

15A NCAC 13B .1806 LANGUAGE OF MECHANISMS FOR FINANCIAL ASSURANCE

The financial assurance mechanisms set forth in Rule .1805 of this Section shall use the language provided in this Rule, and shall be in accordance with 40 CFR 258.74(l).

- (1) Trust Agreement. A trust agreement for a trust fund, as specified in Rule .1805(e)(1) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

TRUST AGREEMENT

Trust Agreement, the "Agreement," entered into as of [date] by and between [name of the owner or operator], a [name of State] [insert "corporation," "partnership," "association," or "proprietorship"], the "Grantor," and [name of corporate trustee], [insert "incorporated in the State of [name of state]" or "a national bank"], the "Trustee."

Whereas, the Division of Waste Management, the "Division," an agency of the State of North Carolina, has established certain regulations applicable to the Grantor, requiring that an owner or operator of a solid waste management facility shall provide assurance that funds shall be available when needed for closure, post-closure care, corrective action programs, or potential assessment and corrective action of the facility,

Whereas, the Grantor has elected to establish a trust to provide all or part of such financial assurance for the facilities identified herein,

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.

Now, therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities and Cost Estimates. This Agreement pertains to the facilities and cost estimates identified on schedule A [on schedule A, for each facility list the name, address, Solid Waste Section Permit Number, and the current closure, post-closure care, corrective action program cost estimates, or portions thereof, for which financial assurance is demonstrated by this Agreement].

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of the Division. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible, nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the Division.

Section 4. Payment for Closure, Post-Closure Care, and Corrective Action Programs. The Trustee shall make payments from the Fund as the Division shall direct, in writing, to provide for the payment of the costs of closure, post-closure care, or corrective action programs of the facilities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the Division from the Fund for closure, post-closure care, and corrective action program expenditures in such amounts as the Division shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the Division specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C.

- 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or State government;
- (ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and
 - (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the Division a statement confirming the value of the Trust. Any securities in the fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the Division shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date

on which it assumes administration of the trust in writing sent to the Grantor, the division, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the exhibit a or such other designees as the Grantor may designate by amendment to Exhibit A. The trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the Division to the Trustee shall be in writing, signed by the Division, or his designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or Division hereunder has occurred. The trustee shall have no duty to act in the absence of such orders, requests, and instructions from the grantor or division, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the Division by certified mail within 10 days following expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the Division, or by the Trustee and the Division if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the Division, or by the Trustee and the Division, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the Division issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of North Carolina.

Section 20. Interpretation. As used in this agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written: The parties below certify that the wording of this agreement is identical to the wording specified in 15A NCAC 13B .1806(1) as were constituted on the date first above written.

[Signature of Grantor]

[Title]

Attest: [insert name of Corporation's Senior Management]

[Title]

[Seal]

State of North Carolina

County of [Name of County]

On this [date], before me personally came [name of owner or operator] to me known, who, being by me duly sworn, did depose and say that she/he resides at [address], that she/he is [title] of [corporation], the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

Witness my hand and official seal this [Day] day of [Month], 20[Year].

[insert Signature of Notary]

Official Signature of Notary

[Notary's printed or typed name]

Notary Public

[Official Seal]

My commission expires: [insert Date of Commission Expiration]

[Or for no corporate seal, see 15A NCAC 13B .1805(c) and utilize the certification of acknowledgement below]

State of North Carolina

County of [Name of County]

I, [Name of Officer Taking Acknowledgment], a [Official Title of Officer Taking Acknowledgment], certify that [Name of Corporate Officer] personally came before me this day and acknowledged that he/she is [Title of Corporate Officer] of [insert Legal Name of Corporation], a corporation, and that he/she, as [insert Title of Officer], being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal this [Day] day of [Month], 20[Year].

[insert Signature of Notary]

Official Signature of Notary

[Notary's printed or typed name]

Notary Public

[Official Seal]

My commission expires: [insert Date of Commission Expiration]

[Signature of Trustee]

[Title]

Attest: [insert name]

[Title]

[Seal]

State of North Carolina

County of [Name of County]

I, [Name of Officer Taking Acknowledgment], a [Official Title of Officer Taking Acknowledgment], certify that [Name of Corporate Officer] personally came before me this day and acknowledged that he/she is [Title of Corporate Officer] of [insert Legal Name of Corporation], a corporation, and that he/she, as [insert Title of Officer], being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal this [Day] day of [Month], 20[Year].

[insert Signature of Notary]

Official Signature of Notary

[Notary's printed or typed name]

Notary Public

[Official Seal]

My commission expires: [insert Date of Commission Expiration]

Schedule A for Trust Agreement

[For Each Facility:]

Facility Name: [Facility Name]

Facility Address: [Facility Address]

Permit Number: [Permit Number]

Closure Costs: \$ [Amount]

Post-Closure Care Costs: \$ [Amount]

Corrective Action Program: \$ [Amount]

Potential Assessment and Corrective Action: \$ [Amount]

Total Aggregate Amount to be Funded by this Trust: \$ [Amount]

Schedule B for Trust Agreement

[For Standby Trust]

Trust Property: This Fund shall consist of funds drawn from [insert type of mechanism] [ex. Letter of credit No.[insert number] dated [date] issued by [name of bank] at such time said funds are directly deposited into the Trust account.

[For Funded Trust]

Trust Property: This Fund shall consist of cash in the amount of \$[insert cash amount]. [Aggregate full amount of closure, post-closure care, any corrective action program, and potential assessment and corrective action from Schedule A.]

