

ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT, DIVISION OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**ARKANSAS SAND COMPANY
330 E. COLLEGE ST.
BATESVILLE, AR 72501**

**LIS #: 20-187
AFIN #: 32-00300
PERMIT NO.: 0568-MN-A1**

NOTICE OF BOND FORFEITURE

**Sam Ross
Registered Agent
Arkansas Sand Company
330 E. College St.
Batesville, AR 72501**

NOTICE is hereby given that the Director of the Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ) has determined that there are reasonable grounds to believe that Arkansas Sand Company (Respondent) has committed violations of the Arkansas Open Cut Land Reclamation Act, Ark. Code Ann. §15-57-301 *et seq.* (the Act), and the rules promulgated thereunder by the Arkansas Pollution Control and Ecology Commission (APC&EC) including, but not limited to, Rule No. 15: the Arkansas Open Cut Mining and Land Reclamation Code. This Notice of Bond Forfeiture (NBF) is issued in accordance with the provisions of the APC&EC Rule 8: Administrative Procedures.

DEQ hereby gives notice of bond forfeiture against the Respondent pursuant to the Act and APC&EC Rule 15. Bond forfeiture has been deemed necessary because Permit 0568-MN-A1 (Permit) has expired and reclamation has not been completed, the Respondent has failed to comply with the Permit's reclamation plan, the Respondent has failed to abate violations of the Act and APC&EC Rule, Respondent has failed to comply with all terms and conditions of the Permit, and Respondent continues to engage in open-cut mining without having all necessary permits issued by DEQ.

DEQ's determination is based upon the following:

ALLEGATIONS AND PROPOSED FINDINGS OF FACT

1. On August 27, 2009, DEQ issued the Permit to the Respondent to mine sand approximately 2 miles south of Newark on Highway 122 in Independence County, Arkansas. This location is further described as 50 Cord Road, Newark, Arkansas (the Site). The Site is currently owned by Schlumberger Technology Corporation, and this entity has informed DEQ that it will consent to any necessary reclamation activities on affected land at this Site.
2. On July 14, 2009, First National Banking Company AF, located in Ash Flat, Arkansas, issued Certificate of Deposit No: 2532550 in the amount of THIRTY THREE THOUSAND ONE HUNDRED THIRTY DOLLARS AND 0/100 CENTS (\$33,130.00). This financial instrument was secured by the Respondent as financial assurance for reclamation of all affected lands described in the Permit. A true and correct copy of the certificate of deposit is attached hereto and identified as Exhibit 1.
3. On May 3, 2014, the Permit expired and was not renewed. A true and correct copy of the Permit is attached hereto and identified as Exhibit 2. At this time, there is no active open-cut mining permit issued by DEQ to any entity to engage in open-cut mining at the Site. Furthermore, Respondent's previously issued National Pollutant Discharge Elimination System (NPDES) stormwater discharge permit ARR000539 for the Site expired on June 30, 2014 and was not renewed. A true and correct copy of permit ARR000539 is attached hereto and identified as Exhibit 3.
4. On April 30, 2020 and November 17, 2020, DEQ visited the Respondent's permitted Site in Independence County, Arkansas. During the Site visit, DEQ observed that reclamation

has not been completed at the Site. Furthermore, DEQ has not received evidence to prove that Respondent or any other entity has complied with all requirements in the Permit reclamation plan.

5. Ark. Code Ann. § 15-57-315(9) and APC&EC Rule 15.308(D)(12) establish the duty of operators to whom an open-cut mining permit is issued to complete all reclamation as detailed in its reclamation plan. This statutory provision and APC&EC Rule further states that the operator's bond, or substituted security, of affected land not satisfactorily reclaimed shall be forfeited.
6. From the date of expiration of the Permit and at all times following, the Respondent has failed to reclaim the affected land at the Site pursuant to its detailed reclamation plan in the Permit. This lack of reclamation by the Respondent is a violation of Open-Cut Mining Standards A,D,K, and O of the Permit, a violation of Ark. Code Ann. § 15-57-315(9)(A)(i), a violation of the performance standards and open-cut mining standards in APC&EC Rule 15.401-402, and a violation of APC&EC Rule 15.308(D)(12). Because a lack of compliance with the Permit reclamation plan includes violations of APC&EC Rule 15, the Permit reclamation plan, and the Act, Respondent also is in violation of APC&EC Rule 15.502(B)(1) and (B)(3) and Ark. Code Ann. § 15-57-304(a)(1) and (a)(3).
7. Pursuant to APC&EC Rule 15.301(B) and Ark. Code Ann. § 15-57-310(b), an operator shall be deemed to be engaged in open-cut mining from the time he or she affects any land, until all affected land has been reclaimed and released by DEQ.
8. Ark. Code Ann. § 15-57-303(1) and APC&EC Rule 15.201 defines "affected land" as "the area of land where open-cut mining has been or is taking place or upon which spoil

has been deposited or any other surface disturbance, including haul roads, processing and loading facilities, or appurtenances related to the mining operations on or after July 1, 1977, until the land is reclaimed.”

9. The Site continues to include affected land, as defined by APC&EC Rule 15.201 and Ark. Code Ann. § 15-57-303(1), that requires reclamation.
10. APC&EC Rule 15.301(A) and Ark. Code Ann. § 15-57-310(a) state that [i]t shall be unlawful for any operator to engage in open-cut mining without first obtaining all appropriate permits from DEQ.
11. Respondent has continued to engage in open-cut mining, as defined by APC&EC Rule 15 and Ark. Code Ann. § 15-57-301 *et seq.*, after the previous Permit expired and the Respondent’s NPDES stormwater discharge permit expired. This is a violation of APC&EC Rule 15.301(A), Ark. Code Ann. § 15-57-310(a), and APC&EC Rule 15.502(B)(2).
12. Pursuant to Ark. Code Ann. § 15-57-317(a)(1), (a)(2), and (a)(4) and APC&EC Rule 15.502(J)(1), (J)(2), (J)(4), and the authorities referenced above, DEQ has the statutory and regulatory authority to forfeit any reclamation bond for failure to abate all violations of the Act, failure to abate all violations of the APC&EC Rule, failure to comply with the terms and conditions of the Permit, and failure to reclaim the affected land in accordance with the approved reclamation plan, the Act, or APC&EC Rule 15. Respondent’s failure to reclaim all affected land in compliance with the Permit reclamation plan, failure to abate all violations of the Act and APC&EC Rule 15, failure to comply with the terms and conditions of the Permit, and Respondent’s continuous engagement in unpermitted open-cut mining at the Site give DEQ cause to forfeit the bond.

13. On July 14, 2009, the Respondent entered a Reclamation Bond Agreement with DEQ. In this agreement, the Respondent bound itself to DEQ in the sum of THIRTY THREE THOUSAND ONE HUNDRED THIRTY DOLLARS AND 0/100 CENTS (\$33,130.00), pledged this amount and Certificate of Deposit No: 2532550 as collateral and to insure Respondent's reclamation of affected land as described in the Permit, and agreed to maintain this monetary obligation until Respondent promptly and faithfully performed all reclamation requirements of the Act, APC&EC Rule 15, and the Permit's Reclamation Plan. A true and correct copy of the Reclamation Bond Agreement is attached hereto and identified as Exhibit 4.

ORDER OF BOND FORFEITURE

THEREFORE TAKE NOTICE THAT:

Based on the facts presented, Certificate of Deposit No: 2532550 previously issued by First National Banking Company AF in favor of DEQ in the amount of \$33,130.00 is hereby forfeited.

The Respondent may request a hearing before the APC&EC in accordance with the procedures described in Ark. Code Ann. § 8-4-218 *et seq.* and in accordance with APC&EC Rule No. 8 with respect to this NBF. Specifically, APC&EC Rule 8.603(C) provides the details that must be included in a Request for Hearing. APC&EC Rule 8.603(A) and (B)(7) further state that:

(A) Filing.

Any person seeking review of a final decision of the Director must file a written Request for Hearing with the Commission Secretary.

(B) Filing Deadlines.

...

(7) Any person served with Notice of Bond Forfeiture or a Notice of Violation which forfeits a bond, must file a Request for Hearing within twenty (20) calendar days after receipt of the Notice of Bond Forfeiture or Notice of Violation, unless a different time period or procedure is specified by an applicable regulation.

(Emphasis added.)

If the Respondent wishes to dispute the Allegations and Proposed Findings of Fact or Order of Bond Forfeiture contained in this NBF, the Respondent must file a written Request for Hearing with the APC&EC Secretary, Arkansas Pollution Control and Ecology Commission, 3800 Richards Rd., North Little Rock, AR 72117, within **twenty (20) calendar days of service of this NBF**, or DEQ may issue a Default Administrative Order confirming the allegations herein to be deemed proven and the corrective action ordered, including forfeiture of identified bonds.

The bond shall remain in effect during any appeals process until a final order has been issued.

