court pursuant to Arkansas Code Annotated §16-55-213(a)(3)(B).

FACTS

7. In October 2005, the District entered into a Trust Indenture dated as of October 1, 2005, with the Trustee (the "Trust Indenture"), and issued its $9,800,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A and $2,540,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Taxable Series 2005B, totaling $12,340,000 in aggregate principal amount. In violation of Section

504(b) of the Trust Indenture, the District defaulted on the payment of principal and interest on the Bonds on November 15, 2012 and failed to cure the default by the December 17, 2012, as requested by Trustee. A true and correct copy of the Trust Indenture is attached as Exhibit 1 and incorporated by reference.

8. The Bonds were purchased by the Bondholders. Pursuant to Article X of the Trust Indenture, Bank of the Ozarks, in its capacity as trustee for the Bonds, is authorized to enforce its remedies in the event of a default under the Trust Indenture.

9. Of the Bond funds borrowed, $1,637,000 was designated (i) to expand waste holding cells or (ii) to remedy violations existing in 2005 of regulations of the Arkansas Department of Environmental Quality ("ADEQ") with regard to closure and post-closure funds.

10. The District failed to use the borrowed funds for those purposes.

11. Section 405 of the Trust Indenture provides that the District "will at all times cause to be maintained, preserved and kept, the Facility,[1] the Hauling Company and the Mortgaged Property in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs, replacements, additions, betterments and improvements so that the operation and business pertaining to the Facility, the Hauling Company and the Mortgaged Property shall at all times be conducted properly and so that the Mortgaged Property shall be fully maintained."

12. The District failed to comply with Section 405 of the Trust Indenture.

13. In addition to the payment obligations of the Trust Indenture, the District is also obligated to honor various performance covenants, including, *inter alia*, an obligation to comply with all environmental laws and to comply with all financial assurances regulations designed to ensure that adequate funds will be available to close a landfill (or part thereof) when capacity is

[1] All capitalized terms as defined in the Trust Indenture.

reached and to monitor the landfill post-closure for a period of thirty (30) years to ensure no contamination of nearby properties or groundwater. The District has failed to fulfill this obligation.

14. In Section 506 of the Trust Indenture, the District covenants to maintain a post-closure fund.

15. The District does not have sufficient funds to complete the necessary closures.

16. Section 411 of the Trust Indenture provides that the District will continuously monitor and report to Trustee the estimated remaining capacity for each permitted area within the Facility on an annual basis. Trustee has received no such capacity reports since 2005, but ADEQ has determined that any remaining capacity has been exhausted and, in fact, portions of the landfill are overfilled in violation of state law and ADEQ regulations.

17. Upon information and belief, the District ceased all landfill-related operations on our about December 1, 2012 because (1) the landfill was running out of capacity to accept solid waste, (2) numerous environmental violations remained uncured, and (3) the District had inadequate resources to address the operational and environmental issues.

18. The District failed to require flow consistent with the flow projections provided to secure the Bond issuance. Arkansas Code Annotated § 8-6-712 states that a district may require that solid waste generated or collected within the boundaries of the district be delivered to a particular project for disposal, treatment, or other handling and that any regulation adopted for the purpose of ensuring payment of bonds shall remain in full force and effect and shall be enforced so long as any bonds, notes, or other evidences of indebtedness remain outstanding. However, the District has adopted no such requirement.

19. The District failed to prepare for reaching disposal capacity properly as required by Arkansas Code Annotated § 8-6-716.

20. On January 6, 2014, the District filed a petition for Chapter 9 bankruptcy in the United States Bankruptcy Court for the Western District of Arkansas.

21. In February 2013, ADEQ filed suit against the District in Baxter County, Arkansas, for violations of environmental laws.

22. On May 19, 2014, the Baxter County Circuit Court granted ADEQ's Motion for Summary Judgment and ordered the District to turn over certain funds to ADEQ so that ADEQ could attempt to stabilize and take corrective action in regard to the District's landfills. A true and correct copy of the Order Granting Summary Judgment is attached as Exhibit 2 and incorporated by reference.

23. If appointed, the Trustee does not intend for a receiver to conflict or interfere with any clean-up or corrective operations by ADEQ.

24. On August 5, 2014, the bankruptcy court dismissed the District's bankruptcy petition, stating that the District was not authorized by the State of Arkansas to file for bankruptcy protection. *See* Order Sustaining Objection to Filing of Chapter 9 Petition and Dismissing Case attached as Exhibit 3 and incorporated by reference.

25. The Court also found that the District had not filed bankruptcy in good faith, citing testimony by a District Board member that the District Board chose not to impose a revenue producing service fee because "the board members believed that imposing the service fee would be unpopular with the counties in the district and would result in the board members failing to be reelected to their respective county positions." Order, pp. 13-14.

26. The District is not operational, does not currently have funds with which to repay the Bonds, and is in violation of the Trust Indenture and Arkansas law.

27. Arkansas Code Annotated § 8-6-806 allows for the appointment of a receiver if a district has defaulted on the repayment of bonds.

28. The Trustee is also entitled to appointment of the receiver under Section 1006 of the Trust Indenture. *See* Exhibit 1, page 43.

29. Further, the Trustee is entitled to a receiver under Rule 66 of the Arkansas Rules of Civil Procedure.

30. A receiver is necessary to evaluate the District's operations, or lack thereof, in order to comply with the Trust Indenture and Arkansas law.

RELIEF REQUESTED

31. The Trustee requests that the Court appoint Geoffrey Treece, an attorney with the law firm of Quattlebaum, Grooms, & Tull, PLLC, as the receiver of Defendant to carry out the duties and obligations necessary to operate the District, including charging and collecting rates, payments, rents and charges in order to repay the Bonds.

32. Mr. Treece has extensive experience in commercial litigation matters and has represented receivers in other complex cases.

33. Because the District has defaulted under the Trust Indenture, the Trustee is entitled to appointment of a receiver pursuant to Arkansas Code Annotated § 8-6-806.

34. Under Arkansas Code Annotated § 8-6-806:

> [t]he receiver shall have the power and authority to operate and maintain the project, to charge and collect rates, payments, rents, and charges sufficient to provide for the payment of the principal of, premium on, if any, and interest on the bonds, after providing for the payment of any costs of receivership and operating expenses of the project, and to apply the revenues derived from the project in conformity with this subchapter and the resolution or trust indenture authorizing or securing the bonds.

Arkansas Code Annotated § 8-6-806(a)(2).

35. Because the District has defaulted under the Trust Indenture, the Trustee is also entitled to appointment of the receiver under Section 1006 of the Trust Indenture. *See* Exhibit 1, page 43.

36. Lastly, it is necessary and proper for a receiver to be appointed under Rule 66 of the Arkansas Rules of Civil Procedure due to the District's default under the Trust Indenture.

37. The Trustee reserves all further rights against the District and any other parties pursuant to the Trust Indenture. By filing this Complaint for Appointment of Receiver, Plaintiff does not waive any such additional rights for relief found in Arkansas law or the contractual obligations of the parties. This Complaint is filed because of the immediate need for a manager of the District to protect the interests of all parties.

WHEREFORE, Bank of the Ozarks, as Trustee for the Bondholders, prays that the Court appoint Geoffrey Treece to act as receiver of the District in order to operate and maintain the District and comply with the Trust Indenture and Arkansas law, including but not limited to, the following:

I.

Adopting appropriate regulations through lawful means, pursuant to Arkansas Code Annotated § 8-6-712(a), including requiring that solid waste generated or collected within the

District be delivered to the District and to maintain any regulation so adopted so long as any bonds, notes, or other evidences of indebtedness remain outstanding;

II.

Assessing all potential sources of revenue and implementing such rents, fees, and charges as may be appropriate, including, but not limited to those authorized by Arkansas Code Annotated § 8-6-714;

III.

Pursuant to Arkansas law and in compliance with the Trust Indenture, to fix the rates, fees, and charges of the District to provide revenues sufficient: (1) to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its projects, and all necessary repairs, replacements, or renewals thereof; (2) to pay when due the principal of, premium, if any and interest on all bonds;

IV.

