

4308Permit1992 - Batch No. _____

J HARNETT Co. 13-08

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1992



State of North Carolina
Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
P.O. Box 27687 · Raleigh, North Carolina 27611-7687

James G. Martin, Governor
William W. Cobey, Jr., Secretary

William L. Meyer
Director

November 24, 1992

Mr. Thomas Womble
Central Carolina Tire
Rt. 2
Box 59-B
Cameron, NC 28326

RE: Central Carolina Tire Scrap Tire Collection Site Permit And Financial Assurance Requirements

Dear Mr. Womble:

The Solid Waste Section has not yet received an application for your scrap tire collection site operating in support of your tire monofill. North Carolina Solid Waste Management Rules require a permit for the operation of a scrap tire collection facility. The Rules also require owners and operators of scrap tire collection sites to provide proof of financial responsibility to assure money is available to ensure closure, proper cleanup, third party liability, and environmental protection of tire collection sites. Proof of financial responsibility shall be in accordance with the attached memorandum dated June 8, 1992.

The Section hereby requires you to submit an application for your scrap tire collection site along with proof of financial responsibility to this office by January 1, 1993.

Should you have any questions, please contact this office at (919) 733-0692.

Respectfully,

Ellis Cayton

Ellis Cayton, P.E.
Solid Waste Section

Enclosure: Copy of Technical Guidance For Establishing Scrap Tire Facility Financial Assurance

cc: Terry Dover
Mark Fry

$$\frac{\$2500}{100 \text{ tires}} = \begin{array}{r} 2.5 \\ 1000 \overline{) 2500} \\ \underline{2000} \\ 5000 \end{array}$$

$$\$2.5/\text{tire} \text{ plus } 1.50 \text{ tire} = \$4.00/\text{tire}$$

They gave us \$75,000

$$\frac{\$75,000}{\$4} = 18,750 \text{ tires/month}$$

$$\begin{array}{r} 18,750 \\ 4 \overline{) 75,000} \\ \underline{4} \\ 35 \\ \underline{32} \\ 30 \\ \underline{28} \\ 20 \\ \underline{20} \\ 00 \end{array}$$

$$\begin{array}{r} 00625 \\ 30 \overline{) 18,750} \\ \underline{180} \\ 75 \\ \underline{60} \\ 150 \end{array}$$

They are allowed to store 625 tires/day with the Letter of Credit provided

$$\begin{array}{r} 1500 \text{ tires/hour} \times 8 \text{ hours} = 12,000 \text{ tires/day} \\ \text{day} \\ \underline{360,000} \\ .2 \\ 72,000 \end{array}$$

$$\frac{360,000 \text{ tires}}{4} \frac{\$4}{1 \text{ tire}} = 1.4 \times 10^6 \text{ dollars letter of credit.}$$

But they send non-recyclable tires straight to tire monofill ^(sp-1)

20% will be set aside for resale or recycling
 $0.2 \times 1.4 \times 10^6$ dollars Req'd Letter of Credit

We really need ~~280,000~~ a letter of credit covering
 $\$280,000$ But again, we have a place to put them.

I say we permit it.

Can tires set out for sale not be counted toward # of si

TIRES → Reuse (resale) claims 30-40%
Recapping
Extract rubber for products
- matting - horse trailers
Tire makers (bush hog wheel)
get picked off & sent elsewhere
might end up monofilling
60-70%

Can this 30-40% not be counted toward FA requirement.

What

6.5
20,000
130,000

Central Cooling Tire Disposal Collection Site/
Processing Facility Permit Application

0.1106 (c) 1-10 applicable
(d) Aust submit Form ~~From Department~~
1-11 applicable

0.1107 If tires stored indoors #1 applicable
If tires stored outdoors #2 applicable
Part c very important
#3 - Processed Tire Storage
- this part applicable
#4 - Exceptions ????

0.1110 (a) - Storage Limit = 30x Daily Throughput
- note limit on not going above storage limit
- note 75% annual rule

* Major Note - Processed tires stored for recycling
or disposal are subject to the storage requirements
specified in Rule 0.1107 \Rightarrow Cover for Recycle Tires

(b) - refers to 0.0103 - see 0.0103 (e)

