

DELAWARE SOLID WASTE AUTHORITY CUSTOMER CREDIT POLICY & PROCEDURE

For Solid and or Dry Waste Accounts

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POLICY

Obtaining a DSWA license to collect, transport and utilize Delaware Solid Waste Authority (DSWA) Facilities for disposing of solid waste or dry waste does not create a charge account with DSWA. Any private hauler or individual may request a Charge Account. Such request shall include:

- A completed and signed Delaware Solid Waste Authority Charge Account Application.
- A completed and signed Authorization To Release Bank Information.
- DSWA reserves the right to run a credit history on any applicant for a charge account and requires the applicant to authorize DSWA to contact and examine banking history and credit references.
- Issuance by a corporate surety, qualified to do business in the State of Delaware, of a Guarantee of Payment Bond may be required.

PROCEDURE

Charge Account

A Charge Account is a credit privilege established for the purpose of disposing of solid waste at a DSWA facility and deferring payment for such usage until a later date, as defined below.

Guarantee of Payment Bond

A Guarantee of Payment Bond issued by a corporate surety, qualified to do business in the State of Delaware, may be required for applicants who wish to receive a charge account with DSWA. It will be up to the sole discretion of DSWA to determine if new applicants or existing customers will be required to have a surety bond based on credit worthiness, payment history, or other factors as determined appropriate by DSWA.

If a bond is required, the bond value must equal at least two times the estimated monthly tonnage times the prevailing tipping fee.

For example- the customer estimates the delivery of 50 tons per month to a DSWA facility:

Multiply the 50 tons by \$80 (tip fee per ton in this example) to yield \$4,000 estimated monthly charge amount and multiply that by 2 (since DSWA bills monthly in arrears with the monthly billing period running from the first (1st) of the month through the last calendar day of the month) to yield a required bond amount of \$8,000, which will represent the minimum bond required.

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Billing, Payment and Revocation of Credit

The Delaware Solid Waste Authority (DSWA) policies regarding billing, payment and credit are as established below. Every new customer requesting credit from DSWA and all existing credit customers will be subject to the process outlined below. Effective with the implementation of this policy, all customers will be required to initial and date each page of this policy and sign a letter of certification acknowledging they have read, understand and agree to abide by this Customer Credit Policy & Procedure. To that end, the DSWA will periodically request updated account and credit information for our records.

1. To establish a line of credit with DSWA, the credit application must be fully completed and must be approved by DSWA. A review of the application, including contacting credit references and financial institutions will be conducted. To be approved, the applicant must establish a satisfactory credit history and the financial ability to pay. All references in this policy to amounts due for payment will be defined as undisputed charges. DSWA reserves the right to suspend and/or cancel charge privileges at any time for failure to comply with billing/payment procedures set forth below.

2. Billing/payment procedures are as follows:
 - a) A copy of the transaction ticket will be given to the driver for each load delivered to a DSWA facility.

 - b) DSWA bills monthly in arrears with the monthly billing period running from the first (1st) of the month through the last calendar day of the month.

 - c) A monthly billing statement will be mailed to each account within five (5) business days after the monthly billing period ends. Copies of tickets are not provided with the billing statement.

 - d) The monthly amount billed will be due upon receipt.

 - e) If the billed amount is not paid on or before the last regular business day of the month following the billing period, the account will be designated as a past due account.

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- f) Any account with a past due balance remaining unpaid on the last calendar day of any month (whether or not a Business Day) will be assessed an interest charge on the total past due balance. Interest shall be computed monthly beginning immediately at the time an account becomes designated as a past due account at a rate of 2% per month (24% APR), compounded monthly.
- g) If DSWA has not received payment by the last calendar day of the month in which the statement was received the account will be placed on a cash status until the account's past due amount has been paid.
- h) If the account is placed on a cash only status, the account holder will be required to contact the Accounts Receivable Department of DSWA's Financial Services Group to establish a payment plan acceptable to DSWA. The account will remain on a cash only status until the past due is paid in full.
- i) If an account remains unpaid or a payment plan has not been established, DSWA reserves the right to pursue legal remedies to achieve collection of the account up to and including call of the bond - if a bond was required. The account holder shall be responsible for payment of any and all legal fees and expenses incurred in collecting the account.
- j) An account, which has been placed, on a cash only status three (3) times within a twenty-four (24) month time period may remain on a cash only status for twelve months (12) after the third occurrence of the cash only status begins. The account may be required to update their credit application and have another credit history run to reestablish credit.
- k) A delinquent account which has been turned over to DSWA's attorney or third-party collection agency shall be placed on a cash only status for twelve (12) months after the delinquent account and all pertinent fees and expenses have been paid. An updated satisfactory credit application must be submitted to DSWA before a new charge account will be established.