

**AGREEMENT FOR SOLID WASTE DISPOSAL
(Clay County Waste)**

THIS AGREEMENT (this "Agreement"), is made and entered into this 21st day of May, 1995, by and between **NASSAU COUNTY**, a political subdivision of the State of Florida (hereinafter referred to as "Nassau County"), and **SOUTHLAND WASTE SYSTEMS, INC.**, a Florida corporation (hereinafter referred to as "Southland").

BACKGROUND FACTS

Nassau County operates the West Nassau Class I Sanitary Landfill (the "West Nassau Landfill") located on U.S. Highway 1, immediately north of Callahan, Florida. Clay County, a political subdivision of the state of Florida (hereinafter referred to as "Clay County"), operates the Rosemary Hill Class I Sanitary Landfill (the "Rosemary Hill Landfill") located at 3545 Rosemary Hill Road, Green Cove Springs, Florida. Clay County expects to close the Rosemary Hill Landfill by September 30, 1995. Clay County has entered into an agreement with Southland (the "Transfer Station Agreement") to construct and operate a Class I solid waste transfer station (the "Transfer Station") at the Rosemary Hill Landfill and to transport Solid Waste (as hereinafter defined) generated in Clay County and received at the Transfer Station to a fully permitted Class I solid waste sanitary landfill. Concurrently, Clay County and Nassau County have entered into an agreement (the "Interlocal Agreement") providing for the reservation of capacity at the West Nassau Landfill for the disposal of Solid Waste generated in Clay County and delivered to the Transfer Station.

The parties desire to enter this Agreement to provide for the disposal of Solid Waste generated in Clay County and delivered by Southland from the Transfer Station to the West

Nassau Landfill and to set forth the terms, conditions, rights and remedies of the parties thereunto appertaining.

RECITAL OF CONSIDERATION

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt of which and the adequacy of which are mutually acknowledged, with each party accordingly waiving any challenge to the sufficiency of such consideration, it is mutually covenanted, promised and agreed by the parties hereto as follows:

AGREEMENT

1. DEFINITIONS.

(a) "*Avoirdupois*," with respect to weights, means one ton equals 2,000 pounds, and one pound equals sixteen ounces, 7,000 grains or 453.59 standard metric grains.

(b) "Change in Law" means any amendment to, or promulgation of any federal, state, county, city, or local statute, rule, regulation, or ordinance after the date of this Agreement that imposes, changes, modifies, and/or alters requirements upon:

- (1) the design, construction, operation, maintenance or closure of the West Nassau Landfill;
- (2) the disposal of Solid Waste by the West Nassau Landfill, or which statute, rule, regulation, or ordinance requires Nassau County to seek either an amendment or modification to, or reissuance of, any required Permits, licenses, certificates of public convenience and necessity, approval or authorization issued by any Governmental Body entitling Nassau County, or the West Nassau Landfill to construct, operate, maintain or close, or to dispose of Solid Waste

or imposes additional requirements or prohibitions upon such construction, operation, maintenance, closure or disposal.

(c) "Class I Solid Waste Disposal Facility" means any Class I landfill so classified under Rule 62-701.340(3)(a) and (c), Florida Administrative Code, or any successor rule or regulation thereto, together with all contiguous land and structures, other appurtenances, and improvements on the land used for Solid Waste management.

(d) "Department" means the Florida Department of Environmental Protection and any successor agency thereto.

(e) "Fiscal Year-End Summary" means Nassau County's annual estimate of the remaining life and capacity in cubic yards of the constructed and operating portions of the Class I Solid Waste Disposal Facility at the West Nassau Landfill and remaining site life and capacity of other permitted areas not yet constructed at the West Nassau Landfill. The annual estimates shall be based upon a summary of the heights, lengths and widths of the Solid Waste disposal cells. The Fiscal Year-End Summary shall also reflect all quantities of Solid Waste received and disposed of in the Class I Solid Waste Disposal Facility at the West Nassau Landfill during the immediately preceding fiscal year, including, with respect to all Solid Waste generated within the geographic boundaries of Nassau County, a breakdown of the quantities of each type thereof (*i.e.*, household, commercial, industrial, etc.), and, with respect to all Solid Waste generated outside the geographic boundaries of Nassau County, the location and hauler from which received, provided such information shall not be required to include the identification of the specific generators thereof, but only the city/county and state within which such Solid Waste is generated.

