

**First Union National Bank
of Florida**

Post Office Box 2080
Jacksonville, Florida 32231-0010
904-361-2265



October 5, 1992

Mr. T. J. Greeson
Clerk of the Circuit Court
Nassau County
11 North 14th Street
Fernandina Beach, FL 32034-3056

Re: Loan Commitment and Agreement

Dear Jerry:

We are pleased to advise you that First Union National Bank of Florida (the "Bank") has approved a renewal of its Line of Credit (the "Line") for Nassau County in the amount of \$14,000,000, upon the terms and conditions described below.

A. TERMS OF LINE

1. Borrower. Advances under the Line shall be made to Nassau County (the "Borrower").

2. Amount of Line. The maximum amount outstanding under the Line shall be:

Fourteen Million and No/100 Dollars (\$14,000,000.00)

3. Purpose. Advances under the Line are to be used to provide interim financing for the closing of the existing West Nassau, Lofton Creek and Bryceville Landfills and the continuation of construction of a new Class I and Class III facility in West Nassau County.

4. Term of Line. The Line shall be evidenced by a promissory note (the "Note"), payable in full on or before March 4, 1993 (the "Maturity Date"). The Bank's obligation to advance under this Line of Credit shall expire on the Maturity Date and shall be subject to the Borrower's continued banking relationship with the Bank, as well as the continued satisfactory financial condition of the Borrower, in the opinion of the Bank. The Borrower shall use its best efforts to issue bonds by December 31, 1992 for the purpose of repaying the Line.

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5. Interest. Advances under the Line shall bear and accrue interest at a fixed rate of 7.225 percent per annum, payable monthly. Interest shall be calculated using a year base of 360 days and charged for the actual number of days elapsed in an interest period. In the event of default, interest shall accrue at a rate of 2 percent per annum in excess of the rate otherwise applicable.

6. Advances. The sums contemplated to be advanced may be repaid and readvanced pursuant to the terms hereof, so long as this agreement remains in effect. The advances may be prepaid in whole or in part at any time without prepayment premium, penalty, or fee whatsoever.

7. Loan Security. The advances shall be secured by all revenues and other security now securing the existing Line, as described in the Line of Credit Agreement dated September 9, 1991 (the "1991 Credit Agreement"), including all minimum tipping fees and assessments set forth therein. In addition, the Line will be secured by a first priority pledge of the County's half-cent sales tax revenue. All fees and other revenues from the proposed solid waste agreement with Jefferson Smurfit/Container Corporation of America shall be considered tipping fee revenue subject to the Bank's lien. The Borrower shall not take any action which would diminish the projected revenues. The Borrower agrees to execute any and all documents necessary for the Bank to perfect or continue perfection of its security interests. The Borrower shall not issue any debt senior to or on a parity with the Line without the Bank's prior written consent.

8. Reports. The Borrower shall furnish to the Bank all financial and other information as and when required by the 1991 Credit Agreement.

9. Borrowing Resolutions. Documentation satisfactory to the Bank shall be provided to the Bank with regard to borrowing authority.

10. Loan Agreement. The Borrower agrees to execute a renewal promissory note and a supplement to the 1991 Credit Agreement prepared by counsel of recognized standing acceptable to the Bank, which shall be in such form and contain such covenants, warranties and events of default as may be customary in similar transactions or as the Bank or its counsel may reasonably require. At the closing, there shall be delivered to the Bank executed counterparts of opinions of counsel acceptable to the Bank, addressed to the Bank, which opinions shall state, among other things, that the Note has been duly authorized and issued and is enforceable in accordance with its terms, and, if such is the case, that the interest thereon is exempt from taxation under federal income tax laws, that the interest rate borne by the Note does not exceed any applicable interest rate cap, that the revenues pledged to secure the Note cannot be revoked or diminished, that the Bank has a perfected first lien on the pledged revenue, that the Borrower

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is not subject to any pending or threatened material litigation, and such other matters as the Bank may reasonably require.

11. Depository Accounts. The Borrower's depository accounts will be maintained at the Bank.

12. Closing. If the transactions contemplated herein shall not be closed on or before October 16, 1992, the Bank may change the interest rate and if not closed on or before October 31, 1992, the Bank may terminate this commitment. All costs and expenses in connection with the matters referred to in this letter shall be borne by the Borrower, including the reasonable fees and expenses of the Bank's counsel, whether or not the transactions contemplated herein are closed.

13. Commitment Provisions Survive Closing. The provisions of this commitment shall survive the closing of the transactions contemplated herein to the extent not in conflict with the closing documents.

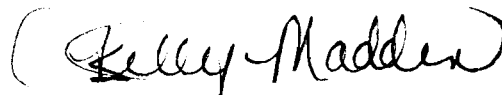
14. No Adverse Change. The obligations of the Bank hereunder are subject to there being no adverse change in the condition, financial or otherwise, of the Borrower or in the projected revenues available for payment of the Line.

Please indicate your acceptance of this commitment and the terms and conditions contained herein by executing your acceptance immediately below and returning one executed copy of the commitment letter and agreement to the Bank on or before October 8, 1992.

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We would like to express our appreciation for the opportunity you have given us to be of service, and look forward to an ongoing mutually satisfactory relationship.

Sincerely,



Kelly B. Madden
Assistant Vice President

cc: Michael S. Mullin, Esq.
Mark T. Mustian, Esq.
Mitchell N. Owens

BORROWER'S ACCEPTANCE OF COMMITMENT AND AGREEMENT

The above Loan Commitment and Agreement is hereby accepted on the terms and conditions outlined therein.

Date 10-12-92

By [Signature]

Date 10-12-92

By [Signature]