

**WEST NASSAU LANDFILL
MANAGEMENT AND OPERATION CONTRACT
CHANGE ORDER NO. 2**

RE: Nassau County, Florida, West Nassau Landfill Operation and Management Service Contract between Western Waste Industries (Contractor) and Nassau County, Florida Board of County Commissioners (County), dated September 15, 1987, (Contract) for operation and management of West Nassau landfill, the Contract consisting of documents entitled Agreement and General Conditions, as revised, extended and modified by agreement and Change Order dated May 23, 1989 (Change Order No. 1).

SUBJECT: Revisions to Contract documents re: Contract Term and Contract Price and Modifications in Scope of Work.

Pursuant to the provisions of Article II of the General Conditions of Contract, entitled "Changes in the Work" (pages GC-22) and Article 4 of the Agreement entitled Term" (page A-4), the Board of Commissioners of Nassau County, Florida (County) executes the following written Change Order to Contract [as the term "Change Order" is defined in Article 2 of the General Conditions of Contract (Pages GC-2)] to Contractor authorizing additions and revisions in the work and agreeing to an adjustment and modification in the Contract Price and Contract Time as follows:

- A. Article 2 of Contract document entitled Agreement referring to "Scope of Work" (page A-2) is revised and modified as follows:

Contractor shall, in addition to the responsibilities and obligations contained in the above referenced Article 2, be responsible for (a) the filing of an application with Florida Department of Environmental Regulations (DER) to re-Permit the Class I West Nassau Landfill including the design, engineering and technical components of such permit application; (b) the filing with DER of a closure plan for the existing West Nassau Landfill; (c) the filing of an application with DER for a permit for a Class III Landfill on lands adjacent to the West Nassau Landfill site; (d) the filing of an application with St. Johns River Water Management District for permit for surface water management plan; which above applications and plans shall be submitted on or before December 31, 1989; (e) the securing of the above permits and the approval of a closure plan which is acceptable to DER within two years from date of this Change Order No. 2; and (f) the preparing and submitting to County of all plans, specifications and documents necessary for County to advertise for bids for the construction involved in the foregoing activities.

Contractor shall be responsible for the design, engineering and all technical components of preparing and submitting the foregoing permit applications and plans. All of the above activities required of Contractor are to be submitted in accordance with the attached chart reflecting the proposed flow of work and the estimated timetable for the submission of permit applications and plans to DER and the completion of such activities. Contractor covenants and agrees, as a condition of Contract, to meet the following deadlines: (a) submit the above referenced permit applications and

plans on or before December 31, 1989; (b) to respond to any notice of deficiencies from DER on such applications and plans on or before 60 days from receipt of same; and (c) to respond to the technical review of DER within 60 days of receipt of such review. Contractor covenants and agrees that the applications, permits and plans shall satisfy all the requirements and conditions contained in the DER Consent Order concerning the West Nassau Landfill dated December 20, 1988. Failure of Contractor to meet the above deadlines shall constitute a breach of this contract. If County, through no fault of its own, incurs fines or penalties imposed by DER as a result of failure of Contractor to submit such permit applications and plans by December 31, 1989, Contractor shall indemnify and hold County harmless from all such liabilities.

Contractor further covenants and agrees that upon the granting of such permits and the approval of such plans as hereinabove set out, West Nassau Landfill shall be in compliance with DER regulations.

All activities of Contractor shall be conducted with the prior approval of the Nassau County Engineer, who shall be included on the technical team and involved in every aspect of the work referred to in this Change Order.

B. Article 4 of the Contract document entitled Agreement, referring to "Term" (Page A-4), as revised by Change Order No. 1, is modified as follows:

The term of Contract shall be extended for a term of three (3) years, beginning as of the date of this Change Order No. 2.

C. Article 2 of the Contract document entitled Agreement and referring to "Payment" (Page A-3), as revised by Change Order No. 1, is modified as follows:

The rate of payment to Contractor for the engineering and technical services to be performed under the provisions of this Change Order No. 2 shall be \$12.39 per ton for each ton of waste disposed of in West Nassau Landfill during the extended term of three (3) years, which payment shall be in addition to the fee per ton paid to Contractor for the disposal services and management of Landfill under the original Contract, as revised.

It is agreed that the foregoing payment for the services to be provided, as defined in the scope of work above, is based upon the parties' current knowledge of environmental and subsurface conditions. Unforeseen environmental and subsurface conditions and anomalies, as determined by the Nassau County Engineer, shall be addressed by subsequent Change Orders adjusting the Contract price or Contract term, reflecting any increase in cost to Contractor, including cost of any delays in Contractor securing permits or approvals from DER.