(f) "Hazardous Waste" means hazardous waste, as defined in Section 403.703(21), Florida Statutes, or any successor statute thereto, or agency rule(s) promulgated thereunder.

(g) "Permit" means the written authorization issued by a regulatory agency with jurisdiction for the siting, construction and/or operation of a Solid Waste Disposal Facility, provided all procedural standards, performance standards and conditions set forth therein are met.

(h) "Permit Modification" means a change or alteration to the procedural standards, performance standards or conditions of a Permit.

(i) "Scales" means a platform truck scale weighing device which meets with the design specifications and performance accuracy requirements of the scale code in the National Institute of Standards and Technologies Handbook 44, and which interfaces directly with a Solid Waste management system.

(j) "Solid Waste" means Class I and other non-hazardous solid waste as described in Section 407.703(13) Florida Statutes permitted to be disposed in a lined Class I landfill under the rules and regulations of the Department.

(k) "Solid Waste Disposal Facility" means any Solid Waste management facility as defined in Section 403.703(11), Florida Statutes, or any successor statute thereto or agency rules promulgated thereunder.

(l) "Waste Screening Program" means a program for detecting and preventing regulated quantities of Hazardous Waste from entering a Class I Solid Waste Disposal Facility or Transfer Station and includes random inspection of incoming loads of Solid Waste, record keeping, training, and procedures to notify the proper regulatory

agency(ies) when regulated quantities of Hazardous Waste have entered such Class I Solid Waste Disposal Facility or Transfer Station. Such program shall conform at a minimum to the requirements of the applicable Permit, the rules of the Department as promulgated in the Florida Administrative Code, or as otherwise approved by the Department.

(m) "West Nassau Landfill" means the Class I Solid Waste Disposal Facility portion of the facility owned by Nassau County located on U.S. Highway 1, immediately north of Callahan, Florida, and more particularly described in the text and map attached hereto as Exhibit "A" and in the Department's Permit No. SC45-174427, and includes any lands immediately contiguous to said facility which may later be included within the limits of the foregoing Permit or any successor operating Permit.

2. **TERM.** Unless sooner terminated as provided herein, the initial term of this Agreement shall commence on the date hereof and shall continue thereafter for a period of 120 consecutive calendar months after the opening of the Transfer Station (the "Term"). At anytime after the 72nd calendar month following the opening of the Transfer Station, Southland may terminate this Agreement by delivering to Nassau County written notice of termination no later than one year prior to the effective termination date.

3. **RIGHTS AND OBLIGATIONS OF SOUTHLAND.**

(a) Commencing on the date the Transfer Station opens and continuing until the expiration or termination of the Transfer Station Agreement, Southland shall cause to be delivered to the West Nassau Landfill for disposal any and all Solid Waste generated in Clay County and delivered to the Transfer Station (the "Transfer Station Solid Waste"); provided, however, as used herein, the term "Transfer Station Solid Waste" shall not be

deemed to include materials removed or recovered for recycling, scrap, or other legal purposes by Southland.

(b) Southland shall use its best effort to prevent the delivery of Hazardous Waste to the West Nassau Landfill from the Transfer Station. As used herein, the term "best efforts" shall mean the implementation, rigorous enforcement, and continuous updating of a Waste Screening program at the Transfer Station as set forth in the most current edition of the document entitled "Waste Screening at Municipal Solid Waste Management Facilities," as periodically revised and published by the United States Environmental Protection Agency (the most current edition thereof as of the effective date of this Agreement is dated September 1993), or such similar program as is acceptable to Nassau County.

(c) If any Hazardous Waste or any waste other than Solid Waste transported by Southland from the Transfer Station is delivered to the West Nassau Landfill, Nassau County shall have recourse against Southland or any third party otherwise responsible.

