

AGREEMENT BETWEEN INDEPENDENCE COUNTY
AND
THE CITY OF BATESVILLE, ARKANSAS

This Agreement is made and entered into this 28th day of July, 1997, by and between Independence County, Arkansas (the "County") and the City of Batesville, Arkansas (the "City").

WITNESSETH:

WHEREAS, the County is in the process of constructing, owning, and operating a Solid Waste Recycling Center (the "Center") for the purpose of recycling solid waste that can be recycled ("Recyclable Waste"); and

WHEREAS, the City desires to dispose of the Recyclable Waste that it collects from the users of its solid waste system;

NOW THEREFORE, that in consideration of the covenants and agreements hereinafter to be performed by the parties, it is mutually agreed as follows:

RECYCLABLE WASTE COLLECTION TRANSPORTATION AND DISPOSAL

Section 101. The City will collect and deliver all its Recyclable Waste to the Center. The County will accept the City's Recyclable Waste and cause it to be transported from the Center. Two trucks and two ten-bin trailers will be provided by the County for the collection of Recyclable Waste within the City. Such equipment will be operated by the City in such manner as to preserve it in its original condition, ordinary wear and tear excepted. The equipment will be serviced and maintained by the County, including fuel and repairs. The equipment will be insured by the County (a) against damage or destruction in amounts equal to the respective replacement costs thereof and (b) against liability in amounts required by Arkansas law. Subject equipment will be stationed at the Recycling Center when not in use.

The County will furnish each household in the City a container to use in storing and transporting recyclable waste to the curbside for collection. The containers are to remain with the house should the present owner move to another address within the City or away from the City. The

County will maintain sufficient extra containers for additions or replacements.

The Center shall be operated by and under the control of the County. The County and the City will, each, provide two employees for the operation of the Center. One employee, who shall be provided by the County, will be responsible for the operation and management of the Center and the marketing of Recyclable Waste. The City will also provide one full-time driver and a relief driver to operate curbside collection within the City. These employees will be in addition to the two employees provided herein above.

It is the intent of the parties that in the event the recycling program becomes self sufficient the contract may be re-negotiated within the original term to reduce the number of employees furnished by the parties in an equitable manner.

Section 102. The County's obligations in this Agreement are subject to the County's inability to perform such obligations due to the inability to secure or maintain governmental permits (after reasonable effort to do so) and other circumstances and events not reasonable within the control of the County.

Section 103. During the term of this Agreement, the City shall (a) deliver to the Center all Recyclable Waste collected by or on behalf of the City (b) cause its Recyclable Waste to be delivered in a form whereby it is separate from all other solid waste and (c) deliver no Recyclable Waste collected by or on behalf of the City to any entity other than the County.

The City will cooperate with the County in the development and promotion of educational programs to encourage an increase in the volume of Recyclable Waste collected within the City.

Recognizing that an increase in the volume of Recyclable Waste collected will decrease the disposal costs for its solid waste, the City agrees to expend a minimum of \$300.00 per annum toward promotion of recycling within the City.

TERM

Section 201. The initial term of the Agreement shall be for ten (10) years. This Agreement shall automatically be renewed annually on the ninth (9th) and following anniversaries of the Agreement, for single year terms, unless terminated by either party. This renewal option provides the parties with a rolling two-year Agreement beginning on the ninth (9th) anniversary.

Section 202. This Agreement may be terminated by either party by written notice (by certified mail, return receipt requested) not less than ten days prior to any anniversary hereof, commencing with the 9th anniversary hereof, and such termination shall be effective one year after such anniversary.

GENERAL CONDITIONS AND REPRESENTATIONS

Section 301. The County and the City each binds itself and its successors, agents, and assigns to the other party of this Agreement; and to the successors, agents and assigns of the other party in respect to all covenants of this Agreement.

Section 302. The City recognizes that the Center is being financed by the County by the issuance of Solid Waste (Recycling) Revenue Bonds, Series 1997 (the "Bonds") and that payment of the Bonds is dependent, in part, on receipt of Recyclable Waste from the City as set forth herein. Accordingly, the obligations of the City set forth herein may be enforced by the holders of the Bonds as and to the extent and by the procedures set forth in Ordinance No. 97-07 of the County, adopted March 10, 1997, for enforcement of the obligations of the County with respect to the security and payment of the Bonds.

DEFAULT, REMEDIES

Section 401. Any failure of the City or the County to perform any covenant or obligation set forth herein shall, upon ten days' written notice (by certified mail, return receipt requested, or by personal delivery by the County Judge to the Mayor) constitute an Event of Default hereunder and, upon the occurrence of any Event of Default, the aggrieved party (or the holders of the Bonds