Complying with the Trust Indenture and Arkansas law in all other respects.

Respectfully submitted,

MITCHELL, WILLIAMS, SELIG,
GATES & WOODYARD, P.L.L.C.
425 West Capitol Avenue, Suite 1800
Little Rock, Arkansas 72201-3525
Telephone: (501) 688-8800

By: /s/ Christopher A. McNulty
Lance R. Miller (Ark. Bar No. 85109)
Stan D. Smith (Ark. Bar No. 90117)
Christopher A. McNulty (Ark. Bar No. 2008198)

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IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
6th DIVISION

BANK OF THE OZARKS,
as Trustee for the Bondholders — PLAINTIFF

v. — Case No. 60CV-14-4479

OZARK MOUNTAIN SOLID WASTE DISTRICT — DEFENDANT
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY — INTERVENOR

CONSENT ORDER APPOINTING RECEIVER

Before the Court is the Complaint for Appointment of Receiver ("Complaint") filed by Plaintiff Bank of the Ozarks, as Trustee for the Bondholders ("Trustee") on December 2, 2014, and the Answer to Complaint for Appointment of Receiver ("Answer") filed by the Defendant Ozark Mountain Solid Waste District ("District") on January 2, 2015. Also before the Court is the Motion to Intervene filed on April 14, 2015, by Arkansas Department of Environmental Quality ("ADEQ"). A hearing was held on April 30, 2015. At the hearing, the Court indicated that that it would grant ADEQ's Motion to Intervene. Based upon the pleadings and the agreement of the parties as indicated by the signature of their counsel below, the Court, being fully advised, finds that it is necessary and proper for the Court to appoint a receiver. The Court further finds as follows:

EXHIBIT
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1. The Trustee is a banking entity created under Arkansas law authorized to exercise corporate trust powers and has a principal place of business in Little Rock, Arkansas, and is acting on behalf of and for the benefit of the holders ("Bondholders") of the $12,340,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A and 2005B (collectively, the "Bonds") dated October 1, 2005.

2. Defendant, Ozark Mountain Solid Waste District, formerly known as the Northwest Arkansas Regional Solid Waste Management District ("District"), is a regional solid waste management district created by the Arkansas General Assembly pursuant to Arkansas Code Annotated § 8-6-701 *et seq.* and governed by the provisions of Arkansas Code Annotated § 8-6-701 *et seq.* and §8-6-801 *et seq.*

3. Pursuant to Ark. Code Ann. § 8-6-703, the District is governed by a regional solid waste management board (the "District Board"), which is composed of representatives of each of the six counties, all cities of the first class and all cities with a population over two thousand persons geographically located within the boundaries of the District. The county judge of each county and the mayor of certain cities within the District serves on the Board, unless the county judge or mayor appoints a representative to serve instead.

4. The District Board includes representatives of Baxter County, the City of Mountain Home, the City of Gassville, Boone County, the City of Harrison, Carroll County, the City of Green Forest, the City of Berryville, Marion County, the City of Bull Shoals, Newton County, the City of Jasper, Searcy County, and the City of Marshall, Arkansas (collectively, the "Cities and Counties"). Terry Ott, the County Judge of Marion County, is currently Chairman of the District Board.

5. In October 2005, the District entered into a Trust Indenture dated as of October 1, 2005, with the Trustee (the "Trust Indenture"), and issued its $9,800,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Series 2005A and $2,540,000 Northwest Arkansas Regional Solid Waste Management District Waste Disposal Refunding and Construction Revenue Bonds, Taxable Series 2005B, totaling $12,340,000 in aggregate principal amount.

6. The Trustee asserts that the indebtedness owed by the District to the Trustee is secured by certain real estate in Baxter County, Arkansas, and a security interest in all personal property and all revenue and income as described in the Trust Indenture.

7. In violation of Section 504(b) of the Trust Indenture, the District defaulted on the payment of principal and interest on the Bonds on November 15, 2012 and failed to cure the default by the December 17, 2012, as requested by Trustee.

8. As of May 1, 2015, there is $11,090,000 in principal and $1,493,225 in accrued interest due and owing on the Bonds.

9. The Bonds were purchased by the Bondholders and pursuant to Article X of the Trust Indenture, Bank of the Ozarks, in its capacity as Trustee, is authorized to enforce certain remedies in the event of a default under the Trust Indenture.

10. In addition to defaulting under the Trust Indenture, the District does not have sufficient funds to comply with its obligations under state environmental law to properly manage, remediate, and complete the necessary closures of its landfills.

11. ADEQ has established in a separate court action that the District is in violation of state law and ADEQ regulations.

12. In February 2013, ADEQ filed suit against the District in Baxter County, Arkansas, for violations of state law and ADEQ regulations.

13. On January 6, 2014, the District filed a petition for Chapter 9 bankruptcy in the United States Bankruptcy Court for the Western District of Arkansas.

14. On May 19, 2014, the Baxter County Circuit Court granted ADEQ's Motion for Summary Judgment and ordered the District to turn over certain funds to ADEQ so that ADEQ could begin attempts to stabilize and take corrective action in regard to the District's landfills.

15. On August 5, 2014, the bankruptcy court dismissed the District's bankruptcy petition, stating that the District was not authorized by the State of Arkansas to file for bankruptcy protection.

16. The District does not currently have funds with which to repay the Bonds, and is in violation of the Trust Indenture and Arkansas law.

17. Arkansas Code Annotated § 8-6-806 allows for the appointment of a receiver if a district has defaulted on the repayment of bonds, and Section 1006 of the Trust Indenture also allows for the appointment of a receiver upon default.

18. The Trustee has requested, and the District and ADEQ have agreed to, the appointment of Geoffrey Treece, an attorney with the law firm of Quattlebaum, Grooms, & Tull, PLLC, as the receiver of the District.

19. Accordingly, Geoffrey Treece is hereby appointed as the receiver of the District (hereinafter, the "Receiver").

20. The role of the Receiver in the first sixty (60) to ninety (90) days will be to investigate and evaluate the operations of the District as explained in more detail below (the

"Initial Period"). The Receiver shall employ and use standard, customary and prudent business practices in evaluating the operations of the District.

21. The appointment shall be effective immediately upon the entry of this Order and the acceptance of the Receiver.

22. Receiver acknowledges his role as a receiver and his fiduciary duties and his responsibility to report to this Court.

23. The Receiver shall serve without bond.

24. The Receiver's responsibilities shall run to the Court, and the Receiver shall provide his written acceptance and oath to faithfully perform the duties reposed in him by the Court under this Order.

25. During the Initial Period, the Receiver shall prepare and file with the Court (and distribute to all parties of record through their appearing counsel) a report (the "Report") containing, among other things, (1) an accounting and inventory of the District assets and liability, (2) a recommendation to the Court concerning the management and operation of the District, and (3) a recommendation of alternatives for the District to generate additional income and revenue.

26. The Receiver shall have complete access to the District and it agents, employees, accountants, and Board members in performing the duties set forth herein and in any way related to the management and operation of the District, including, but not limited to, complete access to the District's offices and to all books, records, accounts, audits, reports, and files, including all real property, and improvements.

27. The District and its officers, agents, representatives, employees, attorneys, assigns, affiliates, parents and subsidiaries, are hereby enjoined and restrained from interfering

with the Receiver's access to or concealing any books, records, accounts, audits, reports, and files, including all real property, and improvements.

28. During the Initial Period, the District shall be allowed to use up to $7,500.00 of the revenue and income generated from the current $2 per ton charged for solid waste management. All remaining revenue and income generated from the $2 per ton charge for solid waste management shall be deposited in a separate account in the District's name and shall not be used for operations.

29. The Receiver and the parties hereto acknowledge the State of Arkansas, by and through the Department of Environmental Quality, has undertaken certain efforts to address ongoing environmental issues related to the landfills operated by the District. The appointment of a Receiver herein is not intended to impede or interfere with those efforts, and the Receiver will continue to work cooperatively with the Department.