D. If all of the permits and the plans described in scope of work as defined in this Change Order No. 2 are granted and approved, by the end of the 15th month, County shall have the right and option to cancel and terminate this agreement after 90-day written notice to Contractor and upon payment to Contractor of the unrecovered costs of Contractor, which option may be exercised, at the times and in accordance with the schedule of unrecovered cost attached

hereto and incorporated into this Change Order No. 2 by reference. Payment of such unrecovered cost shall be due and payable on or before the end of the 90-day notice period. Contractor shall continue to operate and manage West Nassau Landfill during such 90-day period in accordance with the applicable provisions of Contract.

E. Contractor agrees to the provisions of this Change Order No.2 and both County and Contractor bind and obligate themselves to do and perform the activities, services and agreements contained herein.

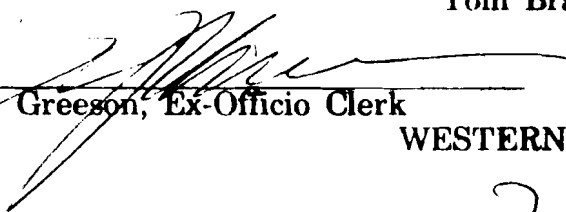
The foregoing modifications and revisions supersede, repeal and take precedence over any provisions of Contract, as revised by Change Order No. 1, which are in conflict with the provisions of this Change Order No.2.

All other provisions, conditions, covenants and agreements of both County and Contractor contained in Contract, as revised by Change Order No. 1, shall remain in full force and effect, except those provisions in conflict with this Change Order No. 2, including the obligation of County to provide additional lands contiguous to the present West Nassau landfill site for the Class III Landfill to be permitted, pursuant to the provisions of Article VIII of the General Conditions of Contract.

APPROVED AND AGREED to this 12 day of September, 1989 by the undersigned duly elected and authorized officials acting on behalf of Nassau County, Florida and the duly authorized Corporate officer of Western Waste Industries.

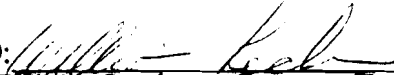
BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA

By: 
Tom Branan, Vice Chairman

ATTEST: 
T. J. Greeson, Ex-Officio Clerk

WESTERN WASTE INDUSTRIES

By: 
Zia Qureshi, Vice President

APPROVED: 
William Lecher, County Engineer
Nassau County, Florida

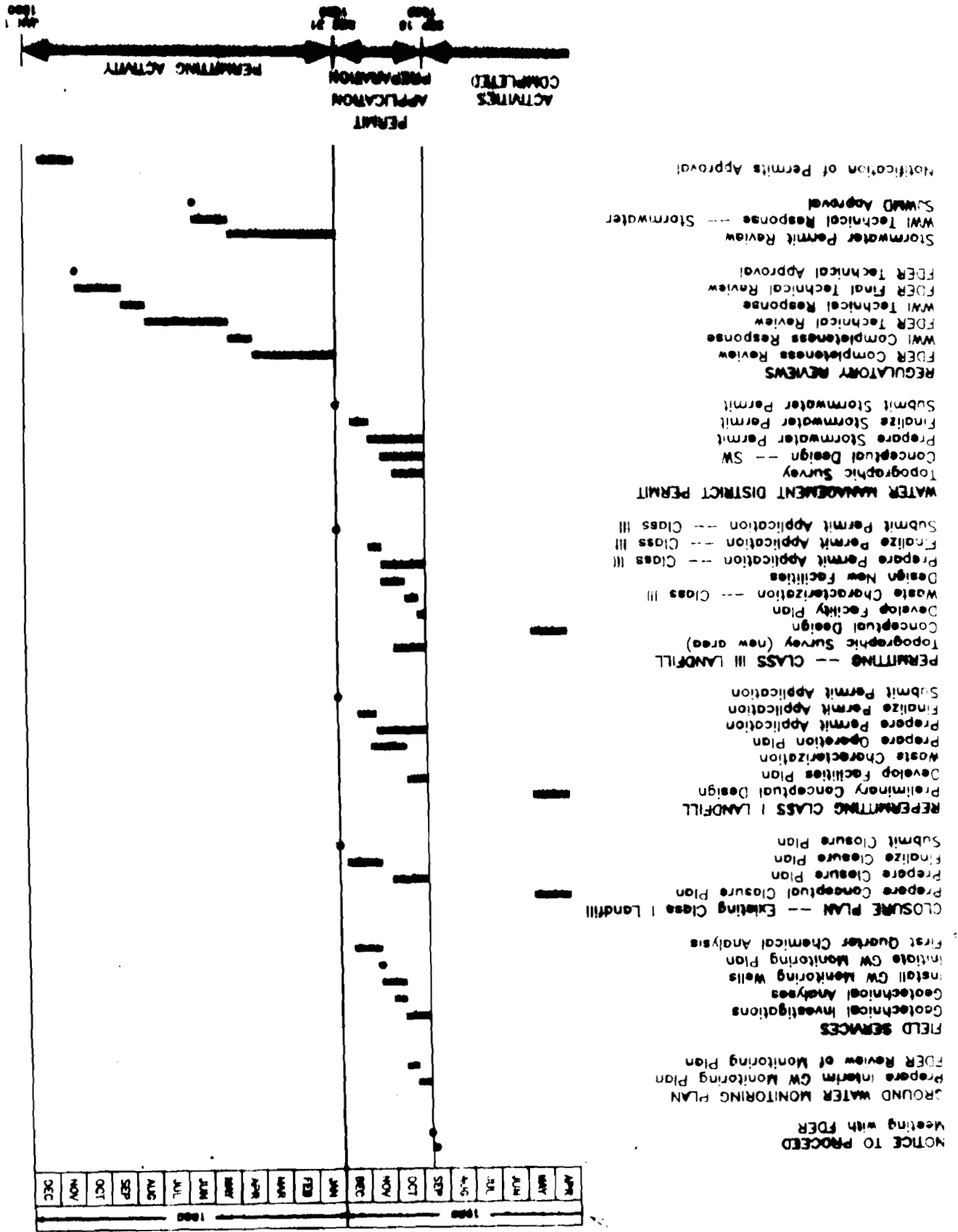
SCHEDULE OF UNRECOVERED COSTS OF CONTRACTOR

