



May 29, 2007

Mr. Larry Frost
Regional Engineer
North Carolina Dept. of Environment and Natural Resources
Asheville Regional Office
Division of Waste Management - Solid Waste Section
2090 U.S. 70 Highway
Swannanoa, North Carolina 28778

**Re: Processing Permit Application - Additional Information
Flowers LCID Recycling Center
Johnston County, North Carolina**

Dear Mr. Frost:

On behalf of Mr. Gary K. Lynch, Richardson Smith Gardner & Associates, Inc. (RSGA) would like to submit the attached **Irrevocable Standby Letter of Credit** (No. L073556) regarding the above referenced site. The letter of credit is in the amount as identified in correspondence dated December 22, 2006 to the Division addressing financial assurance concerns.

Should you have any questions or require clarification, please contact me at (919) 828-0577 ext. 127 or by email at stacey@rsgengineers.com.

Sincerely,

G.N. Richardson & Associates, Inc.

Stacey A. Smith, P.E.
Project Manager

Att.

Cc: Mr. Gary K. Lynch, 42 East, LLC
Mr. Allen Brown, 42 East, LLC
Brad Bailey, NCDENR
File

H:\Projects\Flowers LCID Landfill\Correspondence\letter5-29-07.wpd

RECEIVED

May 31, 2007

Solid Waste Section
Asheville Regional Office

APPROVED DOCUMENT
Division of Waste Management
Solid Waste Section
Date July 13, 2007 By LY Frost

Document ID No. RCO2758

REGIONS BANK

INTERNATIONAL DIVISION-STANDBY LETTER OF CREDIT DEPARTMENT
10451 N.W. 117TH AVENUE, 2ND FLOOR, MIAMI, FLORIDA 33178, U.S.A.
TELEPHONE NO. [786] 845-4400 - FAX NO. [786] 845-4782
SWIFT ADDRESS: UPNBUS44MIA-TELEX 6737871 UPBMIA

IRREVOCABLE STANDBY LETTER OF CREDIT NO. L073556

Date: May 25, 2007

Beneficiary:

North Carolina Department of Environmental
and Natural Resources
Asheville Regional Office
Division of Waste Management - Solid Waste Section
2090 U.S. 70 Highway
Swannanoa, NC 28778

Applicant:

42 East LLC
3945 Powhatan Road
Clayton, NC 27520-9133

Letter of Credit No. L073556

Letter of Credit Amount: USD\$209,024.00 (Two Hundred Nine Thousand Twenty Four and 00/100 US Dollars)

Date and Place of Expiration: May 14, 2008 at the Counters of Regions Bank, Miami, FL

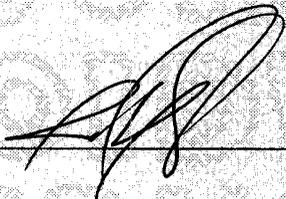
Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit No. L073556 in favor of the above named beneficiary at the request of the above named applicant, in an amount not to exceed US\$209,024.00 available by draft(s) drawn on us at sight from the beneficiary when presented at our office 10451 NW 117th Avenue, 2nd Floor, Miami, Florida 33178.

This Letter of credit is established with reference to an application and permit issued by the State of North Carolina for the applicant to operate a Land Clearing and Inert Debris (LCID) Treatment & Processing Facility, referred to as the Flowers LCID Recycling Center, at 1021 Motorcycle Road in Clayton, North Carolina in the County of Johnston. Funds established by this letter of credit are available to you upon presentation of your sight draft drawn on Regions Bank, referencing this letter of credit number L073556 dated May 25, 2007, accompanied by a signed statement that "The amount drawn is the minimum 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 clean-up on behalf of the applicant."

Full or partial sight drafts may be drawn under this letter of credit by and in the name of the beneficiary. Partial drafts drawn under this Letter of Credit shall not, in the aggregate exceed US\$209,024.00. Both the sight draft and the signed statement must bear on their face "Drawn under the Irrevocable Letter of Credit Number L073556 dated May 25, 2007."

AUTHORIZED SIGNATURE



ORIGINAL

AUTHORIZED SIGNATURE



REGIONS SM

BANK

Letter of Credit No. L073556
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It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for an additional period of one year beyond the current or any future expiration date unless at least sixty (60) days prior to any such expiration date we send you our notice in writing by courier, that we elect not to extend this Letter of Credit for any additional period.

Except as otherwise expressly stated herein, this Letter of Credit is subject to International Standby Practices, 1998, ICC Publication No. 590 which are in effect on the issue date.

We hereby engage with you that each draft drawn under and in compliance with the terms and conditions of this credit shall be duly honored on delivery of the documents as specified if presented at our International Division, Letter of Credit Department, 10451 NW 117th Avenue, 2nd Floor, Miami, Florida 33178 on or before the expiry date May 14, 2008 or any automatically extended date.

Regions Bank





AUTHORIZED SIGNATURE

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