30. The Receiver may be removed at any time by the Court for good cause shown.

31. The Court reserves the right to modify and supplement this Order from time to time as may be deemed necessary and proper. The parties may, by motion, seek to modify this Order.

32. The parties agree that the facts as stated herein are not the only facts necessary for the disposition of this case and reserve the right to plead further facts and allegations as necessary in further litigation of this matter.

IT IS SO ORDERED.

THE HONORABLE TIMOTHY D. FOX
PULASKI COUNTY CIRCUIT COURT JUDGE

5/14/18
DATE

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APPROVED BY:

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IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION

BANK OF THE OZARKS **PLAINTIFF**
As Trustee for the Bondholders

vs. **CASE No.: 60CV-14-4479**

OZARK MOUNTAIN SOLID WASTE DISTRICT **DEFENDANT**

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY **INTERVENOR**

RECEIVER'S REPORT AND RECOMMENDATIONS AND MOTION FOR APPROVAL AND IMPLEMENTATION OF RECOMMENDATIONS

Geoffrey B. Treece, Receiver ("Receiver"), by and through his attorneys, Quattlebaum, Grooms & Tull PLLC, for his Report and Recommendations and Motion for Approval and Implementation of Recommendations, states:

1. This Court entered its Consent Order Appointing Receiver (the "Order") on May 15, 2015.

2. Since his appointment, the Receiver has consulted with and interviewed representatives of each of the parties and examined and reviewed financial statements and other documents pertaining to the operations and financial affairs and condition of the Ozark Mountain Solid Waste District (the "District"). The Receiver has also traveled to and viewed each of the District's real properties, though the visit to the Nabors Landfill (defined below) consisted primarily of a drive-by since the property gate was locked. The Receiver was also able to view the hauling equipment discussed more particularly herein. Additionally, the Receiver has interviewed officials of two other districts (Boston Mountain and South Central) and examined and reviewed documents and data provided

EXHIBIT
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by the Arkansas Department of Environmental Quality ("ADEQ") pertaining to, among other things, the operations and revenue sources generated by the other districts located throughout the State of Arkansas. Finally, the Receiver has consulted with each of the Assessors and most of the Collectors for the counties comprising the District and reviewed data supplied from these sources.

3. Background on the District and Civil Proceedings. The pleadings and orders filed in the instant case and the ADEQ Suit (defined herein) and referenced herein contain extensive factual detail on the background of the District and the financial transactions and events which gave rise to the filing of this proceeding and the appointment of the Receiver. For purposes of brevity, the Receiver has limited his narrative on the background and has incorporated various pleadings and court orders when deemed appropriate.

The District is a regional solid waste management district created by the Arkansas General Assembly in 1989. Ark. Code Ann. § 8-6-701 *et seq*. The District is comprised of Baxter, Boone, Carroll, Marion, Newton and Searcy Counties. A map of the District containing each of the cities, towns, and locations of permitted landfills, transfer stations, recycling facilities and composting sites is attached hereto as Exhibit "1" and incorporated by reference.

The District is presently governed by a fifteen (15) member regional solid waste management board (the "Board") which is comprised of mayors and county judges from each of the six counties. The District's responsibilities include handling of illegal dump complaints, hauler licensing, overseeing of grant programs, recycling programs (including electronic waste), public awareness and waste tire programs.

The District purchased an existing landfill located in Baxter County, Arkansas (the "Nabors Landfill") and related equipment and assets in 2005. The acquisition was funded with a bond issue in the amount of $12,340,000.00. The District defaulted on its payment obligations under the bond issue in 2012. The District also failed to comply with various performance covenants of the Trust Indenture relating to the Nabors Landfill, including but not limited to, compliance with applicable environmental laws and related financial assurances. The Nabors Landfill was ultimately closed by the District in 2012.

On February 12, 2013, ADEQ filed an action styled *Arkansas Department of Environmental Quality v Ozark Mountain Solid Waste Management District,* Circuit Court of Baxter County, Arkansas, Case No. CV2013-32-4 (the "ADEQ Suit"). ADEQ was subsequently granted a summary judgment whereby ADEQ was authorized, *inter alia*, to take possession of certain reserve accounts and other financial instruments and expend the proceeds to address the environmental issues present at the District's Nabors Landfill. A copy of the ADEQ Brief in Support of Motion for Summary Judgment (detailing the various environmental issues with the District and the Nabors Landfill) and the Order Granting Summary Judgment are attached hereto as Exhibits "2" and "3", respectively, and incorporated by reference.

On January 6, 2014, the District filed a voluntary petition for Chapter 9 bankruptcy. The Chapter 9 bankruptcy was dismissed on the motion of the Bank of the Ozarks, as Trustee for the Bondholders ("Trustee") pursuant to the order of U.S. Bankruptcy Judge Ben Barry dated August 5, 2014, a copy of which is attached hereto as Exhibit "4" and incorporated by reference.

On December 2, 2014, the Trustee filed a Complaint for Appointment of Receiver commencing the instant proceeding. A copy of the Trustee's Complaint is attached hereto as Exhibit "5" and incorporated by reference. The Court entered its Consent Order Appointing Receiver ("Consent Order") on May 15, 2015.

The Nabors Landfill is presently closed for business and is being monitored by ADEQ. ADEQ contracted with Inland Waste Solutions, LLC ("Inland") to maintain the landfill roads, haul leachate from the landfill and to provide a temporary cover at the landfill but, upon information and belief, ADEQ terminated Inland on or about August 26, 2016. The landfill will soon undergo closure by a third party contractor under the supervision of ADEQ. A recent ADEQ Solid Waste Management Site Summary ("Site Summary") with background on the Nabors Landfill is attached hereto as Exhibit "6" and incorporated by reference.

Though it no longer operates a landfill or waste hauling business, the District continues to operate and provides numerous other services. Generally speaking, the District is responsible for developing and implementing solid waste management activities throughout the District in conformity with directives from the Board and as required by applicable federal, state and local laws and regulations. This includes responsibility for monitoring and administering services related to projects within the District and ensuring compliance with applicable laws and regulations. More specifically, the District's responsibilities include the development, maintenance and administration of the District Solid Waste Plan, licensing of waste haulers, collection of tipping fees, administration of recycling grants, administration of the waste tire and electronic waste programs, administration of the Certificate of Need process (for entities seeking to open a

transfer station, landfill or expansion of an existing landfill), handling of illegal dump complaints, education and community outreach.

4. Summary of Management and Operations of the District. A listing of each member of the Board, the governmental entity they represent and their term is listed on Exhibit "7" attached hereto and incorporated by reference.

The District has no employees. All administrative and management functions of the District are handled through independent contractors. The day to day operations of the District are handled by Ms. Melinda Caldwell, Executive Director for the District. Ms. Caldwell is the principal of Via Recyclables, LLC which is under contract to manage the affairs of the District. Ms. Amanda Herd provides some electronic waste public education services on behalf of the District and is compensated from an electronic waste grant.

Various professionals are also contracted with to handle legal, accounting and financial auditing services. John Verkamp, Esq., an attorney from Charleston, Arkansas, serves as general counsel to the District. J. Timothy Fulmer, CPA, P.A., a certified public accountant from Rogers, Arkansas, provides auditing services to the District. Mr. Luke Feighert, CPA, Finance Director for the City of Harrison, Arkansas is responsible for the routine accounting and financial functions of the District. Mr. Feighert's responsibilities include handling of the District bank accounts, accounts payable and receivable and preparation of periodic financial reports for the District.

5. Inventory of District Assets. According to the records of the Baxter County Assessor, the assets of the District include twenty parcels of real property. Eighteen parcels are located in rural Baxter County with a physical address of 1194 RLH Landfill Road, Mountain Home, Arkansas. These rural parcels are contiguous, aggregate

792.69 acres and include the site of the Nabors Landfill. Most of the acreage is wooded except for the landfill site.