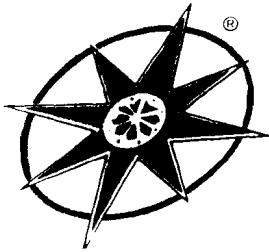
Cumulative tonnage-1st 15 months	50,377
Recovery Rate	<u>\$12.39</u>
Recovered Costs	(\$624,171)
Total Estimated Costs	<u>\$1,589,752</u>
Unrecovered Balance	\$965,581

Recovery Buyout Prices

<u>Buyout Option Trigger</u>	<u>Period Tonnage</u>	<u>Recovered Cost</u>	<u>Unrecovered Balance</u>
18th Month	10,821.8	\$134,054	\$831,527
21st Month	10,821.8	\$134,054	\$697,473
24th Month	10,821.8	\$134,054	\$563,418
27th Month	11,254.7	\$139,416	\$424,002
30th Month	11,254.7	\$139,416	\$284,585
33rd Month	11,254.7	\$139,416	\$145,169
36th Month	11,254.7	\$145,169	(0)

Proposed Flow of Work and Estimated Time Table





Western Waste Industries

WASTE DISPOSAL SERVICES GROUP

100 Interstate 45 LP Tower, Suite 210 Conroe, Texas 77301 (409) 760-3685

June 6, 1989

Nassau County Board of County Commissioners
P. O. Box 1010
Fernandina Beach, Florida 32014

Reference: West Nassau Landfill Contract

Attention: Mrs Joyce Bradley

Dear Mrs. Bradley:

At the direction of Mr. Jerry Greeson we are enclosing the original of the above mentioned contract which has been fully executed.

Should you require further information do not hesitate to give us a call.

We appreciate your cooperation and look forward to a continuing relationship with Nassau County which will be mutually beneficial.

Sincerely,

WESTERN WASTE INDUSTRIES
Waste Disposal Services Group


Helen Cecil
Office Manager

hc

Enclosure

NASSAU COUNTY MANAGEMENT & OPERATION CONTRACT

Price Adjustment Mechanism

For the remaining life of the landfill Management and Operation Contract, the contract price per ton shall be modified on the contract anniversary date, as appropriate:

- 1) Annual increase in the Consumer Price Index (CPI);
- 2) Major and/or minor change orders; and
- 3) Changes in local, states, or federal regulations pertaining to operation of sanitary landfills.

Consumer Price Index

The payment due Western Waste Industries under this contract shall be adjusted each year after the first year of the contract extension as follows:

$$P = .7 \left[B \times \frac{(C-D)}{C} \right]$$

where,

- P = adjusted unit price to be effective during the second year through the end of the contract extension term;
- B = unit price for the previous year of the contract extension;
- D = The Consumer Price Index for the South, Standard Reference Base Period 1982-84 = 100 as prepared by the U.S. Department of Labor, Bureau of Vital Statistics ending August 31 of the year preceding the first year of the contract extension (and each subsequent year for the term of the contract);
- C = The Consumer Price Index for the South, Standard Reference Base 1982-84 = 100 as prepared by the U.S. Department of Labor, Bureau of Vital Statistics ending August 31 of the first year of the contract extension (and each subsequent year for the term of the contract).