(d) The provisions of subparagraph (c) shall not apply to the extent the delivery of the Hazardous Waste from the Transfer Station is attributable to a breach of any of Clay County's obligations to Nassau County arising under its Interlocal Agreement or to Southland under its Transfer Station agreement.

(e) Southland shall provide Nassau County a copy of its year-end summary of Solid Waste accepted at and transported from the Transfer Station.

4. RIGHTS AND OBLIGATIONS OF NASSAU COUNTY.

(a) Beginning on the date the Transfer Station opens and continuing until the termination or expiration of the Transfer Station Agreement, Nassau County shall cause

to be accepted at the West Nassau Landfill for disposal therein all Solid Waste transported from the Transfer Station. Pursuant to the Interlocal Agreement, Nassau County shall reserve such capacity at the West Nassau Landfill as may be required to meet this obligation.

(b) Nassau County shall maintain at the West Nassau Landfill such Scales as may be required by law and/or any regulatory agency with jurisdiction, and shall cause all Solid Waste delivered by Southland to be weighed thereon. The results of each such weighing shall be permanently and accurately recorded. Nassau County, at its cost and expense, shall test and recalibrate the Scales as may be required by the Interlocal Agreement.

(c) Nassau County shall maintain a weight record containing the weight, date, time, and vehicle identification number of each Southland vehicle that delivers waste from the Transfer Station to the West Nassau Landfill. Nassau County shall deliver copies of such weight records to Southland, along with its invoice for disposal for that month, following the end of each calendar month.

(d) In the event that the Scales become inoperable so as to preclude the weighing of vehicles and Solid Waste, then Nassau County shall utilize the weights determined at the weighing devices located at the Rosemary Hill Landfill as the basis of payment of the Transfer Station Disposal Fees hereinafter provided for the Clay County Transfer Station Solid Waste.

(e) Nassau County shall provide to Southland a copy of its Fiscal Year-End Summary. For purposes of this Agreement, each fiscal year for each party shall run from October 1 through the following September 30.

(f) Southland shall have the right to periodically review a copy of Nassau County's annual aerial survey and other engineering reports and calculations identifying the capacity remaining at the West Nassau Landfill.

(g) In no event may Nassau County enter into any agreement, or otherwise permit, the receipt and disposal at the West Nassau Landfill of Solid Waste generated outside of Nassau County if the impact thereof encroaches upon the Solid Waste disposal capacity at the West Nassau County Landfill necessarily reserved to Clay County under the Interlocal Agreement and to Southland under the terms of the Agreement.

5. **CONSIDERATION AND DISPOSAL FEES.**

(a) The fee to be charged to Southland by Nassau County for receiving Solid Waste transported by Southland from the Transfer Station for disposal at the West Nassau Landfill shall be \$30.00 per ton *avoirdupois* (the "Transfer Station Disposal Fee").

(b) On each October 1, beginning in 1998, the Transfer Station Disposal Fee for the immediately ensuing year shall be adjusted upward or downward on the basis of the percentage of upward or downward change, if any, in the Consumer Price Index - South Group - All Urban Customers - All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index"), from the Index number of the Index most recently published prior to August 31, 1995 (the "Base Index Number"). Utilizing the Index most recently published prior to August 31 thereafter, beginning in 1998 (the "Current Index Number"), the foregoing adjustment shall be calculated and become effective for a particular year on October 1 first occurring after each such August 31, beginning in 1998. If at the time of calculation the Current Index Number is greater or less than the Base Index Number, the Transfer Station Disposal Fee and the Southland Disposal

Fee for the immediately ensuing year, beginning on the said October 1, shall be increased or decreased, as the case may be, from the Transfer Station Disposal Fee which was in effect on the Commencement Date of this Agreement by an amount equal to the percentage by which the Current Index Number exceeds or is less than the Base Index Number. In the event the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish the CPI, the parties hereto agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available so as to carry out the intent of this provision.