There are two real estate parcels with improvements located on Rossi Road, Mountain Home, Arkansas. The first parcel is located at 1305 Rossi Road and consists of a 4 acre parcel containing a 2,745 square foot office building and a 2,864 square foot service/repair garage. The parcel also includes a substantial amount of asphalt and concrete paving. Upon information furnished by the District, the office building is in a state of disrepair and will require a new roof among other repairs. The remaining parcel is nearby at 1206 Rossi Road and consists of a .79 acre parcel containing a 1.920 square foot metal building which serves as a service/repair garage. There is no paving on the premises.

The Receiver has not obtained appraisals or other valuations on any the real properties. Moreover, each of the properties are tax exempt given the District's quasi-governmental status so there is no valuation information available from the Baxter County Assessor.

The District owns multiple items of tangible personal property which can be divided into two separate groups. One group consists of the personal property related to the landfill and hauling operation. The other group consists of the personal property relating to the District's ongoing operation.

The landfill and hauling personal property includes various kinds of equipment, furniture, fixtures, rolling stock, containers, tools, tires, parts and other miscellaneous items. All of these items are located either at the landfill or at the Rossi Road locations.

The lion's share of this personal property is in poor to fair condition since it has been sitting in open weather conditions for the last several years.

The personal property presently used in connection with the District's ongoing operations consists primarily of waste tire trailers and miscellaneous office equipment, furniture and supplies.

The District also maintains two (2) bank accounts at Community First Bank consisting of an operating account for the District with a balance of $89,520.60 as of July 31, 2016[1] and a separate account holding all other funds generated by the District with a balance of $438,588.98 as of July 31, 2016[2]. The District also maintains an operating account for the Nabors Landfill at Arvest Bank with a balance of $528.16 as of June 30, 2016.

6. Balance Sheet – The assets and liabilities of the District are summarized in the Balance Sheets prepared by Mr. Feighert for the District for the period ending June 30, 2016 and attached hereto as Exhibit "8" and incorporated by reference.[3]

7. Profit and Loss Statements. A Profit and Loss Statement prepared by Mr. Feighert for the District for the period commencing July 1, 2015 and ending July 30, 2016 is attached hereto as Exhibit "9" and incorporated by reference.

8. Audited Financial Statements. The District's financial statements are audited by an independent auditor, J. Timothy Fulmer, Certified Public Accountant, P.A.

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[1] Consists of the $7,500 monthly set aside per the Consent Order.

[2] This account consists of the remaining $2 per ton fees and some restricted grant funds, the latter of which may be used by the District per the Consent Order.

[3] The balance sheet does not include the hauling and landfill personal property or the real property in the assets. Likewise, none of the liabilities owed by the District to the Trustee or to ADEQ are listed in the liabilities.

A copy of the most recent audited financial statements for the fiscal year ending June 30, 2015 is attached hereto as Exhibit "10" and incorporated by reference.[4]

9. Sources of District Revenues. The Arkansas legislature empowered the district boards to "fix, charge and collect rents, fees, and charges of no more than two dollars ($2.00) per ton of solid waste related to the movement or disposal of solid waste within the district . . . ." Ark. Code Ann. § 8-6-714(a)(1)(A). This first type of fee is commonly referred to as a "tipping fee" and the District presently imposes the maximum amount of fee allowed under the statute. The board is also authorized to charge and collect fees for solid waste disposal of within the district irrespective of whether the waste was generated in the district. Ark. Code Ann. § 8-6-714(a)(2). Additionally, the board "*may levy a service fee on each residence or business for which the board makes solid waste collection or disposal services available.*" Ark. Code Ann. § 8-6-714(d) [Emphasis supplied]. With a majority vote, the board may "require fees or delinquent fees to be collected with the real and personal property taxes of any county within the district." Ark. Code Ann. § 8-6-714(e)(1)(A).

Judge Barry's opinion granting the Trustee's motion to dismiss the Chapter 9 proceeding states as follows:

> District board member Tim McKinney testified that the District experienced problems with ADEQ immediately upon purchasing the Nabors Landfill because older parts of the landfill were improperly constructed, resulting in the risk that leachate would contaminate the groundwater if the District did not undertake remedial measures. McKinney further testified that grants received by the District, as well as the $2.00 per ton tipping fee collected by the District, were exhausted on a

[4] The balance sheet does not include the hauling and landfill personal property or the real property in the assets. There is likewise no reference to the District's liabilities owed to the Trustee though there is a reference in Note 8 pertaining to contingencies in favor of ADEQ arising from the District's obligation to pump leachate at the landfill and cleanup of the District's waste tire site.

> monthly basis by the District's efforts to remedy the leachate problem. As a result, the District operated at a deficit each month. Compounding the financial difficulties created by the leachate, many of the District's member counties opted to transport their solid waste to less expensive landfills located in other parts of Arkansas or out of state. Despite the District's financial problems, McKinney testified that the board never seriously considered levying the service fee authorized by Arkansas Code Annotated section 8-6-714(d). McKinney testified that there was some concern that the statutorily authorized service fee might be considered an illegal exaction, but that the fee was discarded as a source of revenue primarily because the board considered it a "politically unacceptable solution" that would likely result in District board members not being reelected to the offices that they held in their respective counties [Footnotes omitted].[5]

In addition to the tipping fees, the District's present sources of revenue consist primarily of grants for electronic waste, recycling and waste tires. There is also minimal revenue generated from other sources such as hauler licensing. The electronic waste and waste tire grant proceeds are restricted to the express purposes of those specific programs. The recycling grant money is not restricted and can be used for general operations.

The June 30, 2015 audited financial statements reflect that the District's total operating revenues decreased by $45,862 or 7.2% from the prior year due to a decrease in recycling and waste tire grants.[6] This decrease in total operating revenues followed a 4.9% decrease for the year ended June 30, 2014 which was likewise primarily attributable to a decrease in recycling and waste tire grants.

10. Claim of Trustee. A detailed narrative and documents describing the claim of the Trustee is more fully described in the Trustee's Complaint which includes the Trust Indenture. See Exhibit 5. As of August 5, 2016, the District was indebted to the

[5] See Exhibit 4, pgs. 2-3.
[6] See Exhibit 10, pg. 2.

Bondholders under the Trust Indenture in the amount of $13,276,296.30, including principal in the amount of $11,090,000.00 and accrued interest in the amount of $2,186,296.27. Pursuant to the Trust Indenture, the Trustee claims that the bond indebtedness is secured by blanket security interest in the assets of the District.

As more particularly stated in the Trustee's Complaint and the Trust Indenture, the bond issue was divided into 2005A and 2005B bond categories. The original amounts and maturities of the bonds are summarized as follows:

SERIES 2005A BONDS

YEAR	AMOUNT
2017	$90,000.00
2018	350,000.00
2019	365,000.00
2020	380,000.00
2021	400,000.00
2025	1,800,000.00
2030	2,810,000.00
2035	3,605,000.00

SERIES 2005B BONDS

2010	$745,000.00
2013	705,000.00
2017	1,090,000.00

The District has partially satisfied the Series 2005B bonds. The 2010B bonds have been fully satisfied by the District. The 2013B and 2017B bonds have a remaining principal balance of $250,000.00 and $1,040,000.00, respectively. There has been no payment on the Series 2005A bonds with a principal balance totaling $9,800,000.00.

11. Claims of ADEQ. A narrative and documents describing the claim of ADEQ relating to Nabors Landfill is more fully described in the ADEQ Brief in Support

of Motion for Summary Judgment, the Order Granting Summary Judgment and Site Summary. See Exhibits "2", "3" and "6". In addition, ADEQ is statutorily obligated to pursue recovery of all amounts expended in connection with the imminent closure and remediation of the Nabors Landfill. The most recent estimate of the cost of ADEQ's closing and remediation effort provided to the Receiver exceeds $16,000,000.00.

On August 14, 2016, the Arkansas Building Authority gave notice for request for bids to address the closure and related needs at the Nabors Landfill. Bids were submitted and opened in September, 2016 but no contract was awarded due to a required design change to the landfill. The State will seek new bids upon approval of the design change.

12. Other Claims Against the District. There are no other creditors of the District other than the Trustee and ADEQ. The District's liabilities primarily consist of short term liabilities incurred and paid in the ordinary course of business.