Date

11/24/2020

Becky W. Keogh
Cabinet Secretary
Director, DEQ



Certificate of Deposit Receipt

This receipt is issued to:

ARKANSAS SAND COMPANY

245 S THIRD STREET
BATESVILLE, AR 72501

FIRST NATIONAL BANKING CO - AF
PO BOX 8
ASH FLAT, AR 72513

Member Number: _____
Account Number: 2532550
IRA Number: 0

Amount \$ 33120.00
Date Opened 07/14/2009
Term 48 Months
Maturity Date 07/14/2013
Interest Rate 1.85 %
Annual Percentage Yield 1.87 %

The account evidenced by this receipt is subject to and further explained in the terms and conditions contained in the account agreement and account disclosures. The account is Not Negotiable and Not Transferable. Only the items checked apply.

- Fixed Interest Rate Variable Interest Rate
 Additions Permitted
 Automatically Renewable Single Maturity (not automatically renewable) Callable Notice Account

Interest will be:

- mailed to the owner(s).
 added to principal (compounded).
 paid to _____ account No. _____



TO WHOM IT MAY CONCERN:

THIS IS TO SERVE AS A LETTER OF INSTUCTION CONCERNING CD # ~~XXXXXX~~

This CD is required to have two signers for withdraw. One signer will be Norma J Hill representing Arkansas Sand Company and ADEQ will have a representative sign for them.

Norma J Hill / *1/17*

ADEQ Representative Signature / Date

Certificate of Deposit Receipt

This receipt is issued to:

ARKANSAS SAND COMPANY

245 S THIRD STREET
BATESVILLE, AR 72501

FIRST NATIONAL BANKING CO - AF
PO BOX 8
ASH FLAT, AR 72513

Member Number: _____
Account Number: _____
IRA Number: 0

Amount \$ 33130.00
Date Opened 07/14/2009
Term 48 Months
Maturity Date 07/14/2013
Interest Rate 1.86 %
Annual Percentage Yield 1.87 %

The account evidenced by this receipt is subject to and further explained in the terms and conditions contained in the account agreement and account disclosures. The account is Not Negotiable and Not Transferable. Only the items checked apply.

- Fixed Interest Rate** **Variable Interest Rate**
 Additions Permitted
 Automatically Renewable **Single Maturity** (not automatically renewable) **Callable** **Notice Account**

Interest will be:

- mailed to the owner(s).
 added to principal (compounded).
 paid to _____ account No. _____

FIRST NATIONAL BANKING CO - AF
 PO BOX 6
 ASI FLAT, AR 72513

ACCOUNT NUMBER [REDACTED] PORTFOLIO NUMBER

ACCOUNT OWNER(S) NAME & ADDRESS
 ARKANSAS SAND COMPANY
 ARKMO
 Permit 5158
 245 S THIRD STREET
 DATESVILLE, AR 72501

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE
 INDIVIDUAL
 JOINT - WITH SURVIVORSHIP (and not as tenants in common)
 JOINT - NO SURVIVORSHIP (as tenants in common)
 TRUST - SEPARATE AGREEMENT
 PAY ON DEATH DESIGNATION AS DEFINED IN THIS AGREEMENT
 Name and Address of Beneficiaries:

NEW EXISTING
 TYPE OF ACCOUNT: CHECKING SAVINGS
 MONEY MARKET CERTIFICATE OF DEPOSIT
 NOW
 ACCOUNT NAME: 48 month certificate
 This is a Temporary account agreement

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE
 SOLE PROPRIETORSHIP
 CORPORATION: FOR PROFIT NOT FOR PROFIT
 PARTNERSHIP LIMITED LIABILITY COMPANY
 BUSINESS: SAND COMPANY
 COUNTY & STATE OF ORGANIZATION
 AUTHORIZATION DATED: 07/13/2009

Number of signatures required for withdrawal 2
 FACSIMILE SIGNATURE(S) ALLOWED? YES NO

DATE OPENED 07/14/2009 BY TRISH HOUSE
 INITIAL DEPOSIT \$ 33,130.00
 CASH CHECK
 HOME TELEPHONE #
 BUSINESS PHONE # (870) 793-5066
 DRIVER'S LICENSE # [REDACTED]
 E-MAIL
 EMPLOYER
 MOTHER'S MAIDEN NAME
 Name and address of someone who will always know your location:

[X]

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

Deposit Account Funds Availability Truth in Savings
 Electronic Fund Transfers Privacy Substitute Checks

BACKUP WITHHOLDING CERTIFICATIONS
 TIN: [REDACTED]
 TAXPAYER I.D. NUMBER - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.
 BACKUP WITHHOLDING - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.
 EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.
 SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).
 x Norma J Hill 7-13-09
 (Date)

(1): [Norma J Hill]
 NORMA J HILL AUTHORIZED SIGNER
 I.D. # [REDACTED] Other 06/19/1946

(2): [X James Nunley]
 ADECI AUTHORIZED SIGNER
 I.D. # [REDACTED] Other

(3): [X]
 I.D. # [REDACTED] Other

(4): [X]
 I.D. # [REDACTED] Other

AGENCY (POWER OF ATTORNEY) DESIGNATION (Optional): To Add Agency Designation To Account, Name One or More Agents:

Agency Designation Survives Disability or Incapacity of Parties
 Agency Designation Terminates on Disability or Incapacity of Parties
 (Select One and Initial):

YOUR DEPOSIT ACCOUNT TERMS AND CONDITIONS

AGREEMENT - These terms govern the operation of this account unless varied or supplemented in writing. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so that the singular includes the plural and the plural includes the singular. As used in this form, the words "we," "our," or "us" mean the financial institution and the words "you" or "your" mean the account holder(s). This account may not be transferred or assigned without our written consent.

Page 1 will show whether this account is a consumer or business account. A consumer is a natural person who holds an account primarily for personal, family or household purposes.

Much of our relationship with our deposit customers is regulated by state and federal law, especially the law relating to negotiable instruments, the law regulating the methods of transferring property upon death and the rights of surviving spouses and dependents, the law pertaining to estate and other succession taxes, the law regarding electronic funds transfer, and the law regarding the availability of deposited funds. This body of law is too large and complex to be reproduced here.

The purpose of this form is to:

- (1) summarize the rules applicable to the more common transactions;
- (2) establish rules to govern transactions or circumstances which the law does not regulate; and
- (3) establish rules for certain events or transactions which the law already regulates but permits variation by agreement.

We may permit some variations from this standard agreement, but any such variations must be agreed to in writing either on our signature card for the account or in some other written form.

LIABILITY - Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges that may be imposed. You authorize us to deduct these charges as accrued directly from the account balance. You also agree to pay additional reasonable charges we may impose for services you request which are not contemplated by this agreement. Each of you also agrees to be jointly and severally liable for any account deficit resulting from charges or overdrafts, whether caused by you or another authorized to withdraw from this account, and the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees.

DEPOSITS - Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars). Unless otherwise disclosed, interest on non-consumer accounts will be paid only on collected funds, subject to minimum balance or other limitations, if any. We are not responsible for transactions initiated by mail or outside depository until we actually record them. All transactions received after our "daily cut-off time" on a business day we are open, or received on a day in which we are not open for business, will be treated and recorded as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless otherwise clearly indicated on the account records, any one of you who signs this form including authorized signers, may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing this form to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge against your account a check, even though payment was made before the date of the check, unless you have given us written notice of the postdating. The fact that we may honor withdrawal requests which overdraw the finally collected account balance does not obligate us to do so, unless required by law. Withdrawals will first be made from collected funds, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitation. Even if we honor a nonconforming request, repeated abuse of the stated limitations (if any) may eventually force us to close this account. We will use the date a transaction is completed by us (as opposed to the day you initiate it) to apply the frequency limitations. On interest-bearing accounts other than time deposits, we reserve the right to require at least seven days' written notice before any withdrawal or transfer. Withdrawals from a time deposit prior to maturity or prior to the expiration of any notice period may be restricted and may be subject to penalty. See your notice of penalties for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. **Individual Account** - is owned by one person. **Joint Account - With Survivorship (And Not As Tenants In**

Common) - is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common. **Joint Account - No Survivorship (As Tenants In Common)** - is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal. **Pay-On-Death Account** - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries acquire the right to withdraw only if: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, with right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the deposit at any time. **Corporate, Partnership, and other Organizational Accounts** - We will usually require a separate authorization form designating the person permitted and conditions required for withdrawal from any account in the name of a legal entity such as a partnership, corporation, or other organization. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of such organization.

STOP-PAYMENTS - A stop-payment order must be given in the manner required by law and must be received in time to give us a reasonable opportunity to act on it before our stop-payment cut-off time. Our stop-payment cut-off time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop-payment are provided by law. A stop-payment order must precisely identify the number, date and amount of the item, and the payee. We will honor a stop-payment request by the person who signed the particular item, and, by any other person, even though such other person did not sign the item, if such other person has an equal or greater right to withdraw from this account than the person who signed the item in question. A release of the stop-payment request may be made only by the person who initiated the stop-payment.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates have been provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized payments or alterations, you must promptly notify us of the relevant facts. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we exercised ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items forged or altered by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but that such time will not, in any circumstance, exceed a total of 30 days from when the statement is first made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries or any other errors in your account within 60 days of when we make the statement available, you cannot assert a claim against us on any items in that statement, and the loss will be entirely yours. This 60 day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SET-OFF - You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen on page 1 of this agreement, or that are filed separately with us, and contain the required number of signatures for this purpose.