OR, for pay-in period over the term of the initial permit or the remaining life of the solid waste management facility, include a payment schedule.

Trust Property: This Fund shall consist of annual cash payments made in accordance with the following schedule:

[For Funded Trusts: For Each Facility:]

Facility Name: [Facility Name]

Facility Address: [Facility Address]

Permit Number: [Permit Number]

Initial Payment of \$[insert dollar amount] on [date of execution] for Cell 1 [insert date Agreement is executed.]

Subsequent payment of \$[insert dollar amount], payable on [anniversary date of execution].

Subsequent payment of \$[insert dollar amount], payable on [anniversary date of execution].

Subsequent payment of \$[insert dollar amount], payable on [anniversary date of execution]

Subsequent payment of \$[insert dollar amount], payable on [anniversary date of execution]

Subsequent payment of \$[insert dollar amount], payable on [anniversary date of execution]

Account Information:

Account Number assigned to this Trust Agreement: [Account Number]

Amount of Deposit: [Amount of Deposit (zero dollars if used for a standby trust)]

Date: [Date]

Bank/Branch location for this trust account:

Bank/Branch Name: [Bank/Branch Name]

Location Address: [Location Address]

City & State: [City & State]

Contact Person at Bank:

Name: [Name]

Title: [Title]

Phone Number: [Phone Number]

Exhibit A for Trust Agreement

The following persons, acting singly or collectively, shall have the right to issue instructions to the Trustee pursuant to Section 14 of the Agreement:

Name: [insert name]

Position: [insert position]

- (2) A surety bond guaranteeing performance of closure, post-closure care, and corrective action programs as specified in Rule .1805(e)(2) of this Section shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

PERFORMANCE BOND

Date bond executed:

Effective date:

Principal: [legal name and business address of owner or operator]

Type of organization: [insert "individual", "joint venture", "partnership", or "corporation"]

State of incorporation:

Surety(ies): [name(s) and business address(es)]

[For Each Facility]

Solid Waste Section Permit Number: [insert NCDEQ permit number]

Facility name: [insert facility name]

Facility address: [insert facility address]

Closure cost: [insert approved closure cost]

Post-closure care cost: [insert approved post-closure care cost]

Corrective action program cost: [insert current corrective action program cost]

Total penal sum of bond: \$[insert total sum of bond]

Liability Limit: \$ [insert bonding company's liability limit]

Surety's bond number: [insert issued bond number]

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to the North Carolina Division of Waste Management (hereinafter called the Division), 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 is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, said Principal is required, under 15A NCAC 13B as amended, to have a permit in order to own or operate each solid waste management facility identified above, and

Whereas, said Principal is required to provide financial assurance for closure, post-closure care, or corrective action programs as a condition of the permit, and

Whereas, said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

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

And, if the Principal shall faithfully perform post-closure care of each facility for which this bond guarantees post-closure care, in accordance with the post-closure care plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations as such laws, statutes, rules, and regulations may be amended,

And, if the Principal shall faithfully perform corrective action of each facility for which this bond guarantees corrective action, in accordance with the corrective action program and other requirements of the permit, as such program and 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 Division's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the Division from the Surety(ies), 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 Division that the Principal has been found in violation of the closure requirements for a facility for which this bond guarantees performance of closure, the Surety(ies) shall either perform closure in accordance with the closure plan and other permit requirements or place the closure amount guaranteed for the facility into the standby trust fund as directed by the Division.

Upon notification by the Division that the Principal has been found in violation of the post-closure care requirements for a facility for which this bond guarantees performance of post-closure care, the Surety(ies) shall either perform post-closure care in accordance with the post-closure care plan and other permit requirements or place the post-closure care amount guaranteed for the facility into the standby trust fund as directed by the Division.

Upon notification by the Division that the Principal has been found in violation of the corrective action requirements for a facility for which this bond guarantees performance of corrective action, the Surety(ies) shall either perform corrective action in accordance with the corrective action program and other permit requirements or place the corrective action amount guaranteed for the facility into the standby trust fund as directed by the Division.

Upon notification by the Division that the Principal has failed to provide alternate financial assurance and obtain written approval of such assurance from the Division during the 90 days following receipt by both the Principal and the Division of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the Division.

The Surety(ies) hereby waive(s) notification of amendments to closure and post-closure care plans, and corrective action programs, 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 owner or operator and to the Division, 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 Division, 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 Division.

[The following paragraph is an optional rider that may be included but is not required.]

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new closure, post-closure care, or corrective action program amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the Division.

In Witness Whereof, The Principal and Surety(ies) have executed this Performance 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 15A NCAC 13B .1806(2) as was constituted on the date this bond was executed.