13. Needs of the District. The District's needs falls into two categories. The first category consists of those needs arising from the ongoing, ordinary operations of the District. The latter category consists of the District's post-closure maintenance obligations at the Nabors Landfill.

In the course of his investigation, the Receiver requested that Ms. Caldwell provide a listing of District's needs arising from or relating to the ongoing operations of the District and its associated responsibilities. Ms. Caldwell responded with a prioritized listing of several needs. On the administrative side, Ms. Caldwell identified that the District has a need for a full time education coordinator and a full time abatement and outreach coordinator. While education and community outreach is a significant responsibility of the District, the latter position is especially significant given the

substantial increase in illegal dumping. The District presently relies on turning over illegal dumping complaints to local law enforcement agencies. The illegal dumping complaints are, understandably, subordinate in priority to the other matters law enforcement normally deals with.

Ms. Caldwell also identified needs specific to the counties comprising the District. All of the identified needs except for one consisted of various items of equipment. The exception was a new recycling center for Carroll County with an estimated cost of $500,000.00. The current recycling center is located in Eureka Springs on a hillside and is not large enough to keep up with demand. As a result, the Carroll County Solid Waste Authority desires to construct a new center in Berryville. Ms. Caldwell notes that each of the needs can likely be addressed with un-restricted recycling grant money over a period of time if the recycling funds aren't needed for other costs of the District.

The post-closure maintenance obligations at the Nabors Landfill will not arise until the closing and remediation of the landfill has been concluded by ADEQ which the Receiver anticipates should occur sometime in 2018. A cost estimate prepared by ADEQ specifically describing the District's post-closure maintenance obligations and related costs is attached hereto as Exhibit "11" and incorporated by reference. The cost estimate projects the total cost of post-closure maintenance obligations to cost $1,535,000.00. Costs in year one are projected at $83,550.00 while the cost in subsequent years is projected at $50,050.00. The difference in the cost estimates for year one and ensuing years is solely attributable to plugging and replacing defective groundwater monitoring wells and final plugging of groundwater monitoring wells.

The ADEQ cost estimate is based on a thirty (30) year period of monitoring and maintenance at the site. The estimate assumes that third parties will be contracted to manage the required activities. In its submission to the Receiver, ADEQ suggested the District might be able to reduce the costs of post-closure maintenance through in kind work by the counties. ADEQ also reported that it often sees groundwater monitoring expenses reduced over time as a result of observed data. Moreover, ADEQ noted that regulations allow owners the ability to seek reduced frequencies of monitoring and, in some cases, to seek suspension of monitoring based on stabilized groundwater data observations over time where appropriate.

14. Recommendations of the Receiver. The Receiver makes the following recommendations:

(a) Private Sale of Landfill and Hauling Personal Property; Payment of Account Proceeds. The Receiver recently retained the services of Cecil Phillips of Springdale, Arkansas to evaluate the landfill and hauling personal property for either auction or private sale. Mr. Phillips is a long time auctioneer, well-known to Northwest Arkansas bankruptcy judges and trustees, who has conducted many bankruptcy and Article 9 sales. In addition to his expertise, Mr. Phillips was retained for his particular knowledge and experience with the subject equipment having been employed by the District to auction the personal property in the bankruptcy proceeding. The proposed sale was never conducted when the District's bankruptcy proceeding was dismissed.

Based on his recent inspection of the hauling and landfill personal property and discussions with several prospective purchasers, Mr. Phillips advised the Receiver that a private sale is the most feasible means of disposition. As a result of Mr. Phillips' efforts,

the Receiver has obtained an offer from 4 DLLC of Huntsville, Arkansas to purchase all of the landfill and hauling personal property for a purchase price of $461,000.00 (the "Dotson Offer"). A copy of the Dotson Offer is attached hereto as Exhibit "12".

After discussion with Mr. Phillips, the Receiver is of the opinion that the Dotson Offer is the best and highest bid that is likely to be received for the property and that the District should move forward expeditiously with the proposed sale. The Receiver intends to file a separate Motion with the Court seeking authorization of the Court to accept the Dotson offer sell the property, where-is, as-is, with all faults, free and clear of liens and claims on an expedited basis. The Motion will include a request for approval of the payment of a ten (10%) commission to Mr. Phillips for his services. Mr. Phillips has agreed to waive any request for reimbursement of costs and expenses.

The Trustee claims a security interest in the subject personal property. Assuming approval of the sale by the Court and closing of the sale, the Receiver proposes that projected net sales proceeds of $414,900.00 be paid to the Trustee.

In addition, the $438,588.90 (as of July 31, 2016) held in the separate account of the District at Community First Bank should be paid to the Trustee net of any costs and expenses of the receivership.

(b) Private Sale of Real Property. The Receiver proposes that the all of the District's real property assets be sold as soon as is reasonable practicable. A commercial real estate broker in the Baxter County area should be immediately retained to market and sell the Rossi Road properties. The sale of the rural acreage at the landfill needs to be further studied but, in any event, it is not likely that any of the property can be sold until the closure and remediation of the landfill has been remediated.

The Receiver proposes that all net sales proceeds of the District's real properties be paid to the Trustee.

(c) Means of Generating and Collecting New Revenue. The District lacks the necessary financial resources to operate in the ordinary course of business, to address the post-closure maintenance obligations at the Nabors Landfill and the other District needs described by Ms. Caldwell, and to service its debt to the Trustee and ADEQ. Assuming the implementation of the Trustee and ADEQ repayment scenarios described herein, new revenues of $1,000,000.00 annually will be needed in order to service the debt. Additional revenue will be necessary for the District to address its post-closure maintenance obligations. The District therefor requires an additional stream of revenue without further delay.

As cited above, the Board is statutorily authorized to levy a service fee on each residence or business for which the board makes solid waste collection or disposal services available. The legislative history on the act creating the waste districts states that the "*terms and obligations of this subchapter shall be liberally construed so as to achieve remedial intent.*" Ark. Code Ann. § 8-6-701[Emphasis supplied]. The District affords multiple solid waste collection and disposal services to the residents and businesses within the District thereby providing the legal basis for the levy of the service fee. Accordingly, the Court should order the levy of an annual service fee in an appropriate amount for each residence and business located within the District.

According to data procured from the county assessors throughout the District, the Receiver estimates there are approximately 72,612 residences and businesses throughout the District. That number includes assessments for 66,961 residential parcels (compared

to a July 1, 2015 U.S. Census estimate of 71,987 housing units in the District) and 5,651 businesses. Tax delinquencies fluctuated over the counties comprising the District from 2-5%. For purposes of this discussion, the Receiver has assumed a 5% delinquency rate or 3,630 assessments. While this delinquency rate is likely high (and most delinquencies will ultimately be collected), it is prudent to err on the safe side in projecting revenue to ensure the District is provided with sufficient revenues. A deduction for 5% delinquencies results in 68,982 assessments.

The Receiver proposes that the District be ordered to assess an annual service fee of $18.00 commencing in 2017 and continuing for the life of the repayment plan set forth herein. The District would generate annual gross service fees in the amount of $1,241,676.00 based on a service fee of $18.00 and 68,982 assessments. The first $1,000,000.00 of service fees would be earmarked for and paid to the Trustee and ADEQ to satisfy their debt, as more particularly specified in paragraphs 14(d) and (e). The next $100,000.00 in service fees would be earmarked for and paid to the District for its needs; provided, however, that the funds would be first applied to the full satisfaction of the particular year's post-closure maintenance obligations prior to any other need. Finally, service fees collected over and above $1,100,000.00, if any, would be earmarked for and paid to ADEQ in further satisfaction of its claim.

The amount of the service fee would automatically be reduced to $2.00 annually in the years following satisfaction of the ADEQ claim to ensure that the District can meet its post-closure maintenance and other needs. The District would have the ability to terminate the service fee at its sole discretion once the District has fully complied with its

post-closure maintenance obligations at the landfill and contingent upon having paid all amounts owed to the Trustee as ordered by the Court herein.