AGENCY (POWER OF ATTORNEY) DESIGNATION - Agents may make account transactions on the behalf of the parties, but have no ownership or rights at death unless named as Pay-on-Death beneficiaries.

Page 2 of 2

CORPORATE AUTHORIZATION RESOLUTION

FIRST NATIONAL BANKING CO - AF
 PO BOX 8
 ASH FLAT, AR 72513

By: ARKANSAS SAND COMPANY


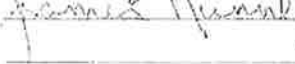
245 S THIRD STREET
 BATESVILLE, AR 72501

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

NORMA J HILL, certify that I am Secretary (clerk) of the above named corporation organized under the laws of _____, Federal Employer I.D. Number _____, engaged in business under the trade name of ARKANSAS SAND COMPANY, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on JULY 14 2009 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
<u>NORMA J HILL</u>	X 	X
<u>ADEQ</u>	X 	X
_____	X _____	X
_____	X _____	X
_____	X _____	X
_____	X _____	X

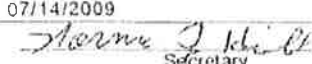
POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
<u>A</u>	(1) Exercise all of the powers listed in this resolution.	<u>2</u>
<u>A</u>	(2) Open any deposit or share account(s) in the name of the Corporation	<u>2</u>
<u>A</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	<u>2</u>
<u>A</u>	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	<u>2</u>
<u>A</u>	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment	<u>2</u>
<u>A</u>	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	<u>2</u>
_____	(7) Other _____	_____

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY
 I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation. In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on 07/14/2009 (date)

 Attest by One Other Officer Norma J Hill Secretary

ADEQ

ARKANSAS
Department of Environmental Quality

August 27, 2009

Mr. Sam O. Ross, President
Arkansas Sand Company
330 E. College St.
Batesville, AR 72501

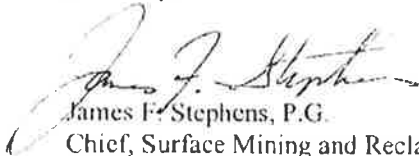
RE: Notice of Permitting Decision
Renewal and Transfer of Open-Cut Mining Permit # 0568-MN

Dear Mr. Ross,

In accordance with the requirements of Reg. 8.201 and Reg. 15.303(E), please find enclosed your copy of Open-Cut Mining Permit Number 0568 MN-A1 for the "Akron Mine" site in Independence County, Arkansas. Please note the new permit number (0568-MN-A1) and refer to this permit number on associated correspondence.

If you have any questions concerning this matter, please contact me at (501) 682-0807.

Sincerely,



James F. Stephens, P.G.
Chief, Surface Mining and Reclamation Division
Phone: (501)682-0807
Fax: (501)683-0513

Enclosures



CERTIFICATE OF SERVICE

I, James F. Stephens, hereby certify that a copy of the final permit decision concerning the Arkansas Sand Company Permit 0568-MN-A1 for the Akron Mine has been mailed to all parties of record this 27th day of August 2009.



JAMES F. STEPHENS

STATE OF ARKANSAS

DEPARTMENT OF ENVIRONMENTAL QUALITY




PERMIT # 0568-MN-A1 TO ENGAGE IN
OPEN-CUT MINING IN THE STATE OF ARKANSAS

This is to certify that

Arkansas Sand Company
Permittee

has complied with the application requirements of Act 827 of 1991, as amended, the Arkansas Open-Cut Land Reclamation Act and the Arkansas Open-Cut Mining and Reclamation Code written pursuant to the Act. The Permittee is authorized to conduct open-cut mining activities in accordance with the Act, the Code, the approved permit, any permit conditions, the approved mining plan and the approved reclamation plan, all of which are on file with the Department.

Permit Term: FROM May 4, 2009 TO May 3, 2014
(not to exceed five years)


Director (or Designee)

Date: August 27, 2009

* This document is transferable and is at all times the property of the State of Arkansas. This document must be posted at the mine office.

STATE OF ARKANSAS

DEPARTMENT OF ENVIRONMENTAL QUALITY



PERMIT # 0568-MN-A1 TO ENGAGE IN
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Director (or Designee)

Date: August 27, 2009

** This document is transferable and is at all times the property of the State of Arkansas. This document must be posted at the mine office.*

**APPLICATION FOR PERMIT TO ENGAGE IN
OPEN-CUT MINING IN THE STATE OF ARKANSAS**
Submit in Duplicate

Department of Environmental Quality Date: 7-6-09
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317
Telephone: (501) 682-0807

(I) (We) (The) Arkansas Sand Company
(Name of Company, Corporation, Partnership or Individual)
330 East College Street, Batesville, AR 72501 870-799-2676
Street City State Zip Code Phone Number

make application
() For a new permit
(x) To amend Permit No. 0568-MN as follows to include minor changes to the mining plan
(x) For an extension of time for Permit No. 0568-MN
(x) Transfer of Permit No. 0568-MN to above listed party.

to mine sand and gravel by the open-cut method during the period of 5-3-09 to 5-3-14 Mineral in the following area: Independence 17 12 N 4 West
County Section Township Range

Front Gate Location: Latitude: 35 ° 39 ' 5.14 " N Longitude: 91 ° 26 ' 8.54 " W

Name of Mine	Address of Mine	Number of acres to be affected
Akron Mine (formerly Cooney Mine)	50 Cord Road (Highway 122), Newark, AR	20

Estimated annual production (tons) 100,000 Total Acres 20

Based upon the attached mining and reclamation plans, a bond, duly executed in accordance with the Arkansas Open-Cut Land Reclamation Act and the Arkansas Open-Cut Mining and Reclamation Code in the amount of \$33,130.00, together with a check for the application fee in keeping with the Act and the Code in the amount of \$200.00 is enclosed. The Applicant certifies that all required documentation is attached.

Sara O. Ross President Sara O. Ross
Typed Name Title Signature of Official

Subscribed and sworn to before me this 6 day of July, 2009
My commission expires 4-01-2011 Harold Heston
Notary Public

Approved: August 27, 2009 [Signature] 0568-MN-A1
Date For the Department Permit Number

**APPLICATION FOR PERMIT TO ENGAGE IN
OPEN-CUT MINING IN THE STATE OF ARKANSAS**

Submit in Duplicate

Department of Environmental Quality Date: 7-6-09
 5301 Northshore Drive
 North Little Rock, Arkansas 72118-5317
 Telephone: (501) 682-0807

(I) (We) (The) Arkansas Sand Company
(Name of Company, Corporation, Partnership or Individual)
330 East College Street, Batesville, AR 72501 870-799-2676
Street City State Zip Code Phone Number

make application

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County Section Township Range

Front Gate Location: Latitude 35 ° 39 ' 5.14 " N Longitude 91 ° 26 ' 8.54 " W

Name of Mine "911" Address of Mine	Number of acres to be affected
Akron Mine (formerly Cooney Mine), 50 Cord Road (Highway 122), Newark, AR	20

Estimated annual production (tons) 100,000 Total Acres 20

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President
Title

Sam O. Row
Signature of Official

Subscribed and sworn to before me this 6 day of July, 2009

My commission expires 4-01-2011
Harriet Hawkins
Notary Public

Approved: August 27, 2009 [Signature] 0568-MN-A1
Date For the Department Permit Number

**Open-Cut Mining Permit 0568-MN-A1
Arkansas Sand Company**

Open-Cut Mining Standard Permit Conditions

Performance Standards – General

Reg. 15.301(A) and Reg. 15.307(A)(1) The permittee shall not engage in open-cut mining or affect lands without obtaining all appropriate permits from the Department (prior to start-up operations).

Reg. 15.303(H) This permit does not convey a right of access to the property.

Reg. 15.401(A) Every operator to whom a permit is issued pursuant to the provisions of the Act and this Code may engage in open-cut mining during the permit term on the area described in the permit upon the performance of and subject to the listed requirements in *Reg. 15.402* with respect to the permitted area.

Reg. 15.501(A) The Department or its designated representatives may enter upon lands during reasonable times for the purpose of determining compliance with this permit and the Code.

Open-Cut Mining Standards - *Reg. 15.402*

(A) The perimeter of the permit area must be clearly marked on the ground at all times using metal posts or stakes projecting 36 inches above ground and painted Hunter Orange or like color. These markers must remain in place until the operator has reclaimed the site and obtained release from reclamation liability from the Department.

(B) The operator shall protect the public from the dangers inherent in an open-cut mining operation by restricting access to the mine site and posting adequate warning signs.

(C) The operator shall preserve any topsoil for redistribution during reclamation unless otherwise approved by the Director and stipulated as a special condition to this permit.

(D) All affected land shall be graded to a rolling or terraced topography. No final slope shall be steeper than one (1) vertical to three (3) horizontal unless otherwise approved by the Department and stipulated as a special condition to this permit.

(E) The operator may construct earth dams, where lakes or other impoundments may be formed, provided they are constructed and maintained in accordance with sound engineering practices and the provisions of this Code.

Open-Cut Mining Permit 0568-MN-A1
Arkansas Sand Company

Open-Cut Mining Standards - Reg. 15.402 continued

(F) If a lake is to be left as a part of the reclamation plan, provisions must be made by the operator to assure that a pH factor of six (6) to nine (9) is maintained, unless otherwise authorized by the Department and stipulated as a special condition to this permit.