(c) applicable

(d) applicable

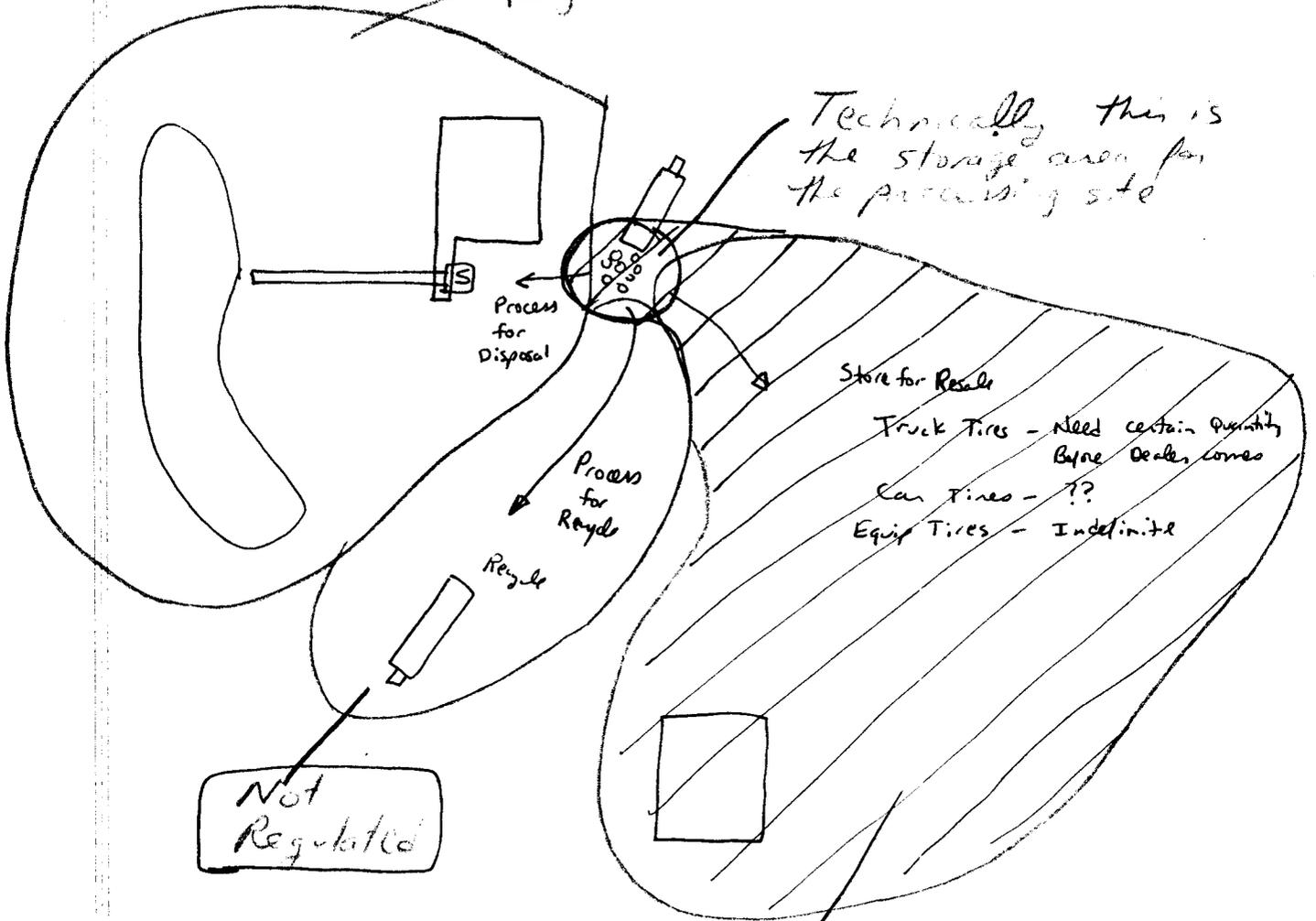
0.1111 Financial Assurance

* Wait on Bill Sessions Memo.

Though the rules don't specifically ask for
a plan sheet, we've encouraged CCTM
to submit a plan sheet of operations
along with the Collection/Processing Permit
Application. I'll leave it up to CCTM
on how to cover unprocessed Tires.

Regulated - 0.1106 & 0.1107

Technically this is the storage area for the processing site



Collection, not Processing Purpose - Resale

0.1106 & 0.1107

Collection Sites permitted in association with Processing ~~Can~~ & Facilities can store Daily throughput X30

Doug Huffman
Huffman Grading
2608 Springs Rd.
Hickory NC 28601

Conceptually, we'd like a plan drawing of the site showing separate areas for original collection; separation into recycling, resale, and processing; processing for recycling; processing for disposal; resale areas. The map should show conceptual fire lanes. The map should show all buildings. The plan should show provisions for covering collected tires - Q - The plans need to show a detail of processing area - especially focussing on waste water collection and lines running to an oil-water separator - Q will this facility need an EIA. The plans need to show detention / retention facilities to collect runoff from processed pile to trap water & send it to oil-water separator. Erosion Control needs to be on plans.

0.1106 - He needs to address all of it

(c) is important but will an EIA be necessary?

0.1107 - We want to see an Operations Plan.

(b) This should address Wastewaters.

(d) - we want a description of recycling, processing and resale operations & documentation.

Central Carolina Tire Disposal Collection & Processing Facility Permit

Q Do we want to permit it as a collection site, processing site, or both?

Q There are several definitions as to how many tires may be stored at any 1 time. Which one will we follow?

0.1106 (b) ; 0.1107 (2) e ; 0.1110 (a) ;
0.1105 (g) - local government.

Q What sort of requirements are necessary for mobile collection sites? We need to remain consistent.

Q Do our rules allow us to require plan drawings of both collection & processing facilities?