The Receiver further proposes that the service fee be billed on the property tax bill of each residence and business throughout the six county district. Any order adopting these recommendations should provide that the Receiver is authorized to immediately contact and direct the respective county assessors, collectors and/or treasurers to set up the appropriate mechanisms for assessment and collection of the service fee from the affected property owners. All service fees collected would be promptly transmitted by the county collectors and/or treasurers on an annual basis to the Bank of the Ozarks Trust Department ("BOZ") which would act as payment agent free of charge and be responsible for paying the proceeds to the intended recipients under these recommendations. BOZ should be determined to be exempt from any requirement to post bond for their services.

(d) Treatment of Claim of Trustee. The Receiver proposes that the claim of the Trustee be capped at the remaining principal balance of the bonds in the amount of $11,090,000.00. The Trustee's claim would bear no interest over the life of the payment plan as described herein and be satisfied by nineteen (19) annual installments commencing in 2017 and continuing through 2035, which is the last scheduled maturity of the original bond issue. The Trustee would be paid annual installments in the amounts and applied to the bonds as more particularly set forth on the Excel spreadsheet attached as Exhibit "11" which is incorporated by reference. Payments to the Trustee from the service fee as described in paragraphs 14(c) and (d) shall be reduced by the net amount received by the Trustee from the sale of the District's personal property, real property and

the payment of the separate account balance. From the proceeds collected by the service fee, an amount equal to the net amount received by the Trustee from sale of the real and personal property and the separate account shall be paid to the District.

The Receiver notes that the foregoing proposed payment plan to the Trustee represents a substantial discount in favor of the District, it likewise benefits the Trustee by fully satisfying the original principal amount of the bonds by the final maturity date of the original bond issue.

(e) Treatment of Claim of ADEQ. The Receiver proposes that the claim of ADEQ consist of the actual cost of the Nabors Landfill remediation and closure (net of any proceeds seized and/or recovered from the District under the ADEQ Order or other applicable authority). The ADEQ is not authorized to claim any interest due on the amounts advanced by for closing and remediation of the landfill. Accordingly, the Receiver does not propose to pay interest on the ADEQ claim over the life of the payment plan. The ADEQ claim would be satisfied by annual payments commencing in 2017 and continuing until the claim was paid in full. ADEQ would be paid the difference between $1,000,000.00 and the amounts paid to the Trustee and all of the proceeds exceeding $1,100,000 through the maturity of the Trustee's claim in 2035. After the Trustee's claim is satisfied in full in 2035, ADEQ would be paid all proceeds of the service fee up to $1,000,000.00 and all of the proceeds exceeding $1,100,000 in ensuing years until the ADEQ claim is paid in full. A projection of the payment of the ADEQ claim in the estimated amount of $16,500,000.00 is included in the Excel spreadsheet attached as Exhibit 11 based on the repayment terms and revenue projections contained herein.

(f) Management of the District. Since the board is a creature of statute and will change periodically based on election results, the Receiver has formed no recommendation with regard to the board. The Receiver has had extensive discussions, including a face to face meeting, with Ms. Caldwell and Mr. Feighert and has found both to be very knowledgeable, courteous and prompt. The District is well represented by very capable and knowledgeable counsel in Mr. John Verkamp. The District's acute financial issues stem from prior management of the District and electoral politics. The Receiver does not believe any change is necessary in the management of the District at this time.

(g) Receivership Costs. Notwithstanding anything contained herein, all legal fees, costs and expenses related to the receivership should be paid from funds held by the District.

15. Amendment. The Receiver reserves the right to amend or supplement this report as the case proceeds.

16. Request for Court Approval and Implementation of Recommendations. The Receiver requests that the Court approve and order the implementation of the recommendations contained herein after notice to the parties and opportunity for a hearing.

WHEREFORE, Geoffrey B. Treece, Receiver prays that this Court enter its order approving and ordering the implementation of his recommendations contained herein and for all other just and proper relief to which he is entitled.

Respectfully submitted,

QUATTLEBAUM, GROOMS &
TULL PLLC
111 Center Street, Suite 1900
Little Rock, AR 72201
Telephone: (501) 379-1735
Email: gtreece@qgtb.com

By: /s/ Geoffrey B. Treece
Geoffrey B. Treece (84146)

Attorneys for Geoffrey B. Treece, Receiver

CERTIFICATE OF SERVICE

I, Geoffrey B. Treece, do hereby certify that a true and correct copy of the foregoing was served upon the following parties through U.S. Mail, electronic notification, facsimile, or other to:

Lance R. Miller
Mitchell, Williams, Selig.
Gates & Woodyard, P.L.L.C.
425 W. Capitol Avenue, Suite 1800
Little Rock, AR 72201-3525

John P. Verkamp
Verkamp & Ladd, P.A.
1811 E. Main Street
Charleston, AR 72933

Michael McAlister
Arkansas Department of
Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118-5317

on this 15th day of November, 2016.

/s/ Geoffrey B. Treece
Geoffrey B. Treece

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2017-Jan-26 09:35:16
60CV-14-4479
C06D06 : 5 Pages

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION

BANK OF THE OZARKS
As Trustee for the Bondholders — **PLAINTIFF**

vs. — **CASE No.: 60CV-14-4479**

OZARK MOUNTAIN SOLID WASTE DISTRICT — **DEFENDANT**

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY — **INTERVENOR**

AMENDMENT TO RECEIVER'S REPORT AND RECOMMENDATIONS AND MOTION FOR APPROVAL AND IMPLEMENTATION OF RECOMMENDATIONS

Geoffrey B. Treece, Receiver ("Receiver"), by and through his attorneys, Quattlebaum, Grooms & Tull PLLC, for his Amendment to Report and Recommendations and Motion for Approval and Implementation of Recommendations, states:

1. The District's [1] operating account (the "Operating Account") at Community First Bank (funded from the $7,500.00 monthly set aside per the Consent Order) held a balance of $129,556.94 as of October 31, 2016. The District's separate account (the "Segregated Account") holding all other funds generated by the District held a balance of $628,124.75 as of October 31, 2016.

2. In paragraph 14(a) of his original report and recommendations, the Receiver recommended, *inter alia*, that certain proceeds contained in the Segregated Account be paid to the Trustee. Specifically, the recommendation provided that all of the

[1] Except as provided herein, all defined terms contained herein have the meanings contained in the original report filed with the Court.

EXHIBIT
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proceeds held in the account, net of the costs and expenses of the Receiver should be paid to the Trustee upon Court approval of the report and recommendations. The recommendation is clarified to provide that all of the proceeds contained in the Segregated Account, net of all restricted electronic waste grant proceeds[2] and the Court approved costs and expenses of the Receiver including, without limitation, attorneys' fees and professional fees, shall be paid to the Trustee upon Court approval of the report and recommendations as amended. Further, upon Court approval of the report and recommendations, all electronic waste grant proceeds contained in the Segregated Account shall be released to the District for its use, subject to all applicable restrictions on the use of such funds.

3. In paragraph 14(c) of his original report and recommendations, the Receiver recommended, *inter alia*, that the District be ordered to assess an annual service fee of $18.00 commencing in 2017 and continuing for the life of the repayment plan. The recommendation is modified to clarify that the Court should order that the Receiver be directed to assess the service fee on behalf of the District and that such assessment should commence in 2018 since there is insufficient time for the counties to log and bill the service fee for billing this year.

4. The Excel Spreadsheet referred to 14(d) of the original report and recommendations was misidentified as Exhibit 11 (it should have been listed as Exhibit 13) and inadvertently omitted from the original filing. A revised version of the Excel Spreadsheet is attached hereto as Exhibit 13. The Excel Spreadsheet has been revised to reflect that the initial assessment of the service fee, if approved, would commence in

[2] Per information provided by the District, the Segregated Account balance of $628,124.75 as of October 31, 2016 included the sum of $229,915.93 in electronic waste grant proceeds.

2018. The effect of commencing the service fee in 2018 moves the projected timetables for satisfaction of the claims of the Trustee and ADEQ provided for in paragraphs 14(d) and (e) back one year to 2036 and 2042, respectively.

