

IRREVOCABLE STANDBY LETTER OF CREDIT

Director

Arkansas Department of Environmental Quality

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ 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 \$_____, available upon presentation of

- (1) Your sight draft, bearing reference to this letter of credit No. _____, and
- (2) Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the Arkansas Solid Waste Management Act (Act 237 of 1971 as amended)."

This letter of credit is effective as of (date) and shall expire on (date at least one year later), but such expiration date shall be automatically extended for a period of one 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 forfeit the amount of the draft to the Arkansas Department of Environmental Quality in accordance with your instructions.

For any and all disputes arising out of, in connection with, or relating to this Letter of Credit, the Issuing Bank or Institution expressly agree and consent that the exclusive jurisdiction and venue for any proceeding shall be in Pulaski County Circuit Court for the State of Arkansas in Little Rock, Arkansas, and the Issuing Bank or Institution waive any argument that the venue in such a forum is not convenient and any rights under any Federal or State law establishing jurisdiction or venue in another forum.

Issuing Bank or Institution:

Effective Date:

Name of Officer:

Title:

Signature:

COMPANY LETTERHEAD

January 1, 2016

Becky W. Keogh, Director
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118-5317

Dear Mrs. Keogh:

Please find attached an original Irrevocable Standby Letter of Credit to satisfy financial assurance requirements for the _____. (Insert Name of Facility). In accordance with Regulation 22.1405 (c), this letter accompanies the letter of credit and presents the following information:

1. Issuing Institution:

Name: _____
Address: _____
Contact Person/Title: _____
Contact Phone Number: _____
Letter of Credit Number: _____
Letter of Credit Effective Date: _____
Amount of Funds secured by this Letter of Credit: _____

2. Solid Waste Facility(ies) covered by this Letter of Credit:

Name: _____
Address: _____
Contact Person/Title: _____
Contact Phone Number: _____
Permit Number: _____
AFIN: _____
Closure Cost Estimate: _____
Post Closure Cost Estimate: _____
Corrective Action (if required): _____

Should you have any questions, please advise.

Sincerely,

FINANCIAL ASSURANCE CHECKLIST
Letter of Credit

Company Name: _____ Permit No.: _____

YES NO QUESTION

<input type="checkbox"/>	<input type="checkbox"/>	Is the issuing institution an entity which has the authority to issue letters of credit and whose letter-of-credit operations are regulated and examined by a Federal or State agency? [Reg.22.1405 (c)(1)]
<input type="checkbox"/>	<input type="checkbox"/>	Has the owner or operator submitted a letter referring to the letter of credit by number, issuing institution, and date, and providing the following information: name, and address of the facility, and the amount of funds assured? [Reg.22.1405 (c)(2)]
<input type="checkbox"/>	<input type="checkbox"/>	Is the letter of credit irrevocable and issued for a period of at least one year in an amount at least equal to the current cost estimate for closure, post-closure care or corrective action? [Reg.22.1405 (c)(3)]
<input type="checkbox"/>	<input type="checkbox"/>	Does the letter of credit provide that the expiration date will be automatically extended for a period of at least one year unless the issuing institution has canceled the letter of credit by sending notice of cancellation by certified mail to the owner and operator and to the Director one hundred twenty (12) days in advance of cancellation? [Reg.22.1405 (c)(3)]
<input type="checkbox"/>	<input type="checkbox"/>	Has the owner or operator provided the original letter of credit and company letterhead to the Director for approval? [Reg.22.1405 (c)(2)]
<input type="checkbox"/>	<input type="checkbox"/>	Has the letter of credit been executed on forms developed and provided by the Department? [Reg.22.1405]
<input type="checkbox"/>	<input type="checkbox"/>	Has the owner or operator provided the initial and updated cost estimates for closure and post-closure care to the Director? [Reg.22.1405 (a) and Reg.22.1405 (b)]

Comments: _____

Reviewed by: _____

Date: _____

WHAT IS REQUIRED AT A MINIMUM:

- ✓ The issuing institution must be an entity which has the authority to issue letters of credit and whose letter of credit operations are regulated and examined by a Federal or State agency.
- ✓ A letter from the owner/operator referring to the letter of credit by number, issuing institution, and date, and providing the following: name and address of the facility, and the amount of funds assured.
- ✓ The letter of credit must be:
 - irrevocable;
 - issued for a period of at least one year in an amount at least equal to the current cost estimates for closure, post-closure care, or corrective action;
 - provide that the expiration date be automatically extended for a period of at least one year; and
 - contain a one hundred twenty (120) day cancellation notice by certified mail.
- ✓ The text of the letter of credit and the company letterhead must be filed on forms developed by ADEQ and provided to the Director for approval.