0.1106 (d) (4) kind of allows us to ask for info.

(5) also supports our request

(7) also supports our request

Q Wastewater treatment. will it require a permit by NC DEM?

Q How long do tires have to stay at site before covering is required? Rules say upon receipt. Is that going to require a permanent structure?

Come
back
to!

BASICALLY WE WILL Regulate & Permit the Processing facility associated with shredding because its for the purpose of disposal.

Additionally, tires brought to the site shall, in my opinion, be considered "maintained on the site" for the purposes of processing for disposal. Consequently, they fall under collection - ~~and~~ This means the total allowed = Daily Throughput \times 30. Also, it means 75% must be processed or removed for recycling or disposal within 1 year of receipt.

~~In my mind,~~ 130A-309.53 defines scrap tire as a tire no longer suitable for its original intended purpose because of wear, damage, or defect & 130A-309.53 defines a collection site as a site used to store scraps tires and

In my mind, tires enter this site for the purposes of ~~disposal~~ processing and enter the regulated arena. True, piling the best tires off to the side for recycling pulls the tires out of the arena. But how long can a tire sit off to the side waiting to be recycled or sold before it becomes a nuisance.

No real answer.

But the best move for CCTD is to build a covered Bldg capable of Holding Daily Throughput \times 30.

If they store up a bunch of usable
tires + reach maximum storage limit,
they should evaluate

- 1) Are any of the new tires better ~~than~~
(higher quality - more likely to be sold)
than previously stored ~~set~~ tires
- 2) Throw out for housing enough tires
to keep the recently found good tires
so that limit is not exceeded.

or

- 3) Do they really have a market which will
ultimately buy the tires set aside for
resale.

Basically, these tires need to be covered + it may be
less of a headache to have a Bldg rather than
plastic.

Recycling Area

We really can't regulate tires leaded down to
recycling area. All we can ask is that not
bring tires into that area unless they can
reasonably expect to recycle/process them in
1-2 days.



State of North Carolina
 Department of Environment, Health, and Natural Resources
 Division of Solid Waste Management
 P.O. Box 27687 · Raleigh, North Carolina 27611-7687

James G. Martin, Governor
 William W. Cobey, Jr., Secretary

William L. Meyer
 Director

FAX TRANSMITTAL RECORD

From: _____, Solid Waste Management Division
ELLIS CAYTON, Solid Waste Section
 _____, Hazardous Waste Section
 _____, Superfund Section

Date: 11/24/92

To: THOMAS WOMBLE

Re: FINANCIAL ASSURANCE - SCRAP TIRE COLLECTION SITES

No. of Pages (Including Cover) 11

Confirm receipt of document(s)

Division of Solid Waste Management	(919) 733-4996	_____
Solid Waste Section	(919) 733-0692	_____
Hazardous Waste Section	(919) 733-2178	_____
Superfund Section	(919) 733-2801	_____



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State of North Carolina
Department of Environment, Health and Natural Resources
Winston-Salem Regional Office

James G. Martin, Governor
William W. Cobey, Jr., Secretary

Director
Deputy Director
Assistant Director
Manager

Mr. David Forrester
T.I.R.E.S., Inc.
617 Waightown Street
Winston-Salem, NC 27107

Dear Mr. Forrester:

Enclosed please find a draft of a permit application and state permit as discussed in our phone conversation of September 15, 1992. The draft permit requires that you submit information regarding your financial assurance information) prior to June 30 of next year.

If you wish to withdraw the application, please submit the appropriate information regarding your withdrawal, and look forward to doing your business with us.

Please note that our office has moved, and may be reached at (919) 896-7007

Sincerely,

Janis D. McHargue
Western Area Engineer
Solid Waste Section

cc: Mr. Coffey
Mr. [unclear]
Mr. [unclear]

* of pages * 4	
NAME	JANIS MCHARGUE
NO.	WSRO - SWS
PHONE	896-7007
FAX	896-7005



State of North Carolina
Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
P.O. Box 27687 Raleigh, North Carolina 27611-7687

James G. Martin, Governor
William W. Cobey, Jr., Secretary

William L. Meyer
Director

PERMIT 34-10TP
June 30, 1992

SOLID WASTE PERMIT

TIRES INTO RECYCLED PRODUCTS AND SUPPLIES, INCORPORATED

is hereby issued a permit to operate a

SCRAP TIRE COLLECTION SITE

located at 617 Waughtown Street, Winston Salem, Forsyth County, North Carolina in accordance with Article 9, Chapter 130A, of the General Statutes of North Carolina and all rules promulgated thereunder and subject to the conditions set forth in this permit.


James C. Coffey
Permitting Branch
Solid Waste Section

PERMIT 34-10TP
June 30, 1992

SOLID WASTE PERMIT

TIRES INTO RECYCLED PRODUCTS AND SUPPLIES, INCORPORATED

SCRAP TIRE COLLECTION SITE

CONDITIONS OF PERMIT AMENDED SEPTEMBER 30, 1992

1. This permit is issued for a period not to exceed three (3) years from the date of issuance, subject to condition number 2. This permit is for the construction and operation of the tire collection site set forth in the attached application. Additional conditions or revisions to the approved plans or operations must be approved by the Solid Waste Section.

