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]*