WESTERN WASTE INDUSTRIES
Zia Qureshi

NASSAU COUNTY
Bill Lecher

The adjusted payment amounts shall commence the first day of the next Contract Year and remain in effect for the entire Contract Year. In the event the amount of such adjustment has not been determined on the first day of the Contract Year during which it is intended to apply, the amount previously being paid shall continue until such determination is complete, at which time the increased payment amounts for the elapsed period of such Contract Year shall be adjusted and paid to Western Waste Industries within 30 days of agreement as to the recalculated amounts.

In the event that the above index is discontinued, the adjustment basis shall be renegotiated and this contract should be amended.

Major and/or Minor Change Orders

Western Waste Industries and the County shall agree in writing to any major and/or minor change orders that would affect Western Waste Industries' performance in operating the West Nassau Landfill.

Western Waste Industries is expecting changes in state and federal regulations pertaining to the operation sanitary landfills during the term of this agreement. In particular, federally mandated regulatory changes contemplated by the proposed U.S. EPA Subtitle D Regulations will require significant modification of existing regulations for sanitary landfill operations.

All costs relating to landfill design, operations, and maintenance as a result of regulatory mandates shall be recovered during the remaining term of the agreement.

WESTERN WASTE INDUSTRIES

Zia Qureshi



NASSAU COUNTY

Bill Lecher



MODIFICATION OF ARTICLE 4 - TERM


Shall be modified to read as follows:

The County will be awarding a contract for the design, permitting, construction, and operation of a landfill at West Nassau and the Closure of the existing landfill pursuant to the DER Consent Order No. 87-1666. The contract will contain a provision for the operation of the existing landfill by the awarded contractor contingent on approved closure and construction plans for the site.


The County may terminate this contract with ninety (90) day notice to the Contractor when the conditions of the above awarded contract are fulfilled by the awarded contractor.

DATED this 23rd day of May, 1989.

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA


JAMES E. TESTONE
Its: Chairman

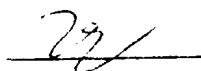
ATTEST:



T. J. GREESON
Its: Ex-Officio Clerk

WESTERN WASTE INDUSTRIES


ZIA QURESHI, Vice President
NASSAU COUNTY

WESTERN WASTE INDUSTRIES

Zia Qureshi 

Bill Lecher 



NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P.O. Box 1010
Fernandina Beach, Florida 32034

Jim B. Higginbotham	Dist. No. 1 Fernandina Beach
Hazel Jones	Dist. No. 2 Fernandina Beach
Tom Branan	Dist. No. 3 Yulee
James E. Testone	Dist. No. 4 Hilliard
Jimmy L. Higginbotham	Dist. No. 5 Callahan

T.J. "Jerry" GREESON
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

June 2, 1989

Mr. Zia Qureshi
Vice-President
Western Waste Industries
100 Interstate 45
LP Tower, Suite 210
Conroe, Texas 77301

Re: West Nassau Landfill Contract

Dear Mr. Qureshi:

Enclosed please find the original of the above-mentioned contract which we are returning to you for your signature. After you have signed same, please forward it back to this office to the attention of Ms. Joyce Bradley.

Enclosed also is a certified copy of the minutes of May 23, 1989, authorizing revisions to said contract.

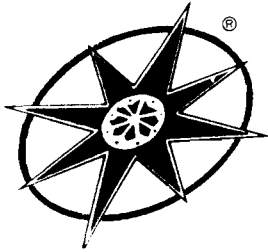
Thank you for your assistance in this matter. If this office can be of any further assistance to you in the future, please do not hesitate to contact me.

Sincerely,

T. J. "Jerry" Greeson
Ex-Officio Clerk

TJG/mja

Enclosures



Western Waste Industries

WASTE DISPOSAL SERVICES GROUP

100 Interstate 45

LP Tower, Suite 210

Conroe, Texas 77301

(409) 760-3685

May 18, 1989

Nassau County
2290 South 8th. Street
Fernandina Beach, FL 32034

Attention: Mr. Bill Lecher
County Engineer

Reference: West Nassau Landfill Contract

Dear Bill:

Further to your communication of May 16, 1989, this will serve as our acceptance of the Board of Commissioners approved revisions (attached hereto as Exhibit "A" and incorporated herein for all intent and purposes) to the existing referenced contract.

Please sign and return to us the enclosed copy of this letter with initialed pages of the attached Exhibit "A".

Additionally, we would appreciate your forwarding to us a copy of the Board of Commissioners Resolution authorizing these revisions.

WESTERN WASTE INDUSTRIES

NASSAU COUNTY

Zia Qureshi

Zia Qureshi
Vice President

Bill Lecher
County Engineer