Amendments or revisions to the Solid Waste Management Rules or violation of surface water, ground water, or land quality standards may necessitate modification of construction, operation, or closure of this facility prior to the expiration date of this permit.

2. This tire collection site is permitted to store, monthly, prior to processing, not more than eighteen thousand (18000) tires during the first year of this permit. Prior to the expiration of this one year period, T.I.R.E.C., Inc. must submit for approval, information and documentation for the amount of tires to be processed through its facility on a monthly basis. Proof of closure, clean up, and liability financial assurance, including pollution coverage, must also be submitted at that time for the potential amount of storage equal to the monthly processing amount.

Subsequent adjustments to storage and financial assurance amounts require approval of the Solid Waste Section.

3. A minimum of seventy-five percent (75%) of the derived products must be shipped off site on an annual basis. Adjustments to this percentage to allow additional amounts of storage or adjustments to allow additional length of storage time must be approved by the Solid Waste Section.
4. Closure and clean up financial assurance must remain in force during the operation of this site and is subject to Condition Number 2. T.I.R.E.C., Inc. must submit to the Division for approval, any subsequent changes in the instrument or provider of financial assurance at least one-hundred-twenty (120) days prior to said change. This permit is immediately revoked if any lapse of closure and clean up financial assurance occurs.
5. Liability financial assurance must remain in force during the operation of this site and is subject to Condition Number 2. T.I.R.E.C., Inc. must submit to the Division for approval, any subsequent changes in the instrument or provider of liability financial assurance at least one-hundred-twenty (120) days prior to said change. This permit is immediately revoked if any lapse of liability financial assurance occurs.

6. This facility shall conform to the operating procedures set forth under section 0.1107 of the Solid Waste Management Rules and the following specific conditions:
 - a. Within one (1) month after termination of operations at the site or a major portion thereof or upon revocation of this permit, all scrap tires and scrap tire derived products shall be removed to a permitted solid waste management facility approved to receive this type of waste.
 - b. The Division may require further action to be taken in order to correct any condition which is or may become injurious to the public health or environment.
 - c. Adequate fire protection measures must be in place and fire prevention procedures shall be practiced at all times. Equipment shall be provided to control accidental fires or arrangements shall be made with the local fire protection agency to immediately provide fire fighting services when needed.
 - d. Adequate control measures and practices shall be employed to prevent any pollutants from contaminating surface water, ground water, and soil.
 - e. A copy of the Emergency Preparedness Manual must be kept readily available to employees on the site at all times.
 - f. The site shall be adequately fenced to prevent unauthorized entry. An attendant shall be on duty at the site at all times while it is open for public use to assure compliance with operation requirements.
 - g. Tires shall be stored only in piles and maintained as described in the permit application. Any proposed changes in storage procedures (such as outdoor tire piles) shall require approval by the Solid Waste Section.
7. A report shall be submitted annually on March 1 to the Division and to Forsyth County containing the information required under 15 NCAC 13B .1110 (d).
8. A sign with the name of the facility and permit number must be erected and maintained at the entrance of the facility.

Technical Guidance for
Establishing Scrap Tire Facility
Financial Assurance

June 8, 1992



State of North Carolina
Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
P.O. Box 27687 · Raleigh, North Carolina 27611-7687

James G. Martin, Governor
William W. Cobey, Jr., Secretary

William L. Meyer
Director

June 8, 1992

**TECHNICAL GUIDANCE
FOR
ESTABLISHING SCRAP TIRE FACILITY
FINANCIAL ASSURANCE**

PURPOSE

It is the intent of this guidance document to assist Scrap Tire Collection Site and Scrap Tire Processing/Recycling Facility owners and operators in meeting the Solid Waste Section's Rules and policies regarding the establishment of financial assurance.

Establishment of financial assurance is required for Scrap Tire Collection Sites and scrap tire collection activities associated with Scrap Tire Processing/Recycling Facilities. In accordance with 15A NCAC 13B, Section .1100, establishment of financial assurance is required to ensure closure, proper clean up, third party liability, and environmental protection of tire collection sites. The long term objective is to establish financial responsibility for these facilities in accordance with the goals and policies of the North Carolina Scrap Tire Disposal Act (under the Solid Waste Management Act of 1989, Senate Bill 111).

According to the Rules, owners of Scrap Tire Collection Sites and Processing/Recycling Facilities must establish a minimum financial assurance equal to \$1.50 per tire times the maximum amount of permitted tire storage capacity of the facility for closure and clean up. The amount of tires permitted to be stored at the site is determined by the type of facility. For Tire Processing/Recycling Facilities, additional financial assurance may be required for tire derived end products which are stockpiled on site.