5. This Court entered an agreed order[3] whereby the Receiver was authorized to sell the hauling and landfill personal property owned by the District to 4D via private sale. After some initial concern that 4D would not obtain necessary financing, it now appears 4D will obtain its financing and be able to close the sale within 30-60 days hereof.

6. The Nabors Landfill remediation was submitted for re-bidding by the Arkansas Building Authority. The bidding closed on January 17, 2017. As of this filing, the Receiver had not received any notification from ADEQ concerning the acceptance of any bid.

7. The assets and liabilities of the District are further summarized in the Balance Sheets prepared by Mr. Feighert for the District for the period ending October 31, 2016 and attached hereto as Exhibit "14" and incorporated by reference. A Profit and Loss Statement also prepared by Mr. Feighert for the District for the period commencing July 1, 2016 and ending October 31, 2016 is attached hereto as Exhibit "15" and incorporated by reference.

8. The original report and recommendation is modified to recommend that the Court order that the Receivership remain in full force and effect for such time as the Court deems necessary in order to monitor and periodically report on the assessment and collection of the service fee and the repayment plan provided for herein and to make such

[3] See, Agreed Order Granting Receiver's Motion to Sell Personal Property Free and Clear of All Liens, Claims and Encumbrances filed on December 1, 2016.

additional recommendations as may be necessary to adequately and fully address the matters contained herein.

WHEREFORE, Geoffrey B. Treece, Receiver prays that this Court enter its order approving his report and ordering the implementation of his recommendations, as amended herein, and for all other just and proper relief to which he is entitled.

Respectfully submitted,

QUATTLEBAUM, GROOMS &
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By: /s/ Geoffrey B. Treece
Geoffrey B. Treece (84146)

Attorneys for Geoffrey B. Treece, Receiver

CERTIFICATE OF SERVICE

I, Geoffrey B. Treece, do hereby certify that a true and correct copy of the foregoing was served upon the following parties through U.S. Mail, electronic notification, facsimile, or other to:

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Mitchell, Williams, Selig.
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Michael McAlister
Arkansas Department of
Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118-5317

on this 26th day of January, 2017.

/s/ Geoffrey B. Treece
Geoffrey B. Treece

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2017-[illegible]26 09:35:16
[illegible]14-4479
[illegible]: 1 Page

		PAYMENT ON BONDS	AMOUNT REMAINING ON BONDS				
2018	$1,000,000.00	$800,000.00	$ 11,090,000.00				$ 16,500,000.00
2019	$1,000,000.00	$800,000.00	$ 10,290,000.00	13B &17B	$200,000.00	$141,676.00	$ 16,158,324.00
2020	$1,000,000.00	$800,000.00	$ 9,490,000.00	17B, 17A, &18A	$200,000.00	$141,676.00	$ 15,816,648.00
2021	$1,000,000.00	$475,000.00	$ 8,690,000.00	18A, 19A, & 20A	$200,000.00	$141,676.00	$ 15,474,972.00
2022	$1,000,000.00	$200,000.00	$ 8,215,000.00	20A, 21A, & 25A	$525,000.00	$141,676.00	$ 14,808,296.00
2023	$1,000,000.00	$400,000.00	$ 8,015,000.00	25A	$800,000.00	$141,676.00	$ 13,866,620.00
2024	$1,000,000.00	$400,000.00	$ 7,615,000.00	25A	$600,000.00	$141,676.00	$ 13,124,944.00
2025	$1,000,000.00	$400,000.00	$ 7,215,000.00	25A	$600,000.00	$141,676.00	$ 12,383,268.00
2026	$1,000,000.00	$400,000.00	$ 6,815,000.00	25A	$600,000.00	$141,676.00	$ 11,641,592.00
2027	$1,000,000.00	$562,000.00	$ 6,415,000.00	25A	$600,000.00	$141,676.00	$ 10,899,916.00
2028	$1,000,000.00	$562,000.00	$ 5,853,000.00	30A	$438,000.00	$141,676.00	$ 10,320,240.00
2029	$1,000,000.00	$562,000.00	$ 5,291,000.00	30A	$438,000.00	$141,676.00	$ 9,740,564.00
2030	$1,000,000.00	$562,000.00	$ 4,729,000.00	30A	$438,000.00	$141,676.00	$ 9,160,888.00
2031	$1,000,000.00	$562,000.00	$ 4,167,000.00	30A	$438,000.00	$141,676.00	$ 8,581,212.00
2032	$1,000,000.00	$721,000.00	$ 3,605,000.00	30A	$438,000.00	$141,676.00	$ 8,001,536.00
2033	$1,000,000.00	$721,000.00	$ 2,884,000.00	35A	$279,000.00	$141,676.00	$ 7,580,860.00
2034	$1,000,000.00	$721,000.00	$ 2,163,000.00	35A	$279,000.00	$141,676.00	$ 7,160,184.00
2035	$1,000,000.00	$721,000.00	$ 1,442,000.00	35A	$279,000.00	$141,676.00	$ 6,739,508.00
2036	$1,000,000.00	$721,000.00	$ 721,000.00	35A	$279,000.00	$141,676.00	$ 6,318,832.00
2037	$1,000,000.00	-	-	35A	$279,000.00	$141,676.00	$ 5,898,156.00
2038	$1,000,000.00	-	-	-	$1,000,000.00	$141,676.00	$ 4,756,480.00
2039	$1,000,000.00	-	-	-	$1,000,000.00	$141,676.00	$ 3,614,804.00
2040	$1,000,000.00	-	-	-	$1,000,000.00	$141,676.00	$ 2,473,128.00
2041	$1,000,000.00	-	-	-	$1,000,000.00	$141,676.00	$ 1,331,452.00
2042	$1,000,000.00	-	-	-	$1,000,000.00	$141,676.00	$ 189,776.00
					$48,100.00	$141,676.00	$ -

Exhibit 13

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2017-Apr-21 15:09:04
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C06D06 : 7 Pages

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION

BANK OF THE OZARKS, as Trustee for the BONDHOLDERS — **PLAINTIFF**

vs. **CASE NO.: 60CV-14-4479**

OZARK MOUNTAIN WASTE DISTRICT — **DEFENDANT**

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY — **INTERVENOR**

ORDER APPROVING RECEIVER'S REPORT AND RECOMMENDATIONS AND GRANTING MOTION FOR APPROVAL AND IMPLEMENTATION OF RECOMMENDATIONS

On January 27, 2017 came on for consideration the *Receiver's Report and Recommendations and Motion for Approval and Implementation of Recommendations* filed on November 15, 2016 and the *Amendment to Receiver's Report and Recommendations and Motion for Approval and Implementation of Recommendations* filed on January 26, 2017 (the November 15, 2016 and January 26, 2017 filings of the Receiver are collectively referred to herein as the "Report and Recommendations"), by the receiver of Ozark Mountain Solid Waste District (the "District"), Geoffrey B. Treece (the "Receiver"). The Receiver appeared on his own behalf. Bank of the Ozarks, as Trustee for the Bondholders (the "Trustee"), appeared by and through Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., by Lance R. Miller. The District, appeared by and through Verkamp & Ladd, P.A., by John P. Verkamp. Arkansas Department of Environmental Quality ("ADEQ") appeared by and through Michael McAlister. Based on the Motion, statements of the parties at the hearing, and the entire record in this matter, the Court finds and orders as follows:

1. None of the parties filed an objection or response or voiced an objection to the Report and Recommendations at the hearing.

EXHIBIT
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2. The Report and Recommendations, which is incorporated herein by reference as if set forth word for word and, as further modified herein pursuant to the agreement of the parties, is in the best interest of the parties and is hereby approved. In addition to the actions contemplated by the Report and Recommendations, the Receiver is hereby granted the authority to immediately take any and all such further action as may be necessary, reasonable and proper to fully implement the Report and Recommendations.

3. The Receiver is hereby further granted the authority to immediately take any and all such action as may be necessary, reasonable and proper, including without limitation, the evaluation, investigation, prosecution and/or settlement of any claims the District holds against the Northwest Arkansas Development District, arising from or related to its past management of the District.