(c) Except as provided hereinafter, Nassau County may not refuse to receive Transfer Station Solid Waste transported by Southland to the West Nassau Landfill based upon the failure of Southland to pay the Transfer Station Disposal Fee provided, following the delivery of written notice to Southland that Southland is 60 days delinquent in paying the Transfer Station Disposal Fee, Nassau County may refuse to receive Transfer Station Solid Waste transported by Southland to the West Nassau Landfill for disposal until the delinquent Transfer Station Disposal Fee has been paid in full.

(d) Subparagraph (a) to the contrary notwithstanding, Clay County, at its sole option, shall have the right to pay directly to Nassau County any or all of the Transfer Station Disposal Fee, including the component thereof comprising the capital cost incurred by Nassau County in the acquisition of land for, the design and permitting of, and the construction of the West Nassau Landfill (the "Capital Component") for Solid Waste transported by Southland from the Transfer Station. For each ton of Solid Waste that Clay County pays the Capital Component or any other portion of the Transfer Station Disposal Fee directly to Nassau County, the disposal fee payable by Southland shall be reduced by

an equal amount. For example, if during the initial year of the term of this Agreement Clay County elects to pay \$12.06 per ton of the Transfer Station Disposal Fee direct to Nassau County, then Southland shall pay the remaining \$17.94 per ton of the fee.

(e) Southland shall deliver to Nassau a payment bond in the amount of the estimated monthly disposal fee for Transfer Station Solid Waste less the estimated amount to be paid by Clay County for the Capital Component (based on the initial Capital Component rate of \$12.06 per ton), multiplied by two. The amount of such payment bond shall be calculated (i) upon the opening of the Transfer Station; and (ii) thereafter annually on the anniversary hereof. Such payment bond shall be effective as of the day Southland commences delivery of Solid Waste under this Agreement.

(f) Provided it receives the prior consent of Clay County, which consent may not be unreasonably withheld, and provided the West Nassau Landfill is unable to continue to receive Solid Waste, Nassau County may designate an alternate Solid Waste disposal facility located within Nassau County for receipt and disposal of Solid Waste transported by Southland. In such event, and effective sixty days following delivery of written notice from Nassau County to Southland thereof, Nassau County may unilaterally increase the disposal fees only to the extent of the actual cost increase experienced by Nassau County for the disposal of Solid Waste at such facility. In the event of such increase, Southland, may, at its sole option, declare this Agreement to be terminated, such termination effective ten days following Southland's written notice thereof to Nassau County. All provisions of this Agreement otherwise applying to the West Nassau Landfill shall likewise be applicable to said alternate Solid Waste disposal facility to the extent reasonably practicable.

(g) In the event that Nassau County incurs additional capital or operating costs for the design, permitting, construction, operation, maintenance or closure of the West Nassau Landfill resulting from a Change in Law after the date of this Agreement, Nassau County shall be entitled to increase the Transfer Station Disposal Fee in an amount to compensate Nassau County for such increase in cost. Southland shall have the right pursuant to its Transfer Station agreement with Clay County to seek reimbursement from Clay County for any increase in the Transfer Station Disposal Fee due to a Change in Law. If Clay County refuses to reimburse Southland for such increase, Southland shall (i) notify Nassau County of such refusal and (ii) pursue available legal remedies against Clay County. If Southland is unsuccessful in requiring Clay County to pay such increase, Southland shall then have the option to terminate this Agreement at anytime thereafter.

(h) Nassau County shall maintain running records (1) as to quantities of Solid Waste delivered by Southland to the West Nassau Landfill from the Transfer Station; and (2), if Clay County is exercising its option under subparagraph (b) to pay any portion or all of the Capital Component, as to the payments owed to Nassau County by Clay County for the Capital Component arising therefrom. Nassau County shall submit monthly invoices setting forth such information as is reasonably required by Clay County, including but not limited to starting balances, debits, credits, and ending balances. Clay County shall remit payment of the Capital Component to Nassau County within forty-five days following receipt of invoice.