APPLICABILITY

A Scrap Tire Collection Site is defined as a facility where scrap tires are collected with the intent to sort and differentiate tires prior to shipment off site for reuse, resale, recycling, processing, slicing, cutting, chipping, shredding, or landfilling. In addition, private landfills that accept tires for chipping, shredding, or slicing prior to landfilling are also defined as a Tire Collection Site. The amount of tire storage allowed at a Scrap Tire Collection Site is limited to the amount of tires that are shipped off site, or disposed of on site (where applicable), each month not to exceed a maximum of 60,000 tires. The amount of tire storage must be determined at the time of permit application. Once determined, the appropriate amount of financial assurance must be established prior to issuance of the permit.

Tire Processing/Recycling Facilities are sites where scrap tires are received for processing, (cutting, chipping, slicing, shredding, or other physical or chemical process) for landfilling or for conversion into a recycled product. The Division does not require permitting of the processing component of Tire Processing/Recycling Facilities. However, permitting of the tire collection and product storage components of a Tire Processing Facility is required. The maximum allowed amount of initial tire storage (prior to processing) is 30 times the daily through put of the facility (effectively a one month storage capacity). The monthly amount of tire processing must be determined at the time of permit application. Once determined, financial assurance must be established for the projected monthly amount prior to issuance of the permit.

On an annual basis, a minimum of 75% of both stored scrap tires and processed tire products must be removed from the site. The Division recognizes that varying market conditions may create situations where a Tire Processing/Recycling Facility would need to stockpile tire derived products in greater amounts than that allowed under the "75% off site" shipment requirement. Under such circumstances, facilities will have two options for management of the excess amount of stored product: 1) Excess tires or tire products can be removed for disposal at an approved disposal facility in sufficient amounts to meet the 75% requirement or 2) The facility may increase the amount of financial assurance to cover the potential cost of clean up and closure of the excess stored tire derived product.

The Division further recognizes that emerging markets and technologies may result in tire derived products that are different in nature and composition from those currently associated with tire processing. The storage limits and financial assurance requirements associated with these potential products will be addressed on an individual basis, based upon the intent of current legislation and rules to protect the public health and the environment. Tire Processing/Recycling Facilities will be reviewed annually to determine if the "75% off site" shipment requirement is being met or if additional financial assurance for product storage is required.

EXISTING NON-PERMITTED SITES

Existing, non-permitted Tire Collection Sites (including private landfills accepting tires as defined above) and Tire Processing/Recycling Facilities must submit permit applications to the Division of Solid Waste Management within 3 months from the date of this Guidance Document. Facilities must submit all plans and documentation necessary to demonstrate that the site will meet all applicable requirements of 15A NCAC 13B, Section .1100. Establishment of financial assurance must be included in the permit application. Existing non-permitted Tire Processing/Recycling Facilities must establish financial assurance for closure and clean up based on both the monthly tire processing amount and processed tire derived product storage as existing at the time of application. After one year, existing facilities that demonstrate that end product storage meets the 75% off site shipment requirement may reduce the amount of financial assurance.

TYPES OF FINANCIAL ASSURANCE

Financial assurance for collection and storage can be established through the use of letters of credit, surety bonds, insurance, certificates of deposit, cash bonds, or through the use of corporate guarantees. The instrument providing financial assurance is obtained by the Tire Facility owner and submitted to the Division for approval. The language and intent of the instrument must be specific to ensure that funds will be released to the State in the event that the funds are required for site clean up compliance. With each type of financial assurance, the intent is to have resources available to the State in case the Owner abandons the site or is unable to perform site clean up.

The following is a brief summary of the standard types of financial assurance that will be considered by the Division. The permit applicant can submit other types of financial assurance instruments not specifically outlined below for evaluation by the Division.

Trust Funds: A trust fund is real or personal property held in trust for the benefit of another person. A trustee (Bank) holds title to the property for the benefit of the beneficiary (State). The person creating the trust is the grantor (Tire Site/Facility Owner). Additionally, a trust fund is set up with the intention that the trust be used for a specific need.

Surety Bond: Contract by which one party agrees to make good the default or debt of another. The Principal (Tire Facility Owner) has the primary responsibility to perform clean up. The Surety is the individual or company with the secondary responsibility of the obligation if the Principal fails to perform the clean up. The Oblige (State) is the person to whom the right of performance (clean up) is owed. There are two basic forms of Surety Bonds. A Payment Bond guarantees payment for clean up if the Principal (Owner) fails to comply with clean up requirements. A Performance Bond guarantees clean up or payment to a third party to perform the clean up if the Principal (Owner) fails to comply with clean up requirements.

Insurance: A third party guarantee to pay the costs of clean up in the event of default by the Tire Site/Facility Owner. If insurance is used, it should be fully comprehensive in scope and provisions to protect the State from the cost of clean up. In addition, there should be no deductible amount that the State would have to absorb.