Principal

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate seal]

[For no corporate seal, see Rule .1805(c)]

Corporate Surety(ies)

[Names and address of contact]

State of incorporation: Surety's state of incorporation]

Liability limit: \$ [Surety's liability limit]

[Signature(s)]

[Names(s) and title(s)]

[Corporate seal]

[For no corporate seal, see Rule .1805(c)]

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond premium: \$ [bond premium]

- (3) A surety bond guaranteeing payment of closure and post-closure care as specified in Rule .1805(e)(2) of this Section shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

PAYMENT BOND

Date bond executed: [insert date of bond execution]

Effective date: [insert effective date]

Principal: [legal name and business address of owner or operator]

Type of organization: [insert "individual", "joint venture", "partnership", or "corporation"]

State of incorporation: [insert state of incorporation]

Surety(ies): [name(s), business address(es), and contact information]

[For Each Facility]

Solid Waste Section Permit Number: [insert NCDEQ permit number]

Facility name: [insert facility name]

Facility address: [insert facility address]

Closure cost: [insert dollar amount for closure]

Post-closure care cost: [insert dollar amount for post-closure care]

Total penal sum of bond: \$[insert total cost of the bond]

Liability Limit: \$[insert underwriting limit of the surety company]

Surety's bond number: [insert bond number issued by surety]

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to the North Carolina Division of Waste Management (hereinafter called the Division), 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 is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas, said Principal is required, 15A NCAC 13B as amended, to have a permit in order to own or operate each solid waste management facility identified above, and

Whereas, said Principal is required to provide financial assurance for closure or post-closure care as a condition of the permit, and

Whereas, said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

Now, Therefore, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of final closure and post-closure of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility,

Or, if the Principal shall fund the standby trust fund in such amount(s) within 15 days after a final order to begin closure and post-closure care is issued by the Division or a U.S. district court or other court of competent jurisdiction,

Or, if the Principal shall provide alternate financial assurance and obtain the Division's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the Division from the Surety(ies), 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 Division that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the Division.

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 Division, 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 Division, 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 Division.

[The following paragraph is an optional rider that may be included but is not required.]

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new closure, post-closure care, or corrective action program amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the Division.

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 has not been changed as were constituted on the date this bond was executed.

Principal

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate seal]

[For no corporate seal, see Rule .1805(c)]

Corporate Surety(ies)

[Name and address]

State of incorporation: [Surety's state of incorporation]

Liability limit: \$[Surety's liability limit]

[Signature(s)]

[Name(s) and title(s)]

[Corporate seal]

[For no corporate seal, see Rule .1805(c)]

[For each co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond premium: \$[bond premium]

- (4) A letter of credit, as specified in Rule .1805(e)(3) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

IRREVOCABLE STANDBY LETTER OF CREDIT

North Carolina Department of Environmental Quality

Division of Waste Management

Solid Waste Section

1646 Mail Service Center
Raleigh, North Carolina 27699-1646
Dear Sir/Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. [insert mechanism number] in your favor, at the request and for the account of [owner's or operator's name and address] up to the aggregate amount of [in words] U.S. dollars \$[insert U.S. dollar amount], available upon presentation of

(1) your sight draft, bearing reference to this letter of credit No. [insert mechanism number], and
(2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to requirements of N.C. General Statute 130A-295.2(f) and 15A NCAC 13B because the applicant has failed to properly close and clean up the solid waste management facility, to perform post-closure maintenance and monitoring at the facility, or to remediate the facility in accordance with applicable statutes, rules and permit conditions."

This letter of credit is effective as of [date] and shall expire on [date at least 1 year later], but such expiration date shall be automatically extended for a period of [at least 1 year] on [date] and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify both you and [owner's or operator's name] by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and [owner's or operator's name], as shown on the signed return receipts.

Whenever this letter of credit is drawn on, under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of [owner's or operator's name] in accordance with your instructions.

We certify that the wording of this letter of credit is identical to the wording specified in 15A NCAC 13B .1806(4) as were constituted on the date shown immediately below.

[Signature(s) and title(s) of official(s) of issuing institution], [Date]

This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce," or "the Uniform Commercial Code"].

- (5) A certificate of insurance, as specified in Rule .1805(e)(4) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

CERTIFICATE OF INSURANCE FOR CLOSURE OR POST-CLOSURE CARE

Name and Address of Insurer
(herein called the "Insurer"):

Name and Address of Insured
(herein called the "Insured"):

Facilities Covered: [List for each facility: The Solid Waste Section Permit Number, name, address, and the amount of insurance for closure or the amount for post-closure care (these amounts for all facilities covered shall total the face amount shown below).]

Face Amount: [insert dollar amount of face value]

Policy Number: [insert insurance policy number]

Effective Date: [insert effective date]

The Insurer hereby certifies that it has issued to the Insured the policy of insurance identified above to provide financial assurance for [insert "closure" or "closure and post-closure care" or "post-closure care"] for the facilities identified above.

The Insurer further warrants that such policy conforms in all respects with the requirements of 40 CFR 258.74(d)(July 1, 2010 edition) and 15A NCAC 13B .1805, as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency.

Whenever requested by the North Carolina Division of Waste Management (Division), the Insurer agrees to furnish to the Division a duplicate original of the policy listed above, including all endorsements thereon.

I hereby certify that the wording of this certificate is identical to the wording specified in 15A NCAC 13B .1806(5) as were constituted on the date shown immediately below.

[Authorized signature for Insurer]

[Name of person signing]

[Title of person signing]

Signature of witness or notary:

[Date]

- (6) A corporate financial test, as specified in Rule .1805(e)(5) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

CORPORATE FINANCIAL TEST

[Date]

North Carolina Department of Environmental Quality
Division of Waste Management
Solid Waste Section Chief
1646 Mail Service Center
Raleigh, NC 27699-1646

Dear Sir/Madam:

I am the chief financial officer of [name and address of firm]. This letter is in support of this firm's use of the corporate financial test to demonstrate financial assurance for closure, post-closure care, corrective action programs, and potential assessment and corrective action (if applicable), as specified in the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(e)(July 1, 2010 edition).