(G) If the permit area is near or includes a waterway, a 100 feet undisturbed buffer zone must be maintained between the permit boundary and the ordinary high water mark. The ordinary high water mark elevation at the upstream and downstream limits of the permit area shall be determined numerically by the Department and stipulated as a special permit condition.

(H) Unless waived by the Department (and stipulated as a special permit condition), all affected land that is reforested shall have reasonable fire lanes or access roads of at least 10 feet in width constructed through the land.

(I) When the site slope is in condition for vegetation, a soil analysis shall be made as a basis for soil amendments.

(J) The operator shall furnish copies of the soil sample report and recommendations to the Department.

(K) In the event the permit area adjoins another land owner's property line or a right-of-way, open-cut mining operations must maintain an undisturbed buffer zone of fifty (50) feet from any adjacent property line or right-of-way until reclamation begins. The operator may begin creating the final slope during reclamation at ten (10) feet from the adjacent property line or right-of-way.

(L) Whenever the exposed face of mined seams that contain acid-forming materials is not covered by water or by permanent water impoundment, the operator shall cover the exposed face of the seams with earth or spoil material to a depth of not less than three feet (3') upon approval of the Department.

(M) No later than June 1 of each year of the permit term, the operator shall submit to the Department, an annual report, in the form described in Chapter Six of this Code.

(N) All mine spoil generated by the operator shall be disposed of in a manner approved by the Department.

(O) For sand and gravel operations, the operator shall perform contemporaneous reclamation of the mine site in accordance with the operator's incremental mining plan approved by the Department.

**Open-Cut Mining Permit 0568-MN-A1
Arkansas Sand Company**

Open-Cut Mining Standards - Reg. 15.402 continued

(P) Upon approval from the Department, stockpiles of processed materials may be left without being reclaimed if there is a likelihood that there will be a market for the material in the future and that there will be no form of pollution from the stockpiles remaining on or leaving the property.

(Q) Mine and permit identification sign:

- (1) Identification signs shall be displayed at each point of access to the permit area from public roads;
- (2) Signs shall show the current permit number and the name, business address, and telephone number of the operator; and
- (3) Signs shall be retained and maintained until after the final release of the bond for the permit area.

Open-Cut Mining Permit 0568-MN-A1
Arkansas Sand Company

Administrative Requirements

This permit may be renewed, modified, or transferred in accordance with the procedures of *Reg. 15.311* upon application, and payment of applicable fees in accordance with *Reg. 15.304*.

Permit Transfers *Reg. 8.212*

An applicant for a transfer of a permit shall submit to the Department a written request for transfer of the permit on a form provided by the Department. The applicant also shall submit to the Department the information required by *Reg. 8.204* at least thirty (30) calendar days in advance of the proposed transfer date. The permit is automatically transferred to the new permittee unless the Director denies the request to transfer within thirty (30) calendar days of the Department's receipt of the disclosure information. This denial shall constitute a final permitting decision of the Director and may be appealed to the Commission.

Reg. 15.601(A) No later than June 1 of each year of the permit term, the operator shall submit to the Department an annual report that contains the following information:

(1) A site map showing the current status of the permit area with the following features clearly marked:

- (a) Permit boundary
- (b) Equipment installation
- (c) All roadways including entrance road
- (d) Water impoundments and water circulation system if applicable
- (e) Areas mined but unreclaimed
- (f) Areas currently being mined
- (g) Areas being reclaimed
- (h) Areas not yet affected
- (i) Section, Township, Range, and county

(2) A narrative providing the following:

- (a) The total number of affected acres that have not yet been released by the Department
- (b) The amount of material mined during the period from May 1 of the previous year through April 30 of the current year

Reg. 15.601(B) The operator shall pay an annual permit fee to the Department on affected land with the annual report in the amount listed below:

First 100 Acres	- \$10 per acre
101 to 200 acres	- \$7.50 per acre
201 and up	- \$5.00 per acre

Reg. 15.701 (B)(1) The operator must make a formal written request to the Department for the release of land or bond from this permit.

**Open-Cut Mining Permit 0568-MN-A1
Arkansas Sand Company**

Special Permit Conditions

1. The permittee shall not exceed affected acres or reclamation material moving volumes during mining stipulated in the approved Mining and Reclamation Plans, and as determined on the Bond Determination Forms attached to this permit, until an equivalent amount of land has been reclaimed, reported to and released by ADEQ in accordance with the provisions of *Reg. 15.309(G)*
2. Reclamation slopes bound by the 50 foot property line buffer shall be constructed during mining and shall be reclaimed annually upon completion.
3. Incremental mining and contemporaneous reclamation activities shall be reported annually in the report required under *Reg. 15.402(M)* and *Reg. 15.601*
4. The permittee shall request the release of bonded reclamation acreage in writing in accordance with the procedures in *Reg. 15.701*.

Robert D. Stroud
Attorney at Law
P. O. Box 2135
Batesville, Arkansas 72503
(870) 793-8350

2008 7619
Recorded in the Above
Deed Book & Page
12-18-2008 10:18:01 AM
Claudia Nobles Circuit Clerk
Independence County, AR

WARRANTY DEED

KNOW ALL BY THESE PRESENTS:

THAT **MARTHA A. DAVIDSON** for and in consideration of the sum of **TEN & NO/100 DOLLARS (\$10.00)** and other good and valuable consideration, to me in hand paid by **ARKANSAS SAND COMPANY**, the receipt whereof is hereby acknowledged, do hereby grant, bargain, sell and convey unto the said **ARKANSAS SAND COMPANY**, and unto its successors and assigns forever, the following lands lying in the County of Independence and State of Arkansas, *to-wit*:



The Southeast Quarter of the Southwest Quarter of Section 17, in Township 12 North, Range 4 West, containing 40 acres, more or less; the Southwest Quarter of the Southeast Quarter of Section 17, in Township 12 North, Range 4 West, containing 40 acres, more or less; Also, the following described as: Beginning at the Southeast corner of the Northwest Quarter of the Southeast Quarter of Section 17, Township 12 North, Range 4 West, rock for corner; thence North 16 chains to stake; thence West 8 chains and 36 links to Mud Creek; thence with the meanderings of said Mud Creek, to a stake which is 40 links East and 30 degrees North from an Elm tree about 18 inches in diameter; thence South 14 chains to a line dividing the Northwest Quarter of the Southeast Quarter from the Southwest Quarter of the Southwest Quarter of said section; thence East along said line 15 chains and 25 links to place of beginning, being a part of the Northwest Quarter of the Southeast Quarter of said section, containing 5 acres, more or less.

To have and to hold the same unto the said Grantee and unto its successors and assigns forever, with all appurtenances thereunto belonging.

And I hereby covenant with the said Grantee that I will forever warrant and defend the title to the lands against all claims whatever.

WITNESS my hand and seal on this 15 day of December, 2008.

Martha A. Davidson
MARTHA A. DAVIDSON

ACKNOWLEDGMENT

STATE OF ARKANSAS)
) ss.
County of Independence)

BE IT REMEMBERED, that on this day came before me, the undersigned, a Notary Public, within and for the county aforesaid, duly commissioned and acting **MARTHA A. DAVIDSON** to me well known as the Grantor in the foregoing deed, and stated that she had executed the same for the consideration and purposes therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public on this 15 day of December, 2008.



Martha A. Davidson

Notary Public

My Commission Expires:

12-21-2011

Independence County, AR
I certify this instrument was filed on
12-18-2008 10:16:01 AM
and recorded in Deed Book
2008 at pages 7619 - 7621
Claudia Hobbs Circuit Clerk

Claudia Hobbs

I certify under penalty of false swearing that at least the legally required amount of documentary stamps have been placed on this instrument.

Cynthia Nicholas

Grantee or Agent

245 S. 3rd St.

Grantee's Address

Hotchkissville, AR 72561

Arkansas Sand Company
Akron Mine
Mining Plan

July 6, 2009

The following is an updated mining plan reflecting minor changes to our original plan.

The site to be mined has only one access road to a public right of way (Highway 122). Access is restricted along this road by a gate at the site entrance. Bordering this gate on both sides of the access road is a drainage ditch (running alongside the entire western edge of the site and further restricting public access). In regard to public warnings, the site will be posted on all sides with proper signs to indicate mining is taking place. These warning signs will be posted at the gate (i.e. the entrance on the only access road) and on the boundary corners of the permitted area. This notice will read

**DANGER
ACTIVE MINE
NO TRESPASSING**

In accordance with our original permit number 0568-MN, we have opened a pit and have installed a dredge to mine unconsolidated sand and gravel. The current pit size is approximately 5 to 6 acres. We are currently in the process of mining this open pit to its full depth. The mining process will involve the extraction of sand and gravel with a dredge and the pumping of a sand and gravel slurry through pipes into a sand classifying tank, which will be replacing our existing wash plant. Additional water from the open pit will be also be pumped through pipes into this classifying tank to wash the sand and gravel. All water exiting this washing and classifying tank will be returned to the open pit using pipes. In no case will water enter any stream by this process; all drainage will return to the open pit from which it came. In regard to other water management issues, there will be no need for any water wells or settlement ponds.