Corporate Guarantee: Establishment of financial criteria by which the Tire Site/Facility Owner demonstrates possession of financial resources adequate to meet any clean up obligations. There are several problems with this type of financial assurance. The basic problem is that financial assurance is for the benefit of the State to provide funds for a tire site clean up in cases where the Tire Site/Facility Owner is unwilling or unable to clean up a site where tires are stored or where tire processing/recycling is no longer performed. Where a Tire Site/Facility Owner wishes to use the Corporate Guarantee method, a binding contract between the Tire Site/Facility Owner and the State is required with the Owner pledging un-encumbered real or other property as a means of guaranteeing financial resources.

Letter of Credit: An instrument or document issued by a bank guaranteeing the payment of drafts up to a stated amount for a specific period. The Letter of Credit substitutes the bank's credit for the Owner's credit. The Issuer (Bank) allows the Beneficiary (State) to draw funds on behalf of the Account Party (Tire Site/Facility Owner) upon presentation of documents (usually an On-Sight Letter of Demand) in accordance with the language of the Letter of Credit. Basically, the Letter of Credit is a contract by the Bank to pay for clean up if the Tire Site/Facility Owner fails to do so. Letters of Credit are usually issued for annual (yearly) periods and should be worded so that they are irrevocable. The wording should also provide for automatic yearly extensions as long as the Tire Site/Facility is in operation. The language of the Letter of Credit can be specific in addressing the State clean up requirements as well as for procedures used to access funds.

Letters of Credit are the preferred method for establishment of financial assurance. The language of the Letter of Credit must spell out the basis upon which the funds can be demanded by the State. The language and intent of any Letter of Credit submitted to the Division must be such that when the Letter of Credit nears expiration (typically, about 120 days before expiration), the Division will send a demand letter to the issuing institution (Bank). The Bank then has the choice of releasing the funds or extending the Letter of Credit for an additional year. In addition to provisions for yearly extensions, the Letter of Credit should provide for adjustments in the amount of financial assurance provided to correspond to actual conditions at the Tire Site/Facility site. These adjustments should be made on the annual expiration/extension date of the Letter of Credit. In the event that the Division deems it necessary to draw on funds for clean up, the Letter of Credit should be worded to allow the State to draw upon funds for site clean up through the use of an On-Sight Demand Letter.

COMPLIANCE

In the event the Tire Site/Facility Owner or Operator fails to comply with the storage and collection aspects of the rules or permit conditions, the funds established for financial assurance shall be used by the State to ensure proper management of any stored scrap tires or processed tire product. The State will access such funds using the methods and procedures set forth in the instrument used for providing the financial assurance.

LIABILITY COVERAGE

15A NCAC 13B, Section .1100 also requires that Scrap Tire Collection Sites and Scrap Tire Processing/Recycling Facilities maintain financial coverage for property damage and injury to third parties or public property. Required coverage amounts are determined by the maximum amount of tire storage permitted at a Scrap Tire Collection Site or monthly processing amount at a Tire Processing/Recycling Facility. Two thousand five hundred dollars (\$2,500.00) per one thousand (1,000) tires is required for each occurrence with a total annual aggregate of five thousand dollars (\$5,000.00) per one thousand (1,000) tires.

Financial coverage must be comprehensive in scope providing coverage for personal injuries occurring on and off site, damage resulting from the release of pollutants into the environment, nuisance, vector concentration, and spread of disease through vectors or pollutants.

Additional liability amounts covering tire derived products generated and stored at Tire Processing/Recycling Facilities may be required. Financial liability requirements associated with these potential products will be addressed on individual cases, based upon the intent of current legislation and rules to protect public property, third parties, and the environment. Tire Processing/Recycling Facilities will be reviewed annually to determine if additional liability financial assurance for stored products is required.



State of North Carolina
Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
P.O. Box 27687 · Raleigh, North Carolina 27611-7687

James G. Martin, Governor
William W. Cobey, Jr., Secretary

William L. Meyer
Director

SIGHT DRAFT
ON
IRREVOCABLE STANDBY LETTER OF CREDIT
ISSUED BY
(NAME OF ISSUING BANK)

(Date)

(Name of official set forth in Letter of Credit)
(Title of official set forth in Letter of Credit)
(Address of bank set forth in Letter of Credit)

Ref: Irrevocable Standby Letter of Credit Number: _____

Name (of official):

At sight, PAY TO:

Division of Solid Waste Management

the amount of:

_____, U. S. Dollars \$ _____

and charge to the account of the above referenced Irrevocable Standby Letter of Credit.

The undersigned certifies that:

(1) The amount which is now due and payable in accordance with the terms and conditions of the above referenced Irrevocable Standby Letter of Credit does not exceed the total aggregate amount authorized by the Irrevocable Standby Letter of Credit.