[For each solid waste management facility, including its permit identification number, name, address, and closure, post-closure care, corrective action programs, and potential assessment and corrective action (if applicable) cost estimates. Identify for each cost estimate whether it is for closure or post-closure care, corrective action programs, or potential assessment and corrective action.]

The firm is the owner or operator of the following solid waste management facilities for which financial assurance for closure, post-closure care, corrective action programs, and potential assessment and corrective action (if applicable), is demonstrated through the corporate financial test. The current cost estimates for closure, post-closure care, corrective action programs, and potential assessment and corrective action (if applicable), covered by the test are shown for each facility:

Name: [insert legal entity /principal name]

Office Address: [insert physical address of legal entity/principal]

Facility Address: [insert physical address of permitted facility]

Permit No.: [insert NCDEQ issued permit number]

Closure Cost Estimate: [insert dollar amount for closure]

Post-Closure Care Cost Estimate: [insert dollar amount for post-closure care]

Corrective Action Program Cost Estimate: [insert dollar amount for current corrective action program]

Potential Assessment and Corrective Action Cost Estimate: [insert dollar amount for potential assessment and corrective action]

Identify any underground injection control (UIC) facilities under 15A NCAC 02D .0400 and 15A NCAC 02C .0200, petroleum underground storage tank (UST) facilities under 15A NCAC 02N .0100 through .0800, polychlorinated biphenyl (PCB) storage facilities under 15A NCAC 02O .0100 and 15A NCAC 02N .0100, and hazardous waste treatment, storage, and disposal facilities (TSDF's) under 15A NCAC 13A .0109 and .0110 that are owned by either the owner/operator or the guarantor and/or are facilities that are covered by a financial test or corporate guarantee. Provide a separate description for each type of facility, if applicable (if not applicable write "None").

Name: [insert legal entity/principal name]

Office Address: [insert physical address of legal entity/principal]

Facility Address: [insert physical address of permitted facility]

Permit No.: [insert NCDEQ issued permit number]

Closure Cost Estimate: [insert dollar amount for closure]

Post-Closure Care Cost Estimate: [insert dollar amount for post-closure care]

Corrective Action Program Cost Estimate: [insert dollar amount for current corrective action program]

Potential Assessment and Corrective Action Cost Estimate: [insert dollar amount for potential assessment and corrective action]

This firm [insert "is required" or "is not required"] to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on [month, day]. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended [date].

Fill in all applicable parts of the Financial Test and either Alternative I, or Alternative II, or Alternative III below.
Financial Test

1. Sum of current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable) and guarantees from all of the solid waste management facilities in paragraphs 1 or 2 above: \$ [insert dollar amount]
2. All other cost estimates and guarantees required for UIC facilities, petroleum UST facilities, PCB storage facilities, and TSDFs listed in paragraph 3 above. \$ [insert dollar amount]
3. Tangible net worth (defined as tangible assets – liabilities. Tangible assets do not include intangibles such as goodwill or rights to patents and royalties). \$ [insert dollar amount]
4. Net Worth \$ [insert dollar amount]
5. Total liabilities - If any portion of the current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), or guarantees identified above are recognized as liabilities in the audited financial statements, you must submit a special report from the independent certified public accountant (CPA), unless you can answer "yes" to item # 9. \$ [insert dollar amount]
6. The sum of net income plus depreciation, depletion, and amortization (Use for Alternative III): \$ [insert dollar amount]
7. Total assets in the U.S.: \$ [insert dollar amount]
8. Sum of line 1 plus line 2 from above and any other environmental obligations covered by a financial test: \$ [insert dollar amount]
9. Is line 3 greater than the sum of line 8 plus \$10 million? [Yes or No]
If "No", and you have provided a report from the independent CPA that the environmental obligations have been recognized as liabilities in the audited financial statements, then go to Item 9(a).
- 9a. Is line 3 greater than the sum of \$10 million plus any guarantees not recognized as liabilities? [Yes or No]
10. Is line 7 greater than line 8? [Yes or No]
If the financial data provided for items 3 through 7 above differs from what was provided in the audited financial statements, a special report from the certified public accountant shall be provided as described in 40 CFR 258.74(e)(2)(i)(C).

Alternative I

1. Current bond rating of most recent senior unsubordinated bond issue of this firm and name of rating service: [current bond rating and name of rating service]
2. Date of bond issue: [insert date of bond issued]
3. Date of final maturity of bond: [insert final maturity date of bond]

Alternative II

1. Is the above line 5 divided by the above line 4 less than 1.5? [Yes or No]

Alternative III

1. Is (the above line 6 minus \$10 million) divided by the above line 5 greater than 0.1? [Yes or No]

As evidence that [Firm] meets the conditions of the Corporate Financial Test, attached hereto is a copy of the following:

Please check applicable responses.

- () 1. Independent CPA's unqualified opinion of our financial statements for our latest completed fiscal year.
- () 2. Special report from CPA, if financial data in this letter is different than in audited financial statements. [See 40 CFR 258.74(e)(2)(i)(C)].
- () 3. Report from CPA (if answer to item #9 of the financial test is No) verifying all of covered environmental obligations covered by test have been recognized as liabilities in the audited financial statements, how the obligations were measured and reported, and that tangible net worth of the firm is at least \$10 million dollars plus the amount of any guarantees not recognized as liabilities. [See 40 CFR 258.74(e)(2)(i)(D)]

I hereby certify that [name of firm] meets the requirements of [Fill in Alternative I, Alternative II, or Alternative III] in support of [name of facility(s)] use of the corporate financial test to demonstrate financial assurance as required by the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(e)(July 1, 2010 edition).