As necessary, we plan to expand the pit up to 10 acres -- mining in a north-northeasterly direction as indicated on our site map. Expanding the pit will involve the removal of 4 to 10 feet of topsoil with an excavator and depositing it alongside the western boundary of the permitted area as needed. This topsoil will be stored less than 500 feet from the open pit. The stored topsoil will have a temporary cover of Bermuda grass to avoid loss due to erosion. We will also maintain overburden stockpiles to be loaded and shipped as topsoil and sold as a separate item. No water from the site will be allowed into any nearby stream to contaminate any unnamed branch or tributary. Any drainage from the site will flow back to the open pit. As we mine to the western, southern, and eastern borders of the permitted area, the sides of the open-cut mine will be sloped 3:1 and seeded with Bermuda grass for reclamation pursuant to ADEQ Regulation 15.

Arkansas Sand Company
Akron Mine
Reclamation Plan

July 6, 2009

As we mine our unconsolidated sand and gravel deposit, the open-cut mine will result in a pond. Contemporaneous reclamation will be practiced during the mining operations. We will slope the banks of the pond in a 1:3 grade (in accordance with Regulation 15) and extend them at least 5 feet below the water line. Grading of the banks of this pond will commence once we mine to the western, southern, and eastern borders of the permitted mine area. These banks will be seeded with Bermuda grass as dredging continues in the pond. As there will be no acid bearing rock formations encountered during mining, there will be no requirement for any types of water treatment necessary to maintain the ph level between 6 and 9 in the completed pond. At the conclusion of mining the plant and associated buildings will be removed and this area and the haul roads will be scarified in preparation for revegetation. The site will be regenerated into cropland, as this was its former use. As topsoil is spread on an approximate 10-acre area, a soil test will be performed to identify the soil amendments that will be needed. The proposed plant species mix for this site will include the planting of soybeans and wheat.

In our estimation, the affected area of mining operations will be approximately 20 acres. A breakdown of these areas follows:

Active pit	10 acres
Plant site/haul roads	5 acres
Stockpile area	2 acres
Ungraded area	3 acres
Total Area	20 acres

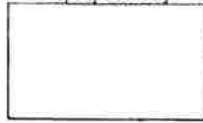
Our initial bond has been calculated using this 20-acre figure. (See Bond Determination Form.) The submitted bond will be in the amount of \$33,130. As soon as an area meets the grading and regeneration requirements of Regulation 15, we will request formal release of the reclaimed area.