(2) The undersigned is a duly authorized official of:

State of North Carolina
Department of Environment, Health, and Natural Resources
Solid Waste Management Division

(3) This Sight Draft is true and correct to the best of the undersigned's knowledge.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Sight Draft as of this, the:

_____ day of _____, 19_____.

Division of Solid Waste Management

By: _____
Authorized Official

Issuing Bank Letterhead
Sample Draft of Letter of Credit

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit Number: _____

Date: _____

State of North Carolina
Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
Solid Waste Section
Post Office Box 27687
Raleigh, North Carolina 27611-7687

Ref: (name of Tire Site/Facility) _____

Gentlemen:

We hereby establish, at the request and for the account of:

(name of tire site/facility) _____

(address/location of facility) _____

in your favor, our Irrevocable Standby Letter of Credit Number _____ whereby we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions, set forth in this Irrevocable Standby Letter of Credit, by your draft at sight, an aggregate amount not exceeding:

_____, (U.S. \$ _____)

which amount is the minimum estimated amount necessary to reimburse the Division of Solid Waste Management, State of North Carolina, for site closure, clean up, and other costs directly related to site closure or cleanup.

Funds established by this Irrevocable Standby Letter of Credit are available to you upon presentation of your sight draft drawn on us, in the form attached as "SIGHT DRAFT ON IRREVOCABLE STANDBY LETTER OF CREDIT ISSUED BY (NAME OF ISSUING BANK), executed by you, with appropriate insertions. Presentation of said draft shall be made to the following:

(name and title of bank officer) _____

(name and address of issuing bank) _____

or at any other North Carolina office or officer which may be designated by us in a written notice delivered to you. If we receive your sight draft, conforming with the terms and conditions of this Irrevocable Standby Letter of Credit, on or prior to the expiration, we will promptly honor the same.

Multiple drawings are permitted under this Irrevocable Standby Letter of Credit. Drawings made under this Irrevocable Standby Letter of Credit shall not, in the aggregate, exceed the maximum amount stated above.

This Irrevocable Standby Letter of Credit is effective immediately and expires at 5:00 o'clock P.M., Raleigh, North Carolina time, on (date) . It is a condition of this Irrevocable Standby Letter of Credit that it will be automatically extended for periods of one year from the then relevant expiration date unless one-hundred-twenty (120) days prior to that relevant expiration date the issuer, by written notice delivered certified mail, return receipt requested, to the Division of Solid Waste Management, elects not to extend this Irrevocable Standby Letter of Credit. Following such notice, you may immediately draw against this Irrevocable Standby Letter of Credit. Except as stated herein, this undertaking is not subject to any conditions or qualifications whatsoever.

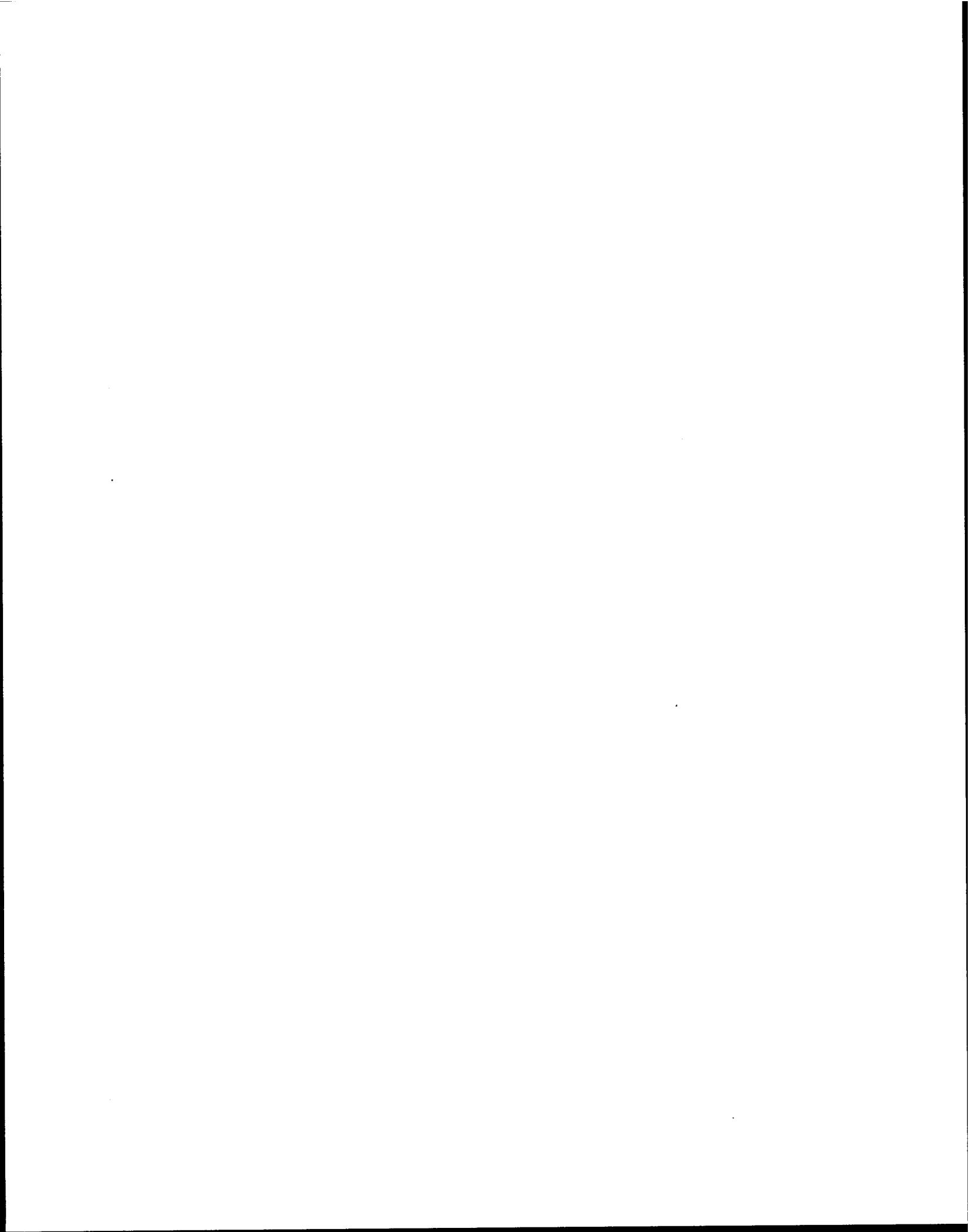
We further engage with you that, at your sole option, this Irrevocable Standby Letter of Credit shall inure to the benefit of any co-sureties or reinsurers who may share any applicable risk with you, although only the Division of Solid Waste Management may draw upon this Letter of Credit.