[Signature]

[Name]

[Title]

[Date]

- (7) A local government financial test, as specified in Rule .1805(e)(6) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

LETTER FROM CHIEF FINANCIAL OFFICER

[Address to the Department of Environmental Quality, Division of Waste Management, Solid Waste Section, 1646 Mail Service Center, Raleigh, North Carolina 27699-1646.]

I am the chief financial officer of [name and address of unit of local government]. This letter is in support of this unit of local government's use of the financial test to demonstrate financial assurance, as specified in 15A NCAC 13B .1805(e)(6).

[Fill out the following paragraph regarding the solid waste management facilities and associated cost estimates. For each facility, include its permit number, name, address and current closure, post-closure care, corrective action program, or potential assessment and corrective action cost estimates. Identify each cost estimate as to whether it is for closure, post-closure care, or a corrective action program.]

This unit of local government is the owner or operator of the following facilities for which financial assurance for closure, post-closure care, corrective action programs, or potential assessment and corrective action is demonstrated through the financial test specified in 15A NCAC 13B .1805(e)(6). The current closure, post-closure care, corrective action programs, or potential assessment and corrective action cost estimates covered by the test are shown for each facility:

[For Each Facility]

Solid Waste Section Permit Number: [insert NCDEQ issued permit number]

Facility name:[insert facility name]

Facility address: [insert physical address of facility]

Closure cost: [insert dollar amount of closure]

Post-closure care cost: [insert dollar amount of post-closure]

Corrective action program cost: [insert dollar amount of current corrective action]

Potential assessment and corrective action cost: [insert dollar amount of potential assessment and corrective action]

Total Costs to be Assured: [Total Costs to be Assured by this test – include costs for all facilities]:

The fiscal year of this unit of local government ends on [month, day, year]. The Indicators of Financial Strength section below is based off of the local government's financial strength of the previous year, as indicated by general accounting practices.

[Local Government completing the Local Government Test are to either complete the Ratio Indicator of Financial Strength or the Bond Rating Indicator of Financial Strength section below.]

RATIO INDICATORS OF FINANCIAL STRENGTH

1. Sum of current closure, post-closure care, and corrective action program cost estimates [total of all cost estimates shown in the paragraphs above] \$[insert dollar amount of all cost estimates/environmental liability for solid waste management facilities]

2. Sum of cash and investments: \$ [insert dollar amount]

3. Total expenditures: \$ [insert dollar amount]

4. Annual debt service: \$ [insert dollar amount]

5. Assured environmental costs to demonstrate financial responsibility in the following amounts under Division rules:

Solid Waste Management Facilities under 15A NCAC 13B: \$ [insert dollar amount]

Hazardous waste treatment, storage, and disposal facilities under 15A NCAC 13A .0109 and .0110: \$ [insert dollar amount]

Petroleum underground storage tanks under 15A NCAC 02N .0100 - .0800: \$ [insert dollar amount]

Underground injection control system facilities under 15A NCAC 02D .0400 and 15A NCAC 02C .0200: \$ [insert dollar amount]

PCB commercial storage facilities under 15A NCAC 02O .0100 and 15A NCAC 02N .0100: \$ [insert dollar amount]

Total assured environmental costs: \$ [insert total dollar amount]

6. Total Annual Revenue: \$ [insert dollar amount]

Circle either "yes" or "no" to the following questions.

7. Is line 5 divided by line 6 less than or equal to 0.43? yes/no

8. Is line 2 divided by line 3 greater than or equal to 0.05? yes/no

9. Is line 4 divided by line 3 less than or equal to 0.20? yes/no

BOND RATING INDICATOR OF FINANCIAL STRENGTH

1. Sum of current closure, post-closure care, and corrective action program cost estimates [total of all cost estimates shown in the paragraphs above]: \$ [insert dollar amount of all cost estimates/environmental liability for solid waste management facilities]

2. Current bond rating of most recent issuance and name of rating service: [insert bond rating and name of rating service]

3. Date of issuance bond: [insert date of issuance]

4. Date of maturity of bond: [insert date of maturity]

5. Assured environmental costs to demonstrate financial responsibility in the following amounts under Division rules:

Solid Waste Management Facilities under 15A NCAC 13B: \$ [insert dollar amount]

Hazardous waste treatment, storage and disposal facilities under 15A NCAC 13A .0109 and .0110: \$ [insert dollar amount]

Petroleum underground storage tanks under 15A NCAC 02N .0100 - .0800: \$ [insert dollar amount]

Underground injection control system facilities under 15A NCAC 02D .0400 and 15A NCAC 02C .0200: \$ [insert dollar amount]

PCB commercial storage facilities under 15A NCAC 02O .0100 and 15A NCAC 02N .0100: \$ [insert dollar amount]

Total assured environmental costs: \$ [insert dollar amount]

6. Total Annual Revenue: \$ [insert dollar amount]

Circle either "yes" or "no" to the following question.

7. Is line 5 divided by line 6 less than or equal to 0.43? yes/no

I hereby certify that the wording of this letter is identical to the wording specified in 15A NCAC 13B .1806(7) as such rules were constituted on the date shown immediately below. I further certify the following: (1) that the unit of local government has not operated at a total operating fund deficit equal to five percent or more of total annual revenue in either of the past two fiscal years, (2) that the unit of local government is not in default on any outstanding general obligations bonds or long-term obligations, and (3) does not have any outstanding general obligation bonds rated lower than Baa as issued by Moody's, BBB as issued by Standard & Poor's, BBB as issued by Fitch's, or 75 as issued by the Municipal Council.