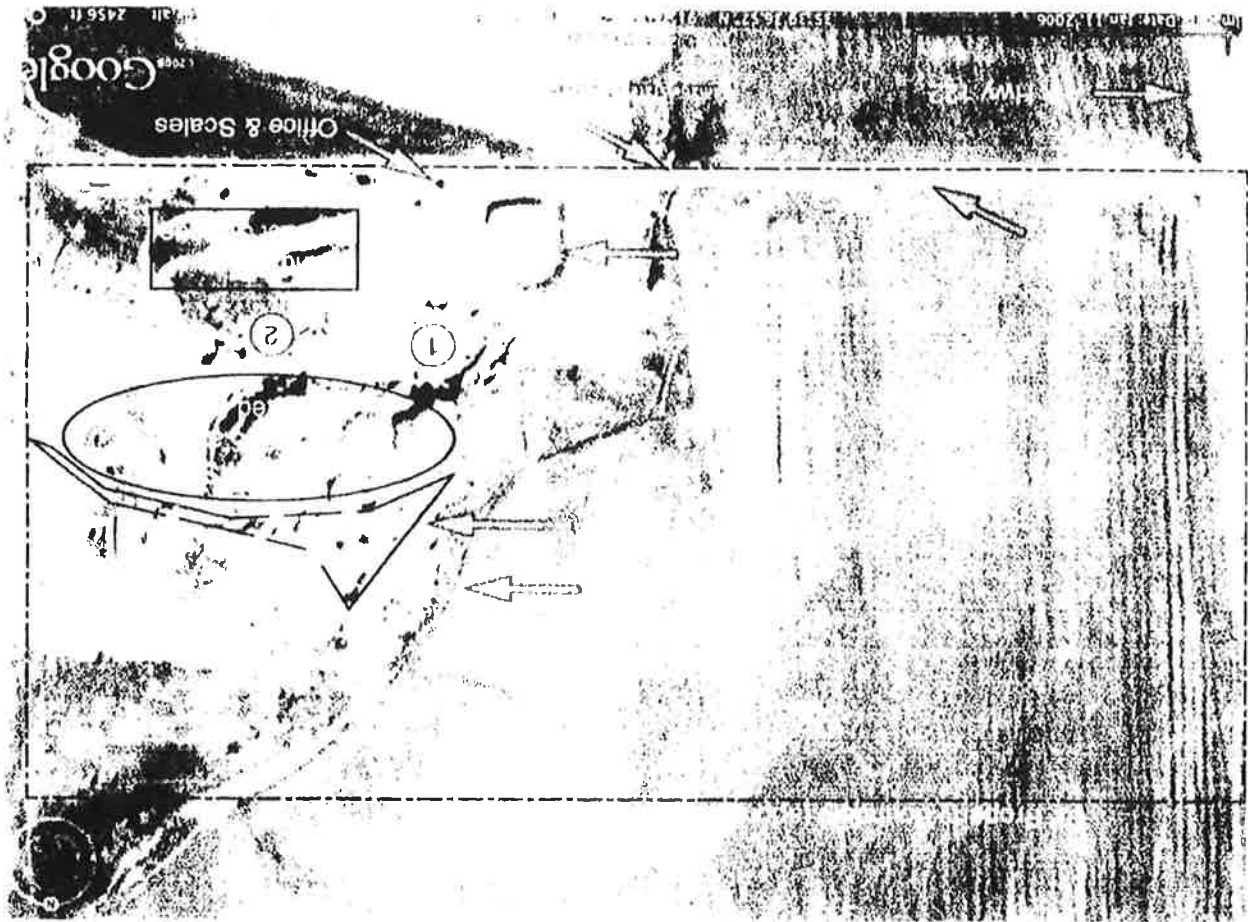
ASC

Arkansas Sand Company
Akron Mine Site

Township 12 N
Range 4 W

Property Boundary

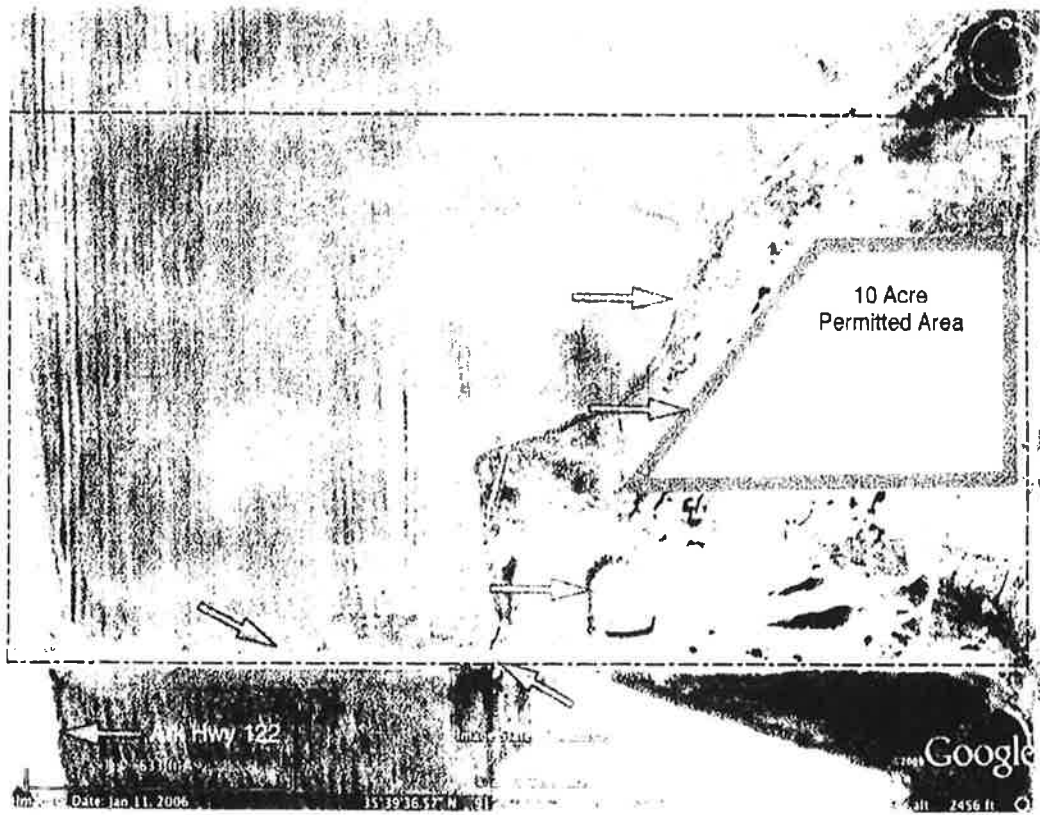




Business Sand Company
Akron Mine Site
Site Map/Aerial Photo

ASC

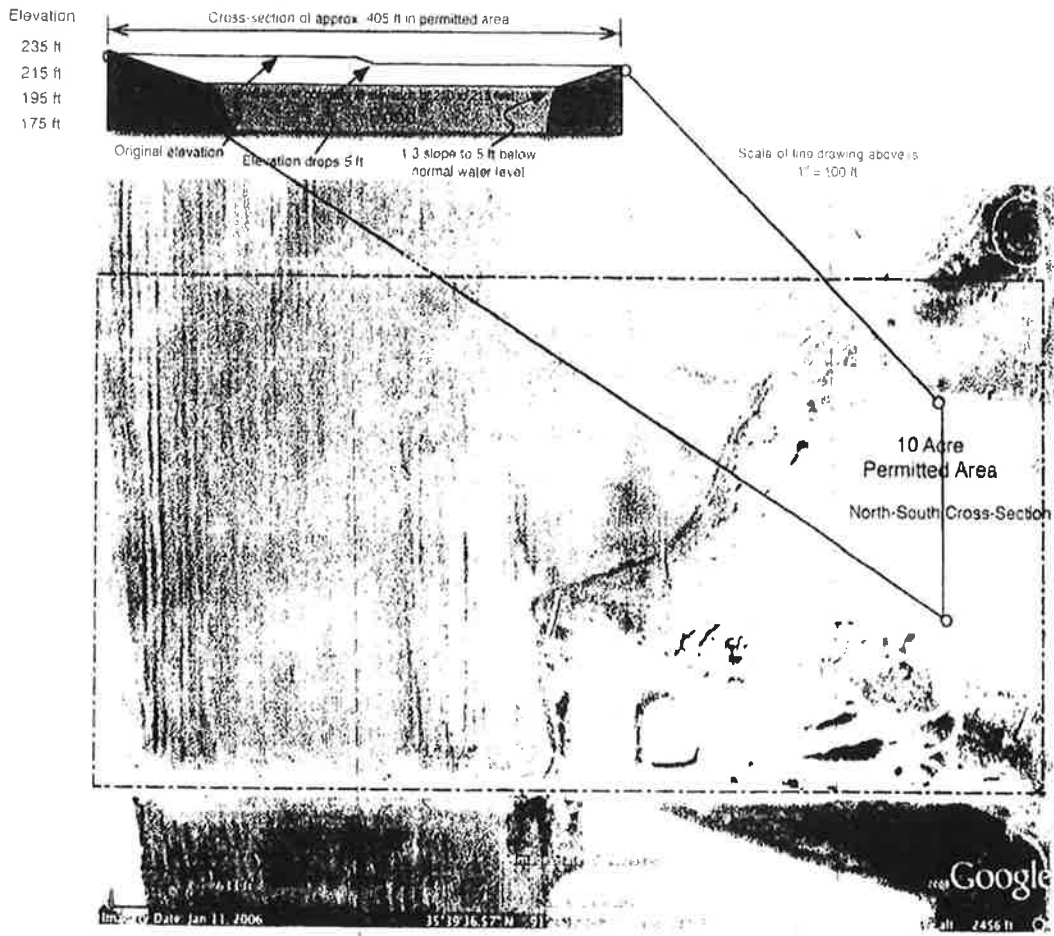
Arkansas Sand Company
Akron Mine Site
Reclamation Map/Aerial Photo



Plant elevation is 232 ft. Scale is at bottom left of image.

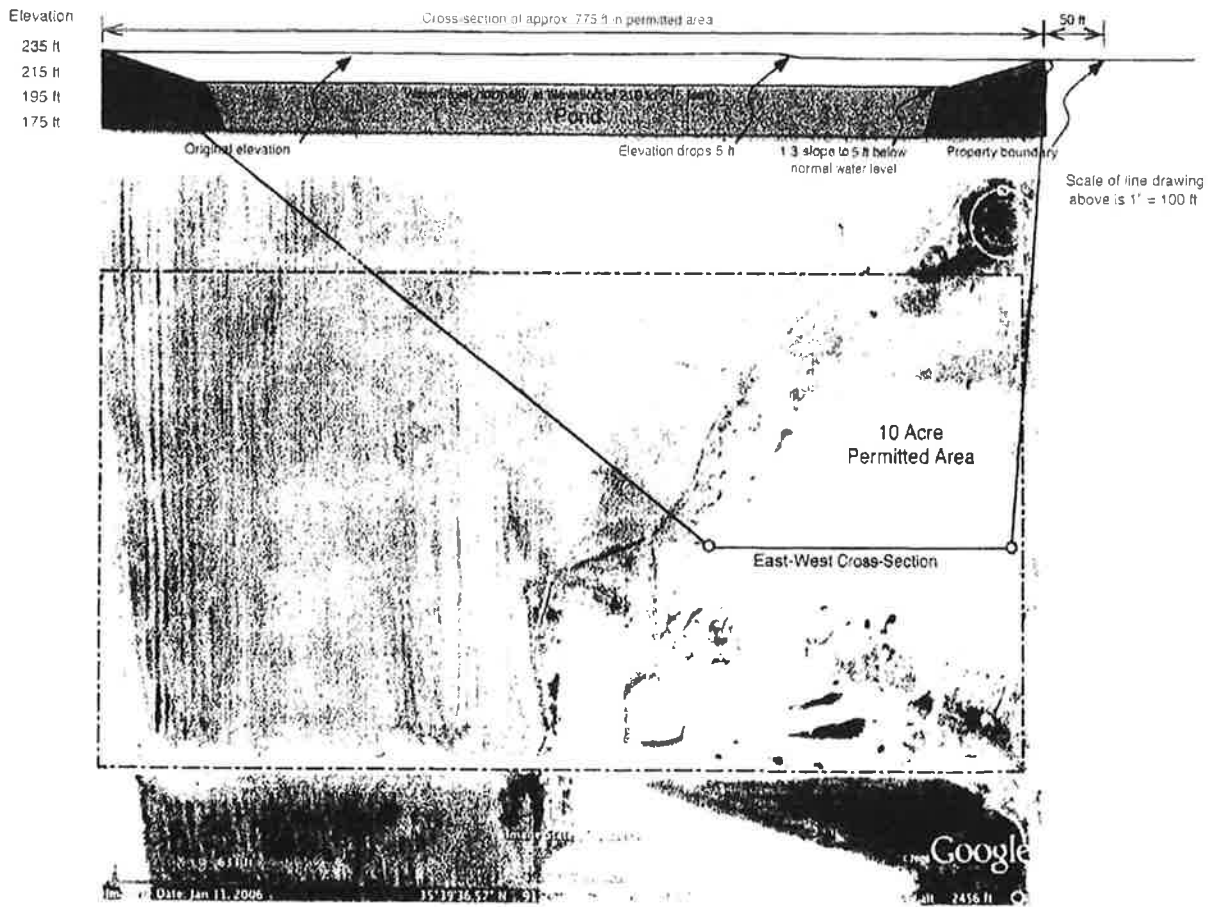
TASC

North-South Cross-section of Permitted Area with Original Elevations and Proposed Reclamation with Pond



ASC

East-West Cross-section of Permitted Area with Original Elevations and Proposed Reclamation with Pond



ARKANSAS SAND COMPANY

Bond Determination Form

A. Backfill (use one of the two choices below)

1) Material moved less than 500 ft.: 8000 cubic yards X \$0.65= (1a) 5200.-

2) Material moved more than 500 ft.: _____ cubic yards X \$1.30=(1b) _____

B. Topsoil replacement (as necessary): _____ acres X \$800.00= (2) NA

C. Topsoil spreading (use one of the two choices below)

1) Topsoil spread by cubic yard: _____ cubic yards X \$1.30= (3a) _____

2) Topsoil spread by the acre: 10 acres X \$1300.00= (3b) 13,000.-

D. Revegetation of the site: 10 acres X \$900.00= (4) 9000.-

Subtotal (Add lines 1 through 4): (5) 27,200.-

E. Engineering, Reclamation Management, and Administration (20% of Line 5): (6) 5440.-

F. Mobilization (1.5% of lines 5 plus 6) (7) 490.-

Bond Total (Add lines 5, 6 and 7): (8) 33,130.-

ADEQ

ARKANSAS
Department of Environmental Quality

June 14, 2010

Mr. Blake Ross
Arkansas Sand Co.
330 East College Street
Batesville, AR 72501

RE: Industrial Stormwater General Permit, Arkansas Sand Co., Newark, AR (Permit Tracking No. **ARR000539** - AFIN 32-00300)

Dear Mr. Ross:

The initial permit fee and Notice of Intent (NOI) for coverage under the Industrial Stormwater General Permit (IGP) ARR000000 were received on 6/2/2010. The NOI has been reviewed and determined to be complete. For tracking purposes, the facility has been assigned permit tracking number, **ARR000539**. Please use this number in all future correspondence related to this facility.