This Letter of Credit is non-transferable.

To the extent not inconsistent with the express terms hereof, this Irrevocable Standby Letter of Credit shall be governed by, and construed in accordance with, the Uniform Customs and Practice of Documentary Credits, latest revision, International Chamber of Commerce.

Very truly yours,

name
title



Central Carolina Tire Disposal

Rt. 2, Box 59B
Cameron, NC 28326
919-499-2301

Section.1106(d)

- (1) Central CARolina Tire Disposal, Rt. 2 Box 59B, Cameron, North CARolina 28326. Located on SR 1105 JOhnsonville, Harnett County.
- (2) Thomas A. Womble P.O. Box 472 Olivia, N.C. 28368

Thomas A Womble

- (3) Diane T. Womble, Same address

Diane T. Womble

- (4) Included in the original Tire Monofill application.
 - (A) Same
 - (B) Same
- (5) The Company is a multipurpose operation, offering pick-up from several County sanitary landfills. This entails provided trailers at the landfill, or loading and hauling piles of loose tires. Scrap tires included passenger car, truck, and heavy and off-road tires.

The Company also contracts with individual tire dealers to pick up and dispose of tires at the dealerships, or accepts delivery from same.

Approximately 20% of tires received at the facility are set aside for either resale as used tires, resale as recappable tires or other recyclable uses. At present, 5% of these tires are passenger car tires and 15% are truck tires.

Central Carolina Tire Disposal

Rt. 2, Box 59B
Cameron, NC 28326
919-499-2301

Signed areas will be designated for three categories of reusable (recyclable) tires. These areas are shown on the enclosed Site Plan. No more than 1,000 of each type tire will be stored at any given time. These tires will be stored separately by category, provided with fire lanes at all times, and either removed from the site, shredded, covered, or landfilled within a two week period.

Existing shredder is manufactured by Shredding Systems with a 300 HP electric motor, and a rate of 1500 tires per hr. The shredder will discharge onto a conveyor system which will dump into a 40 Cubic Yard "dumpster" type container. Each container will hold approximately 1600 tires. Two containers will be available at the site; a truck will, when a container is full, immediately haul the shredded tires to the tire monofill to be disposed of in accordance with the requirements of the Monofill Permit.

- (6) As previously indicated, scrap tires will be picked up and/or delivered to the site from counties, dealers and other facilities requiring disposal of scrap tires. Maximum expected volume at present is 75,000 tires/month. Up to 20% of these tires will be removed from the site to be sold as used tires, be recapped or recycled for other uses.
- (7) All scrap tires which are not resold or recycled will be disposed of at the Central Carolina Tire Monofill Permit No. 43-04. This facility is on the same site as the proposed Tire Processing Facility. Address is same.
- (8) Operation has commenced.
- (9) Waste will be disposed of in the tire monofill.
- (10) Previously described. In addition, the company has retained a Registered Professional Engineer to routinely oversee the construction and operation of this facility.

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- (11) See Tire Monofill permit application.
- (12) Same as item 11.
- (13) See Tire Monofill permit application.
- (14) Included

Section. 1107

- (1) NA
- (2) Will Comply.
- (3) NA
- (4) NA

Section. 1110

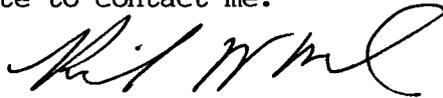
- (a) Will comply.

Section.1111

- (a) Attached.

Enclosed is a map of the site, and our \$25.00 application fee.

If you have any questions, or require any additional information, please do not hesitate to contact me.



WWT ENVIRONMENTAL CONSULTANTS

RICHARD W. WOOD P. E.