[Signature]

[Name]

[Title]

[Date]

(8) A corporate guarantee, as specified in Rule .1805(e)(7) of this Section, shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

CORPORATE GUARANTEE

[Date]

North Carolina Department of Environmental Quality

Division of Waste Management

Solid Waste Section Chief

1646 Mail Service Center

Raleigh, NC 27699-1646

Dear Sir/Madam:

I am the chief financial officer of [name and address of guarantor]. This letter is in support of this firm's use of the corporate guarantee to demonstrate financial assurance on behalf of [owner or operator name, address, permit number] for current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), as specified in the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(g)(July 1, 2010 edition).

[For each solid waste management facility, including its permit identification number, name, address, and current closure, post-closure care, corrective action program, or potential assessment and corrective action cost estimates (if applicable). Identify for each cost estimate whether it is for closure, post-closure care, corrective action programs, or potential assessment and corrective action.]

This firm guarantees, through the corporate guarantee attached to this letter as Exhibit A, the current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), of the following facilities owned or operated by the guaranteed party. Financial assurance for current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), for the listed facilities are demonstrated through the corporate financial test. The current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), so guaranteed are shown for each facility:

Name: [insert name of legal entity/principal]

Office Address: [insert physical address of legal entity/principal]

Facility Address: [insert physical address of facility]

Permit No.: [insert NCDEQ issued permit number]

Closure Cost Estimate: [insert dollar amount for closure]

Post-Closure Care Cost Estimate: [insert dollar amount for post-closure care]

Corrective Action Program Cost Estimate: [insert dollar amount for current corrective action]

Potential Assessment and Corrective Action Cost Estimate: [insert dollar amount for potential assessment and corrective action]

The guarantor firm identified above is (please check the applicable relationship):

- The direct or higher-tier parent corporation of the owner or operator.
- Owned by the same parent corporation as the parent corporation of the owner or operator.
(please attach a description of the value received in consideration of the guarantee)
- Engaged in a substantial business relationship with the owner or operator.
(please attach a written description of the business relationship and the value received in consideration of the guarantee and a copy of the contract establishing such relationship)

Identify any underground injection control (UIC) facilities under 15A NCAC 02D .0400 and 15A NCAC 02C .0200, petroleum underground storage tank (UST) facilities under 15A NCAC 02N .0100 through .0800, polychlorinated biphenyl (PCB) storage facilities under 15A NCAC 02O .0100 and 15A NCAC 02N .0100, and hazardous waste treatment, storage, and disposal facilities (TSDF's) under 15A NCAC 13A .0109 and .0110 that are owned by either the owner/operator or the guarantor and/or are facilities that are covered by a financial test or corporate guarantee. Provide a separate description for each type of facility, if applicable (if not applicable write "None").

Name: [insert name of facility]

Facility Address: [insert physical address of facility]

Permit No.: [insert associated permit number]

Closure Cost Estimate: [insert dollar amount for closure]

Post-Closure Care Cost Estimate: [insert dollar amount for post-closure care]

Corrective Action Program Cost Estimate: [insert dollar amount for current corrective action]

Potential Assessment and Corrective Action Cost Estimate: [insert dollar amount for potential assessment and corrective action]

This firm [insert "is required" or "is not required"] to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on [month, day]. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended [date]

Fill in all applicable parts of the Financial Test and either Alternative I, or Alternative II, or Alternative III below.

Financial Test

1. Sum of current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable) and guarantees from all of the solid waste management facilities in paragraphs 1 or 2 above: \$ [insert dollar amount]
2. All other cost estimates and guarantees required for UIC facilities, petroleum UST facilities, PCB storage facilities, and TSDF's listed in paragraph 3 above: \$ [insert dollar amount]
3. Tangible net worth (defined as tangible assets – liabilities. Tangible assets do not include intangibles such as goodwill or rights to patents and royalties): \$ [insert dollar amount]
4. Net Worth \$ [insert dollar amount]
5. Total liabilities - If any portion of the current closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), or guarantees identified above are recognized as liabilities in the audited financial statements, you must submit a special report from the independent certified public accountant (CPA), unless you can answer "yes" to item # 9: \$ [insert dollar amount]
6. The sum of net income plus depreciation, depletion, and amortization (Use for Alternative III.) \$[insert dollar amount]
7. Total assets in the U.S.: \$ [insert dollar amount]
8. Sum of line 1 plus line 2 from above and any other environmental obligations covered by a financial test: \$ [insert dollar amount]
9. Is line 3 greater than the sum of line 8 plus \$10 million? [Yes or No]

If " No", and you have provided a report from the independent CPA that the environmental obligations have been recognized as liabilities in the audited financial statements, then go to Item 9(a).

9a. Is line 3 greater than the sum of \$10 million plus any guarantees not recognized as liabilities? [Yes or No]

10. Is line 7 greater than line 8? [Yes or No]

If the financial data provided for items 3 through 7 above differs from what was provided in the audited financial statements, a special report from the certified public accountant shall be provided as described in 40 CFR 258.74(e)(2)(i)(C) and (g)(1).