On July 29, 2009, the Arkansas Environmental Federation ("AEF") filed a Third Party Request for Commission Review and Adjudicatory Hearing challenging the permit, Docket No. 09-011-P. As a result of that appeal, the 2009 IGP was automatically stayed and not in effect. On March 26, 2010, the Arkansas Pollution Control and Ecology Commission (Commission) granted a modification of the automatic stay in Minute Order No. 10-09. This modification lifted the automatic stay from the 2009 IGP until a final decision on the appeal is issued by the Commission. Under the terms of the Commission's Minute Order lifting the stay, the 2009 IGP immediately became effective, except for those sections that are the subject of the appeal by the Arkansas Environmental Federation. The written decision of the Commission included alternative terms and conditions that applied in the place of the sections that remained stayed. Enclosed with this letter is a copy of Commission's Minute Order, including the attachment that lists the sections that remain stayed and the alternative terms and conditions that apply to all dischargers during the pendency of the appeal, and the 2009 IGP.

Please note that one of the primary issues in the appeal is the authority of ADEQ to issue a general permit. Although ADEQ believes the law unequivocally gives the Director the authority to issue permits, if any facility is concerned about having legal authority to operate in the unlikely event that AEF should prevail in its appeal, facilities covered by the general permit have the option of obtaining an individual NPDES permit from ADEQ for industrial stormwater discharges.



Enclosed is the Notice of Coverage that should be maintained with the facility's records. Discharge Monitoring Report (DMRs) forms and instructions can be downloaded from the following website.

http://www.adeq.state.ar.us/water/branch_permits/general_permits/stormwater/industrial.htm

DMRs for the 2010 reporting period are due by January 31, 2011. Please note that DMRs may be submitted prior to that date.

If you have any questions concerning this matter or need additional information, please feel free to contact the General Permits Section at (501) 682-0623 or myself at (501) 682-0616.

Sincerely,



Mo Shafii
Assistant Chief, Water Division

MS:ag

Attachment

cc: Electronic Filing (ARR000539, w/ attachments)
Eric Fleming, Branch Manager, Field Services Branch
Cindy Garner, Branch Manager, Enforcement Branch
Jim Purvis, Administrative Analyst, Fiscal Division
David Ramsey, Administrative Analyst, Enforcement Branch

Permit Tracking Number: ARR000539
AFIN: 32-00300

**NOTICE OF COVERAGE TO DISCHARGE STORMWATER UNDER
THE GENERAL STORMWATER PERMIT NUMBER ARR000000.**

The stormwater discharge shall be in accordance with all limitations, monitoring requirements, and other conditions set forth in the Industrial Stormwater General Permit ARR000000.

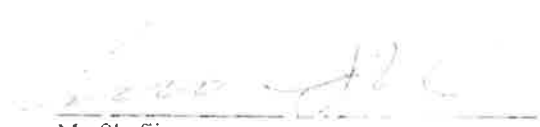
Blake Ross
Arkansas Sand Co.,
330 East College Street
Batesville, AR 72501

is authorized to discharge uncontaminated stormwater from a facility located as follows: Arkansas Sand Co., 30 Cord Road S. Highway 122, Newark, in Independence County, Arkansas under Industrial Sector J1. Discharges shall be in accordance with effluent limitations, monitoring requirements, and other conditions set forth in the Industrial Stormwater General Permit ARR000000 for monitoring category 12 for the following outfall:

Outfall 001: Latitude 35° 39' 40" Longitude 91° 26' 22"

Issued Date: 06/14/2010

Expiration Date: 06/30/2014


Mo Shafii
Assistant Chief, Water Division
Arkansas Department of Environmental Quality
501-

Industrial Stormwater PERMIT ROUTE SHEET

Facility Name: <u>Arkansas Sand Co.</u>			
Permit Number: <u>ARRO00539</u>		AFIN NO.: <u>32-00300</u>	
No Exposure Exclusion: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Monitoring Category: <u>2</u>	Industrial Sector: <u>21</u>
Stream Segment: <u>UF</u>		Nearest Receiving Water: <u>Mad Creek</u>	HUC: <u>11610014</u>
Assigned	Activity	Initials	Date Complete/Entered
Sect.	Application Logged/Assign Tracking Number/Place in Red Folder with appropriate route sheet and filing folders (1-day)	<u>JKH</u>	N/A
Engineer	Completeness and Technical Review/Enter permit information into Database (3-days)	<u>OK</u>	<u>6-12-10</u>
AA	AFIN request (1-day)	<u>OK</u>	<u>6-4-10</u>
AA	Enter AFIN and other Information Into PDS and NPDES database prior to requesting invoice (same day)	<u>OK</u>	<u>6-8-10</u>
AA	Complete Invoice Request Form (input check # and amount) and Submit Invoice Request (same Day)	<u>OK</u>	<u>6-10-10</u>
AA	Prepare Authorization letter- Permit/Attach Appropriate SW permit. Forms (1 day)	<u>OK</u>	<u>6-11-10</u>
Engineer	Review/ Organize Folder for scanning (1-day)	<u>JKH</u>	<u>6-11-10</u>
Engineer Supervisor	Review all the documents/permits/ perform technical review for the proposed project. Make recommendation. (1-day)		
Permit Section Manager	Review all the documents/permits. Make recommendation. (1-day)		
Assistant Chief	Review the documents and sign the authorization letter or the permit. (1-day)		
AA	Enter Into PDS/Activation/Dates/Input effective date in access database/Etc. Mail Original To applicant. Make a copy for file (Same day).		
Sect.	Scan complete folder and e-mail to everyone cc on the letter every Tuesday by 2:00 P.M.		

Number and Size of the Large Maps and Plans included in the SWPPP: _____

* AFIN is entered by AA when received from Admin.

REMARKS: _____

RECLAMATION BOND AGREEMENT

Reclamation Bond is hereby given by ARKANSAS SAND COMPANY as principal (hereinafter referred to as "Applicant") and _____, as Indemnifier ("Indemnifier"), to the Arkansas Department of Environmental Quality (the "Department") in the form marked below (hereinafter referred to as the "Collateral")

- Surety Bond
- Certificate of Deposit
- Irrevocable Letter of Credit
- Self Bond

WHEREAS, the Applicant has submitted the required documents to the Department for a permit to conduct open-cut mining and reclamation operations within the State of Arkansas in accordance with the Arkansas Open-Cut Land Reclamation Act of 1991, as amended (the "Act") and the regulations promulgated thereunder (the "Code"), as evidenced by the application documents (hereinafter referred to as the "Application") which includes a map of the area to be affected (the "Mining Area") submitted to the Department; and

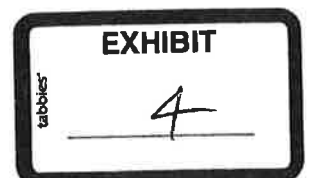
WHEREAS, the granting of the Permit is conditioned on the Applicant's giving bond to insure the reclamation of the Mining Area; and

WHEREAS, the Indemnifier agrees to be bound to the Department for the payment of a certain sum in the event the Applicant fails to perform in accordance with the Act and the Code, and to the applicable requirements of the Act and the Code; and

WHEREAS, the Department agrees to accept this Bond (Attachment I) as sufficient surety of performance by the Applicant, subject, however, to the Department's right to adjust the amount of the bond as the acreage in the Mining Area is revised, methods of mining operation change, standards of reclamation change, or when the cost of future reclamation, restoration, or abatement work changes;

Now, therefore, it is agreed as follows:

1. The Applicant and the Indemnifier are bound into the Department in the sum of \$33,130.00 (the "Bond Amount"), for the payment of which the Permittee and Indemnifier hereby jointly and severally bind themselves, their respective successors and assigns.



2. The Collateral cannot be canceled or withdrawn without giving at least ninety (90) days notice of such intent to the Department. In no event shall Collateral be canceled or withdrawn on a Mining Area that at the time of cancellation has become affected land under the provisions of the Act or the Code.
3. The Indemnifier will give prompt notice to the Applicant and the Department of inability of the Indemnifier for any reason to fulfill its obligations under this agreement.
4. The condition of this obligation is such that if the Applicant promptly and faithfully performs all the requirements of the Act, the Code, and the approved plan of reclamation upon completion of mining, then this obligation shall be terminated by notice from the Department; but otherwise this obligation shall remain in full force and effect.
5. The Indemnifier will honor the Department's request up to the aggregate amount of the bond upon proof of forfeiture and formal request by the Director of the Department.
6. This agreement is an Arkansas agreement, and is to be construed in accordance with and governed by Arkansas law.

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

Applicant: <u>NORMA J. HILL</u>	Indemnifier: _____
Officer signature: <u><i>Norma J. Hill</i></u>	Officer signature: _____
Title: <u>SECRETARY</u>	Title: _____
Date: <u>JULY 14, 2009</u>	Date: _____

APPROVED BY:

Arkansas Department of Environmental Quality
Representative signature: *James Thursday*
Title: Chief, Fiscal Division
Date: July 17, 2009

TO WHOM IT MAY CONCERN:

THIS IS TO SERVE AS A LETTER OF INSTRUCTION CONCERNING CD # [REDACTED]

This CD is required to have two signers for withdraw. One signer will be Norma J Hill representing Arkansas Sand Company and ADEQ will have a representative sign for them.

Norma J Hill

ADEQ Representative Signature / Date

Certificate of Deposit Receipt

This receipt is issued to:

ARKANSAS SAND COMPANY

245 S THIRD STREET
BATESVILLE, AR 72501

FIRST NATIONAL BANKING CO - AF
PO BOX 8
ASH FLAT, AR 72513

Member Number: _____
Account Number: _____
IRA Number: 0

Amount \$ 33130.00
Date Opened 07/14/2009
Term 48 Months
Maturity Date 07/14/2013
Interest Rate 1.86 %
Annual Percentage Yield 1.87 %

The account evidenced by this receipt is subject to and further explained in the terms and conditions contained in the account agreement and account disclosures. The account is Not Negotiable and Not Transferable. Only the items checked apply.

