



SUSAN SPEAKE
STATE OF ARKANSAS
DEPARTMENT OF POLLUTION CONTROL AND ECOLOGY
8001 NATIONAL DRIVE, P.O. BOX 8913
LITTLE ROCK, ARKANSAS 72219-8913
PHONE: (501) 562-7444
FAX: (501) 562-0297

48304



DATA

(5)

1-27-95

Susan Speake

January 26, 1995

Mr. Gary Morris, Controller
Sunray Services, Inc.
P.O. Box 1310
Springdale, AR 72765-1310

Dear Mr. Morris:

Pursuant to our conversation of January 25, 1995, enclosed please find Certificate of Deposit No. 763627 which has been executed by me. Your cooperation in this matter is most appreciated.

Sincerely,

A.R. Sacrey, Jr.
Chief, Fiscal Division

PERFORMANCE BOND

Bond Number: 72895

Date Bond Executed: December 7, 1994

Bond Premium: \$1,538.00

Effective Date: December 1, 1994

Principal: Sunray Services, Inc.
P. O. Box 1310
Springdale, AR 72765

Type of organization: Corporation
State of Incorporation: Delaware

Surety(ies) FRONTIER INSURANCE COMPANY OF NEW YORK
ROCK HILL, NEW YORK 12775-8000

Operating Permit Number 123-SR-2
NAME: Sunray Services, Inc.
ADDRESS: Tontitown Landfill Site #3
County Road 865
Washington County, AR

Total penal sum of bond: SIXTY-ONE THOUSAND, FIVE HUNDRED DOLLARS(\$61,500.00)

KNOW ALL PERSONS BY THESE PRESENTS, that we the Principal and Surety(ies) are firmly bound to the Arkansas Department of Pollution Control and Ecology (hereinafter called Department), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit shall be the full amount of the penal sum.

WHEREAS, said Principal, is required, under the Arkansas Solid Waste management Act as amended (ASWMA), to have a permit in order to operate each solid waste landfill identified above, and

WHEREAS, said Principal is required to provide financial assurance for closure as a condition of the permit;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully perform closure whenever required to do so, of each landfill for which this bond guarantees closure, in accordance with the requirements of the permit as permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended,

Or, if the Principal shall provide alternate financial assurance, and obtain the written approval of such assurance from the Director of the department within ninety (90) days after the date notice of cancellation is received by both the Principal and the Director from the Surety, then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by the Director that the Principal has been found in violation of the closure requirements of the Department for a landfill for which this bond guarantees performance of closure, the Surety(ies) shall either

Closure Bond
Sunray Services, Inc.
Tontitown Landfill Site #3
Page 2 of 2

perform closure in accordance with the permit requirements or forfeit the closure amount guaranteed for the landfill to the Department as directed by the Director.

Upon notification by the Director that the Principal has failed to provide alternate financial assurance, and obtain written approval of such assurance from the Director during the 90 days following receipt by both the Principal and the Director of a notice of cancellation of the bond, the Surety(ies) shall forfeit funds in the amount guaranteed for the landfill(s) to the Department as directed by the Director.

The Surety(ies) hereby waive(s) notification of amendments to permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Director, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the Director, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Director.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond is identical to the wording specified in Section 12 of the Arkansas Solid Waste Disposal Code as such regulation was constituted on the date this bond was executed.

Corporate Seal

By: *Miller J Mathews Jr* ^{Sunray Services, Inc.}
Name MILLER J. MATHEWS, JR Title CEO

FRONTIER INSURANCE COMPANY OF NEW YORK, A New York Corporation
ROCK HILL, NEW YORK 12775-8000

Surety(ies)

Corporate Seal

By: *Christine Cahill*
Name Christine Cahill, Title Attorney - In - Fact

Countersigned

Karen J. Westbrook
Arkansas Resident Agent Karen J. Westbrook



FRONTIER INSURANCE COMPANY OF NEW YORK
 MONTICELLO, NEW YORK
 (A Stock Company)

PRINCIPAL'S ACKNOWLEDGMENT

INDIVIDUAL VERIFICATION

State of _____ County of _____

On this _____ day of _____, in the year 19____, before me personally came _____ to me known, and known to me to be the person(s) who is (are) described in and who executed the foregoing instrument, and acknowledges to me that he (they) executed the same.

 (Signature and title of official taking acknowledgment)

PARTNERSHIP VERIFICATION

State of _____ County of _____

On this _____ day of _____, in the year 19____, before me personally came _____ to me known, and known to me to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same, as and for the act and deed of the said co-partnership.

 (Signature and title of official taking acknowledgment)

CORPORATE VERIFICATION

State of ARKANSAS County of WASHINGTON

On this 12th day of JANUARY, in the year 1995, before me personally came MILLER J. MATHEWS, JR. to me known, who, being by me duly sworn, deposes and says that he resides in the City of SPRINGDALE, AR that he is the CEO of the Sunray Services, Inc., the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Gary Morris, Asst. Sec. Treas.
 (Signature and title of official taking acknowledgment)