Alternative I

1. Current bond rating of most recent senior unsubordinated bond issue of this firm and name of rating service: [insert current bond rating and name of rating service]

2. Date of bond issue: [insert date of bond issuance]

3. Date of final maturity of bond: [insert date of maturity]

Alternative II

1. Is the above line 5 divided by the above line 4 less than 1.5? [Yes or No]

Alternative III

1. Is (the above line 6 minus \$10 million) divided by the above line 5 greater than 0.1? [Yes or No]

As evidence that [firm] meets the conditions of the Corporate Financial Test, attached hereto is a copy of the following: Please check applicable responses

() 1. Independent CPA's unqualified opinion of our financial statements for our latest completed fiscal year.

() 2. Special report from CPA [If financial data in this letter is different than in audited financial statements] [See 40 CFR 258.74(e)(2)(i)(C) and (g)(1)].

() 3. Report from CPA [if answer to item #9 of the financial test is No] verifying all of covered environmental obligations covered by test have been recognized as liabilities in the audited financial statements, how the obligations were measured and reported, and that tangible net worth of the firm is at least \$10 million dollars plus the amount of any guarantees not recognized as liabilities. [See 40 CFR 258.74(e)(2)(i)(D) and (g)(1)]

I hereby certify that [name of firm] meets the requirements of [Fill in Alternative I, Alternative II, or Alternative III] in support of [name of facility(s)] use of the corporate financial test to demonstrate financial assurance as required by the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(e)(July 1, 2010 edition).

[Signature]

[Name]

[Title]

[Date]

Exhibit A

Corporate Guarantee Terms For

Closure, Post-Closure Care, Corrective Action Program, and/or

Potential Assessment and Corrective Action

For [Owner/Operator], [Permit Number]

Guarantee made this [date] by [name of guaranteeing entity], [address and state of guaranteeing entity], herein referred to as guarantor. The guarantee is made on behalf of the [owner or operator name] of [business address], which is [one of the following: "our subsidiary"; a subsidiary of [name and address of common parent corporation" or "an entity with which the guarantor has a substantial business relationship"] to the North Carolina Division of Environmental Quality (NCDEQ).

Recitals:

1. Guarantor meets or exceeds the Corporate Financial Test criteria and agrees to comply with the reporting requirements for guarantors, as specified in the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(g)(July 1, 2010 edition).

2. [Owner or Operator] owns or operates the following solid waste management facility(ies) covered by this guarantee: List for each facility the following information

Name: [insert facility name]

Facility Address: [insert facility address]

Permit No.: [insert NCDEQ issued permit number]

Closure Cost Estimate: [insert dollar amount for closure]

Post-Closure Care Cost Estimate: [insert dollar amount for post-closure care]

Corrective Action Program Cost Estimate: [insert dollar amount for current corrective action]

Potential Assessment and Corrective Action Cost Estimate: [insert dollar amount for potential assessment and corrective action]

3. Closure, Post-Closure Care, Corrective Action Program, and Potential Assessment and Corrective Action Cost Estimates as used above refer to the plans maintained, as required by the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(g)(July 1, 2010 edition) for closure, post-closure care, corrective action program, and potential assessment and corrective action cost estimates (if applicable), of facilities identified above.

4. Pursuant to 40 C.F.R. 258.74(g)(3)(i)(July 1, 2010 edition), guarantor guarantees to NCDEQ that in the event that [insert owner or operator name] fails to perform closure, post-closure care, corrective action program, and/or potential assessment and corrective action of the above facility(ies) in accordance with the closure and post-closure care plans, the corrective action program, and/or potential assessment and corrective action and other permit requirements whenever required to do so, the guarantor shall perform the required activities or pay a third party to do so (performance guarantee) or establish a fully funded trust fund (payment guarantee), in conformance with 40 C.F.R. 258.74(a)(July 1, 2010 edition), in the name of the owner or operator in the amount of the current closure or post-closure care or corrective action program or potential assessment and corrective action cost estimates as specified during the permitting process as well as the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(g)(July 1, 2010 edition).

5. Pursuant to 40 C.F.R. 258.74(g)(4)(July 1, 2010 edition), guarantor agrees that if the guarantor fails to meet the Corporate Financial Test criteria or is notified that it is disallowed from continuing as a guarantor, the [owner or operator name] must, within 90 days, provide alternate financial assurance. If the [owner or operator name] fails to provide alternative financial assurance within the 90-day period, the guarantor must provide such alternate financial assurance in the name of [owner or operator name] within the next 30 days thereafter.

6. The guarantor agrees to notify the NCDEQ Director by certified mail of voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modifications of the closure and post-closure care plans, corrective action programs, and/or potential assessment and corrective action or amendments or modification of the permit, the extension or reduction of the time of performance of closure or post-closure care or corrective action programs or potential assessment and corrective action, or any other modification or alteration of an obligation of the owner or operator pursuant to the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74 (July 1, 2010 edition).

8. Guarantor agrees to remain bound under this guarantee for as long as [owner or operator name] must comply with the applicable financial assurance requirements of the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(g)(July 1, 2010 edition) for the above listed facilities, except as provided in paragraphs 9 and 10 of this agreement.

9. Pursuant to 40 C.F.R. 258.74(g)(3)(ii)(July 1, 2010 edition), guarantor may terminate this guarantee 120 days following the receipt of notification of its intended cancellation by certified mail by both the NCDEQ Director and by [owner or operator name].

10. Pursuant to 40 C.F.R. 258.74(g)(3)(iii)(July 1, 2010 edition), guarantor agrees that if [owner or operator name] fails to provide alternative financial assurance and obtain written approval of such assurance from the NCDEQ Director within 90 days after receipt of the notice of cancellation by the guarantor, guarantor shall provide such alternative financial assurance in the name of [owner or operator name] within the next 30 days before the guarantee terminates.