- Fixed Interest Rate Variable Interest Rate
 Additions Permitted
 Automatically Renewable Single Maturity (not automatically renewable) Callable Notice Account

Interest will be:

- mailed to the owner(s).
 added to principal (compounded).
 paid to _____ account No. _____

FIRST NATIONAL BANKING CO - AF
PO BOX 8
ASH FLAT, AR 72513

OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE

- INDIVIDUAL _____
 JOINT - WITH SURVIVORSHIP (and not as tenants in common)
 JOINT - NO SURVIVORSHIP (as tenants in common)
 TRUST - SEPARATE AGREEMENT:

PAY ON DEATH DESIGNATION AS DEFINED IN THIS AGREEMENT
Name and Address of Beneficiaries:

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

- SOLE PROPRIETORSHIP
 CORPORATION: FOR PROFIT NOT FOR PROFIT
 PARTNERSHIP LIMITED LIABILITY COMPANY

BUSINESS: SAND COMPANY
COUNTY & STATE
OF ORGANIZATION:

AUTHORIZATION DATED: 07/13/2009

DATE OPENED 07/14/2009 BY TRISH HOUSE

INITIAL DEPOSIT \$ 33,130.00

CASH CHECK _____

HOME TELEPHONE # _____

BUSINESS PHONE # (870) 793-5066

DRIVER'S LICENSE # _____

E-MAIL _____

EMPLOYER _____

MOTHER'S MAIDEN NAME _____

Name and address of someone who will always know your location:

BACKUP WITHHOLDING CERTIFICATIONS

TIN: _____

TAXPAYER I.D. NUMBER - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

BACKUP WITHHOLDING - I am not subject to backup withholding other because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

EXEMPT RECIPIENTS - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

x Norma J Hill 7-13-09
(Date)

ACCOUNT NUMBER

PORTFOLIO NUMBER

ACCOUNT OWNER(S) NAME & ADDRESS

ARKANSAS SAND COMPANY

ARKMO

Permit 568

245 S THIRD STREET
BATESVILLE, AR 72501

NEW EXISTING

TYPE OF ACCOUNT CHECKING SAVINGS
 MONEY MARKET CERTIFICATE OF DEPOSIT
 NOW _____

ACCOUNT NAME: 48 month certificate

This is a Temporary account agreement

Number of signatures required for withdrawal 2

FACSIMILE SIGNATURE(S) ALLOWED? YES NO

[X]

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

- Deposit Account Funds Availability Truth in Savings
 Electronic Fund Transfers Privacy Substitute Checks

(1): [X] Norma J Hill
NORMA J HILL AUTHORIZED SIGNER

ID # _____ Other 06/19/1946

(2): [X] James Humbley
ADEQ AUTHORIZED SIGNER

ID # _____ Other _____

(3): [X]

ID # _____ Other _____

(4): [X]

ID # _____ Other _____

AGENCY (POWER OF ATTORNEY) DESIGNATION (Optional): To Add Agency Designation To Account. Name One or More Agents:

- Agency Designation Survives Disability or Incapacity of Parties
 Agency Designation Terminates on Disability or Incapacity of Parties. (Select One and Initial): _____

YOUR DEPOSIT ACCOUNT TERMS AND CONDITIONS

AGREEMENT - These terms govern the operation of this account unless varied or supplemented in writing. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so that the singular includes the plural and the plural includes the singular. As used in this form, the words "we," "our," or "us" mean the financial institution and the words "you" or "your" mean the account holder(s). This account may not be transferred or assigned without our written consent.

Page 1 will show whether this account is a consumer or business account. A consumer is a natural person who holds an account primarily for personal, family or household purposes. Much of our relationship with our deposit customers is regulated by state and federal law, especially the law relating to negotiable instruments, the law regulating the methods of transferring property upon death and the rights of surviving spouses and dependents, the law pertaining to estate and other succession taxes, the law regarding electronic funds transfer, and the law regarding the availability of deposited funds. This body of law is too large and complex to be reproduced here.

The purpose of this form is to:
(1) summarize the rules applicable to the more common transactions;
(2) establish rules to govern transactions or circumstances which the law does not regulate; and
(3) establish rules for certain events or transactions which the law already regulates but permits variation by agreement.

We may permit some variations from this standard agreement, but any such variations must be agreed to in writing either on our signature card for the account or in some other written form.

LIABILITY - Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges that may be imposed. You authorize us to deduct these charges as accrued directly from the account balance. You also agree to pay additional reasonable charges we may impose for services you request which are not contemplated by this agreement. Each of you also agrees to be jointly and severally liable for any account deficit resulting from charges or overdrafts, whether caused by you or another authorized to withdraw from this account, and the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees.

DEPOSITS - Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars). Unless otherwise disclosed, interest on non-consumer accounts will be paid only on collected funds, subject to minimum balance or other limitations, if any. We are not responsible for transactions initiated by mail or outside depository until we actually record them. All transactions received after our "daily cut-off time" on a business day we are open, or received on a day in which we are not open for business, will be treated and recorded as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless otherwise clearly indicated on the account records, any one of you who signs this form including authorized signers, may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing this form to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge against your account a check, even though payment was made before the date of the check, unless you have given us written notice of the postdating. The fact that we may honor withdrawal requests which overdraw the finally collected account balance does not obligate us to do so, unless required by law. Withdrawals will first be made from collected funds, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitation. Even if we honor a nonconforming request, repeated abuse of the stated limitations (if any) may eventually force us to close this account. We will use the date a transaction is completed by us (as opposed to the day you initiate it) to apply the frequency limitations. On interest-bearing accounts other than time deposits, we reserve the right to require at least seven days' written notice before any withdrawal or transfer. Withdrawals from a time deposit prior to maturity or prior to the expiration of any notice period may be restricted and may be subject to penalty. See your notice of penalties for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. **Individual Account** - is owned by one person. **Joint Account - With Survivorship (And Not As Tenants In**

Common) - is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s), if two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common. **Joint Account - No Survivorship (As Tenants In Common)** - is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal. **Pay-On-Death Account** - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries acquire the right to withdraw only if: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, with right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the deposit at any time. **Corporate, Partnership, and other Organizational Accounts** - We will usually require a separate authorization form designating the person permitted and conditions required for withdrawal from any account in the name of a legal entity such as a partnership, corporation, or other organization. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of such organization.

STOP-PAYMENTS - A stop-payment order must be given in the manner required by law and must be received in time to give us a reasonable opportunity to act on it before our stop-payment cut-off time. Our stop-payment cut-off time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop-payment are provided by law. A stop-payment order must precisely identify the number, date and amount of the item, and the payee. We will honor a stop-payment request by the person who signed the particular item, and, by any other person, even though such other person did not sign the item, if such other person has an equal or greater right to withdraw from this account than the person who signed the item in question. A release of the stop-payment request may be made only by the person who initiated the stop-payment.

AMENDMENTS AND TERMINATION - We may change any term of this agreement. Rules governing changes in interest rates have been provided separately. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized payments or alterations, you must promptly notify us of the relevant facts. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we exercised ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items forged or altered by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but that such time will not, in any circumstance, exceed a total of 30 days from when the statement is first made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we make the statement available, you cannot assert a claim against us on any items in that statement, and the loss will be entirely yours. This 60 day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SET-OFF - You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen on page 1 of this agreement, or that are filed separately with us, and contain the required number of signatures for this purpose.

AGENCY (POWER OF ATTORNEY) DESIGNATION - Agents may make account transactions on the behalf of the parties, but have no ownership or rights at death unless named as Pay-on-Death beneficiaries.

(page 2 of 2)

CORPORATE AUTHORIZATION RESOLUTION

FIRST NATIONAL BANKING CO - AF
 PO BOX 8
 ASH FLAT, AR 72513

By: ARKANSAS SAND COMPANY

245 S THIRD STREET
 BATESVILLE, AR 72501

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

NORMA J HILL, certify that I am Secretary (clerk) of the above named corporation organized under the laws of _____, Federal Employer I.D. Number _____, engaged in business under the trade name of ARKANSAS SAND COMPANY, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on JULY 14 2009 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A <u>NORMA J HILL</u>	X <u><i>Norma J. Hill</i></u> X	
B <u>ADEQ</u>	X <u><i>James Hunley</i></u> X	
C _____	X _____ X	
D _____	X _____ X	
E _____	X _____ X	
F _____	X _____ X	

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
<u>A</u>	(1) Exercise all of the powers listed in this resolution	<u>2</u>
<u>A</u>	(2) Open any deposit or share account(s) in the name of the Corporation	<u>2</u>
<u>A</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	<u>2</u>
<u>A</u>	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	<u>2</u>
<u>A</u>	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	<u>2</u>
<u>A</u>	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution	<u>2</u>
	(7) Other _____	

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____ If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on 07/14/2009 (date).

Attest by One Other Officer

Norma J. Hill
 Secretary