SURETY COMPANY ACKNOWLEDGMENT

State of New York County of Sullivan

On this 7th day of December, in the year 1994, before me personally came Christine Cahill to me known to be the individual described in and who executed the foregoing instrument and to be the Attorney-in-Fact of FRONTIER INSURANCE COMPANY OF NEW YORK, which is to me known to be the corporation described in the foregoing instrument, and which, by its said Attorney-in-Fact executed the same, and said Attorney-in-Fact duly acknowledged to me that he knows the Seal of said Corporation; that the Seal affixed to said instrument is such Corporate Seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he executed the said instrument as the act and deed of said FRONTIER INSURANCE COMPANY OF NEW YORK therein described and for the uses and purposes therein mentioned, by virtue of a certain power of attorney executed by said FRONTIER INSURANCE COMPANY OF NEW YORK dated _____

May 31, 1989

_____, which said power has never been revoked and is still in full force and effect; and that the said corporation has received from the Superintendent of Insurance of the State of New York a certificate of solvency and of its sufficiency as surety or guarantor under Section 327, Chapter 882 of the Laws of 1939, being Chapter 28 of the Consolidated Laws of New York for the year 1939, and that such certification has not been revoked.

LYNNE K. HUPKA
 Notary Public, State of New York
 NYS Reg. #4995687
 Qualified in Orange County
 Commission Expires July 21, 1996

[Signature]
 Notary Public

POWER OF ATTORNEY

Know All Men By These Presents: That FRONTIER INSURANCE COMPANY OF NEW YORK, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact"

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: **David E. Campbell, Miles V. Murphy, David M. Hogan, Korlus R. McNally, & Christine Cahill**

of **Rock Hill**, in the State of **New York**

its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed; IN AN AMOUNT NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000.00) DOLLARS; and to bind FRONTIER INSURANCE COMPANY OF NEW YORK thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY OF NEW YORK, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY OF NEW YORK of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this **31** day of **May**, 19 **89**.

FRONTIER INSURANCE COMPANY OF NEW YORK




BY: 
 WALTER A. RHULEN, President

State of New York
 County of Sullivan ss.:

On this **31** day of **May**, 19 **89**, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY OF NEW YORK to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.




 CHRISTINE I. LANE
 Notary Public of New York
 Sullivan County Clerk's No. 1996
 Commission Expires May 2, 1996

CERTIFICATION

I, JOSEPH P. LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY OF NEW YORK of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this **7th** day of **December**, 19 **94**.




 JOSEPH P. LOUGHLIN, Secretary

Rock Hill, New York 12775-8000

Financial Statement as of December 31, 1993

I certify that the below listed officers were duly elected by the Board of Directors of Frontier Insurance Company of New York and continue to hold the office set opposite their names.

OFFICERS

WALTER A. RHULEN	President	CHARLES R. SPITZER	Vice President
JOSEPH P. LOUGHLIN	Secretary	DAVID E. CAMPBELL	Vice President
DENNIS F. PLANTE	Treasurer	HARRY W. RHULEN	Vice President
PETER L. RHULEN	Vice President	JILL GOLD	Vice President
JESSE M. FARROW	Vice President	R. LINDA MARKOVITS	Vice President
JONATHAN M. FARROW	Vice President		

I further certify that the following Financial Statement of the Company is true, as taken from the books of the Company as of December 31, 1993:

ASSETS		LIABILITIES AND POLICYHOLDER'S SURPLUS	
Bonds	\$235,111,891	Losses	182,022,910
Preferred stocks	35,717,182	Loss adjustment expenses	32,950,068
Common stocks	16,668,511	Other expenses	1,274,445
Short-term investments	16,752,887	Reinsurance payable on paid losses	2,257,307
Cash on hand and on deposit	3,008,108	Taxes, licenses and fees	125,092
Premiums and agents' balances in course of collection	13,145,402	Unearned premiums	43,850,759
Premiums, agents' balances and installments booked but deferred and not yet due	7,082,332	Funds held by Company under Reinsurance Treaties	45,279
Reinsurance recoverable on loss payments	5,720,112	Amounts withheld or retained by Company for account of others	1,207,808
Electronic data processing equipment	1,133,598	Provisions for reinsurance	103,332
Aggregate write-ins for assets other than invested assets	6,888,445	Contingent commissions	3,535,936
Interest dividends and real estate income due and accrued	4,755,719	Dividends to policyholders	849,098
Real Estate	21,660,264	TOTAL LIABILITIES	\$268,222,034
Receivable from affiliates	1,995,335	Capital paid-up	5,000,000
TOTAL ADMITTED ASSETS	\$369,639,786	Paid-in and contributed surplus	37,520,620
		Unassigned funds (surplus)	58,897,132
		Total policyholder's surplus	101,417,752
		TOTAL LIABILITIES & POLICYHOLDER'S SURPLUS	\$369,639,786

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the Company this 11th day of April, 1994.

CORPORATE SEAL




WALTER A. RHULEN, President

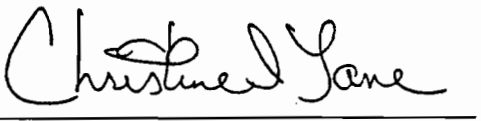
STATE OF NEW YORK
COUNTY OF SULLIVAN

ss.:

On this 11th day of April 1994, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY OF NEW YORK to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force; and that said Corporation has received from the Superintendent of Insurance of the State of New York a Certificate of Solvency and of its sufficiency as surety or guarantor under Section 1111 of the Insurance Law of the State of New York.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my official seal at Monticello, New York, the day and year above written.

NOTARIAL SEAL

CHRISTINE I. LANE
Notary Public State of New York
Sullivan County Clerk's No. 1996
Commission Expires May 2, 1996