11. Guarantor expressly waives notice of acceptance of this guarantee by NCDEQ or by [owner or operator name]. Guarantor also expressly waives notice of amendments or modifications of the closure and post-closure care plans, corrective action programs, and/or potential assessment and corrective action and of amendments or modifications of the facility permit(s).

Effective date: [insert mechanism effective date]

[Name of Guarantor]

[Corporate Seal]

[For no corporate seal, see Rule .1805(c)]

[Authorized signature for guarantor]

[Name of person signing]

[Title of person signing]

[Telephone Number]

[Email Address]

State of North Carolina

County of [Name of County]

On this [day] day of [month], [year], before me personally came [name signing for Guarantor] to me known, who, being by me duly sworn, did depose and say that she/he resides at [Guarantor address], that she/he is [title at Guarantor Firm] described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

Witness my hand and official seal this [Day] day of [Month], 20[Year].

[insert Signature of Notary]

Official Signature of Notary

[Notary's printed or typed name]

Notary Public

[Official Seal]

My commission expires: [insert Date of Commission Expiration]

- (9) A special report from a certified public accountant (CPA) is a supplemental report mechanism to the corporate financial test mechanism as specified in Rule .1805(e)(5) and the corporate guarantee mechanism as specified in Rule .1805(e)(7) of this Section, and shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

**SPECIAL REPORT
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Board of Directors

[Name of Company]

[Mailing and location address]

[Permit No.]

We have performed the procedures enumerated below, which were agreed to by management of [Name of Company] pursuant to the Solid Waste Management Act, North Carolina General Statute 130A-295.2(f) and 40 C.F.R. 258.74(e)(July 1, 2010 edition) with respect to the letter dated [insert date] from the [insert Corporate Official name and title] to the North Carolina Department of Environmental Quality, solely to assist you in filing the Letter (prepared in accordance with the criteria specified therein) for the year ended [insert date of end of corporate fiscal year]. [Name of Company] is responsible for this Letter. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of [Name of Company] and the North Carolina Department of Environmental Quality. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures, which were limited solely to the identified item numbers, are as follows:

We compared the amounts in Item Nos. 3, 5, and 7 of the Financial Test in the CFO's Letter to corresponding amounts reported as total liabilities [amount], Tangible Net Worth [amount], and total assets [amount], respectively, in the audited financial statement as of [insert date of end of corporate fiscal year] and found them [insert either, "not to be in agreement" or "to be in agreement"].

We computed the amounts in Item Nos. 4 and 6 of the Financial Test in the CFO's Letter as of [insert date of end of corporate fiscal year] based on amounts reported as Net Worth [amount] and the net income plus depreciation, depletion, and amortization [amount] in the audited financial statements as of [insert date of end of corporate fiscal year], compared them to the amounts in the CFO's Letter and found them [insert either, "not to be in agreement" or "to be in agreement"].

We computed the amount of environmental obligations (as determined by current closure, post-closure care, corrective action program, and/or potential assessment and corrective action cost estimates or guarantees) which are recognized as liabilities in the amount of [amount] in the audited financial statement as of [insert date of end of corporate fiscal year], compared them to the amounts in the CFO's Letter and found them [insert either, "not to be in agreement" or "to be in agreement"].

We compared the amount in Item No. 7 of the Financial Test in the CFO's Letter and the Company's total assets located in the United States in the amount of [insert amount] in the audited financial statement as of [insert date of end of corporate fiscal year] and found them [insert either, "not to be in agreement" or "to be in agreement"].

[If not in agreement, describe the procedures performed in comparing the data in the CFO's letter derived from the audited financial year-end financial statements for the latest fiscal year with the amounts in such financial statements, the findings of that comparison, and the reasons for any differences.]

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the selected financial information included in the Letter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the use of management of the Company, and is not intended to be and should not be used by anyone other than these specified parties.

[Date]

[Name of Accounting Firm]

- (10) A capital reserve fund, as specified in Rule .1805(e)(8) of this Section shall be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

CAPITAL RESERVE FUND RESOLUTION
ESTABLISHMENT AND MAINTENANCE
OF THE [FACILITY NAME]
CAPITAL RESERVE FUND

Whereas, there is a need in [insert location of facility as City, County] to provide funds for [closure, post-closure care, corrective action programs, or potential assessment and corrective action] for the [permit number], [facility name]; and

Whereas, the [location] shall bear the cost of [closure, post-closure care, corrective action programs, or potential assessment and corrective action] for the solid waste management facility at an estimated cost of [cost estimate].

Now, therefore, be it resolved by the governing board that:

Section 1. The Board of County Commissioners hereby creates a Capital Reserve Fund for the purpose of [closure, post-closure care, corrective action programs, or potential assessment and corrective action] for the [permit number] solid waste management facility.

Section 2. This Fund shall remain operational during the life of the facility and the post-closure care period beginning [date] and ending [date] as estimated at the time of annual update of this Resolution.

Section 3. The Board shall appropriate or transfer an amount of no less than [annual payment] each year to this Fund.

Section 4. This Resolution shall become effective and binding upon its adoption.

[Signature of County Commissioner]

[Signature of Chief Financial Officer]

[Date]

*History Note: Authority G.S. 130A-294; 130A-295.2;
Eff. July 1, 2020.*