4. The District shall use its reasonable, best faith efforts to assist the Receiver with respect to the implementation of the Report and Recommendations.

5. Pursuant to Ark. Code Ann. § 8-6-714(d) and other applicable law, the Receiver, acting on behalf of the District, shall cause an annual service fee of $18.00 (the "Service Fee") to be assessed against each residence and business parcel located within the District. The Service Fee shall commence in 2018 and continue until such time as the claims of the Trustee and ADEQ have been paid in full, all as more particularly described in the Report and Recommendations.

6. Paragraph 14(c) of the Report and Recommendations is hereby modified to clarify that owners of multi-unit residential properties shall be charged a Service Fee for each unit comprising the multi-unit property.

7. The Receiver shall cause the Service Fee to be billed on the property tax bill of each residence and business owner throughout the District. The Receiver is authorized to immediately contact and direct the respective county assessors, collectors and/or treasurers to set

up the appropriate mechanisms for assessment and collection of the Service Fee from the affected real property owners.

8. The Receiver shall cause the Service Fee collected hereby to be promptly transmitted by the county collectors and/or treasurers on an annual basis to the Trustee which shall act as payment agent free of charge to the District and/or the Receiver. The Trustee shall be responsible for annual distribution of the proceeds to the intended recipients, all as more particularly described in the Report and Recommendations. Bank of the Ozarks shall be exempt from any requirement to post bond for its services.

9. Paragraph 14(a) of the Report and Recommendations is hereby modified to provide that, upon entry of this Order, the District shall pay the Trustee the sum of Four Hundred Thousand and 00/100 Dollars ($400,000.00) and the legal fees and costs incurred by the Receiver prior to the entry of this Order. All remaining amounts held by the District in its bank accounts after the payments provided for in this paragraph shall be the sole and separate property of the District and the District shall have the full use of said funds for such purposes as may be lawful and proper.

10. The Service Fee shall be reduced to $2.00 annually in the years following satisfaction of the ADEQ claim to ensure that the District can meet its post-closure maintenance and other needs, all as more particularly described in the Report and Recommendations.

11. The limitation on the District's use of the $2.00 "transport fee" authorized by Ark. Code Ann. § 8-6-714(a) contained in Paragraph 28 of the Consent Order Appointing Receiver filed on May 15, 2015 is hereby terminated and the District shall have the full use of said funds for such purposes as may be lawful and proper.

12. The Receiver shall retain a commercial real estate broker to market and sell the District's properties located at 1206 Rossi Road and 1305 Rossi Road, Mountain Home

(collectively, the "Rossi Road Properties"), the approximately 500 acres of rural property (the "500 Acre Parcel") and the approximately 200 acre landfill site (the "Landfill") as soon as reasonably practicable following the entry of this Order; provided, however, the Receiver may cause the sale of the 500 Acre Parcel and the Landfill to be subdivided and sold in separate parcels as circumstances may require. Prior to any sale of real property within the Landfill, the Receiver shall notify ADEQ in writing so that ADEQ may determine that such sale shall not hinder landfill remediation and closure efforts and is consistent with ongoing post-closure requirements and use restrictions. If the Receiver, the District, ADEQ, and Trustee are in agreement on the terms of a proposed sale, the Receiver shall be authorized to close such sale without obtaining further authorization from this Court, it being the intention of the Court and the parties to fully authorize the sale of such properties where the parties are in agreement. Any such sale shall be free and clear of liens, claims and encumbrances with such liens, claims and encumbrances attaching to the proceeds. Any title company closing said sale shall be entitled to rely on this Order and may take all reasonable and necessary steps to close the sale, including without limitation, distribution of the proceeds in the manner agreed to by the Receiver, the District and Trustee. Notwithstanding the foregoing, it shall not be necessary for the Receiver to obtain ADEQ's prior consent for the sale of the Rossi Road Properties or the 500 Acre Parcel nor will it be necessary for the Receiver to obtain the Trustee's prior consent for the sale of the Landfill.

13. Except as provided in paragraph 9 herein, nothing contained in the Report and Recommendations or this Order shall affect the validity or enforceability of any lien or security interest in favor of the Trustee in the real or personal property of the District. For purposes of clarification, the Trustee does not claim a lien on the Landfill.

14. Upon entry of this Order, the Clerk is hereby directed to close the case. Notwithstanding the foregoing, unless the Court orders otherwise for cause, the Receiver shall retain his authority and duties for a period of three (3) years from the date of the filing of this Order to permit the Receiver to fulfill his duties and monitor the implementation of the Report and Recommendations and this Order, to periodically report to the Court and the parties and to make such additional recommendations to the Court or seek rulings from the Court as may be necessary to adequately and fully address the matters contained in the Report and Recommendations and this Order. The Receiver shall file his final report and account no later than three (3) years from the date of the filing of this Order.

15. The Receiver shall periodically submit his future billings for legal fees and costs directly to the District (with copies to the Trustee and ADEQ) for payment which the District shall be authorized to immediately pay subject to the requirement that the Receiver report and account for all legal fees and costs in his final report and account filed herein.

IT IS, THEREFORE, ORDERED, ADJUDGED, and DECREED that the Report and Recommendations of the Receiver are hereby approved on the terms and conditions stated herein.

IT IS SO ORDERED.

HONORABLE TIM FOX
PULASKI COUNTY CIRCUIT JUDGE

9/21/17
DATE

Approved by:

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Geoffrey B. Treece (84146)

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Lance R. Miller (85109)

Attorneys for Trustee

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John P. Verkamp (91208)

Attorneys for District

Michael McAlister
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Michael McAlister (89162)

Attorneys for ADEQ

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2017-Dec-19 10:25:47
60CV-14-4479
C06D06 : 3 Pages

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
SIXTH DIVISION

BANK OF THE OZARKS, as Trustee for the BONDHOLDERS

PLAINTIFF

vs.

CASE NO.: 60CV-14-4479

OZARK MOUNTAIN WASTE DISTRICT

DEFENDANT

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

INTERVENOR

AGREED ORDER APPROVING RECEIVERS' SUPPLEMENTAL REPORT AND RECOMMENDATIONS

On this day came on for consideration the Supplemental Report and Recommendations of the Receiver filed on December 14, 2017. Upon review of the Supplemental Report, the record of this case and the agreement of the parties, the Court finds and orders as follows:

1. On April 21, 2017, this Court entered its Order Approving Receiver's Report and Recommendations and Granting Motion for Approval and Implementation of Recommendations (the "Order"). The Order provided, *inter alia*, the Receiver retained his authority for a period of three (3) years from entry of the Order "to periodically report to the Court and the parties and to make such additional recommendations to the Court or to seek rulings of the Court as may be necessary to adequately and fully address the matters contained in the Report and Recommendations and this Order."

2. The Supplemental Report of the Receiver is well taken and should be approved in its entirety.

3. Paragraph 5 of the Order is hereby substituted in its entirety to read as follows:

> Pursuant to Ark. Code Ann. § 8-6-714(d) and other applicable law, the Receiver, acting on behalf of the District, shall cause an annual service fee of $18.00 (the "Service Fee") to be assessed against each residence and

EXHIBIT
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business parcel located within the District. For clarification, such parcels shall include all improved parcels within the District having the following ACD Parcel types:

RB - Residential Building
CB - Commercial Business
CI - Commercial Improved
RI - Residential Improved
MH -Mobile Homes
AI - Agriculture Improved
AB - Agriculture Building

The Service Fee shall commence in 2018 and continue until such time as the claims of the Trustee and ADEQ have been paid in full, all as more particularly described in the Report and Recommendations.

4. Paragraph 6 of the Order is deleted in its entirety.

5. The Order remains in full force and effect except to the extent modified hereby.

IT IS SO ORDERED.

HONORABLE TIM FOX
PULASKI COUNTY CIRCUIT JUDGE

12/18/17
DATE

Approved by:

QUATTLEBAUM, GROOMS & TULL PLLC
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Geoffrey B. Treece (84146)

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By: /s/ Lance R. Miller
Lance R. Miller (85109)

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By: /s/ John P. Verkamp
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