(i) Nassau County, for the duration of this Agreement: (1) shall have the continuing obligation, and shall take all actions necessary, to apply for, timely seek renewal of, and maintain in good standing any and all Permits, including but not limited to those

pertaining to construction, operating, stormwater, environmental matters, as may be necessary for the continuous and lawful operation of the West Nassau Landfill; and (2) shall take no actions which would adversely affect the retention of any and all Permits, including but not limited to those pertaining to construction, operating, stormwater, environmental matters, as may be necessary for the continuous and lawful operation of the West Nassau Landfill. In the event any such Permit is not in good standing Southland shall have the right to terminate this Agreement immediately upon written notice to Nassau County.

6. MISCELLANEOUS.

(a) Limitations Upon Consent. Whenever, under the terms of this Agreement, either party is called upon to give its written consent, and except as provided under subparagraph (g), such written consent will not be unreasonably withheld.

(b) Form of Consent. All consents and approvals of any kind required under this Agreement shall be in writing. Whenever under the terms of this Agreement either party is authorized to give consent, such consent may be given and shall be conclusively evidenced by a writing executed by an appropriate officer.

(c) Notices, Documents, and Consents. All notices required to be given or authorized to be given by any party pursuant to this Agreement shall be in writing and shall be deemed delivered when served personally, when deposited with the United States Postal Service for delivery by certified mail, or when deposited with nationally recognized overnight delivery service for delivery:

To Nassau County:

County Coordinator
Nassau County Courthouse
Post Office Box 1010
Fernandina Beach, Florida 32034

To Southland:

Southland Waste Systems, Inc.
Attention: President
218 Morgan Avenue
Jacksonville, Florida 32254

With a Copy to:

Director of Solid Waste Management
Rt. 1, Box 178
Callahan, Florida 32011

(d) Amendments. This Agreement may be amended from time to time only by written agreement duly authorized and executed by the parties hereto.

(e) Severability. If any provisions of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement, and this Agreement shall be enforced as if such invalid and unenforceable provision had not been contained herein.

(f) Execution of Documents. Each party agrees that it will execute any and all documents or other instruments, and take such other action as is necessary to give effect to the terms and intent of this Agreement.

(g) Assignment. Neither party may assign, transfer, or otherwise vest in any other person, any of its rights or obligations under this Agreement without the prior written consent of the other party. Except as otherwise expressly provided elsewhere in this Agreement, such consent may be withheld for any or no reason, the provisions of subparagraph (a) to the contrary notwithstanding.

(h) Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

(i) Waiver. No waiver by either party of any term or condition of this Agreement will be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, subparagraph, clause, phrase, or other provision of this Agreement. Making payments pursuant to this Agreement during the existence of a dispute shall not be deemed to and shall not constitute a waiver of any of the claims or defenses of the party making such payment.

(j) Governing Law and Venue. This Agreement shall be governed and construed under and pursuant to the laws of the State of Florida, and the United States of America. Unless the parties otherwise agree, the venue of any action or proceeding brought under the provisions of this Agreement shall be Nassau County, Florida.

(k) Confidentiality. All written materials and oral communications between either party shall be deemed public information and shall remain a matter of public record in perpetuity unless otherwise provided or allowed by law.

(l) Time is of the Essence. Time is of the essence with respect to this Agreement and each of its terms and provisions.

(m) Remedies. Each party shall have the right to seek the judicial enforcement and interpretation of this Agreement, and to avail itself of all remedies available to it arising at law or in equity for the breach of this Agreement. Remedies are mutually available, and include damages and specific performance, as appropriate.

(n) Attorneys' Fees and Costs. In the event of any action or administrative proceeding between the parties arising under this Agreement, the prevailing party will be entitled to an award of reasonable attorneys' fees and costs, including such fees and costs incurred by it in the pursuit of any appellate proceedings, regardless of whether such action or administrative proceeding is pursued before any state or federal court or agency.

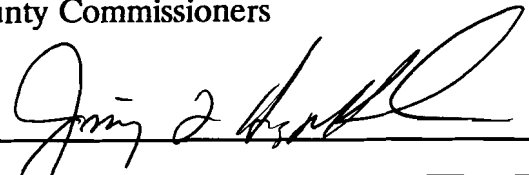
(o) Indemnification. Nassau County shall indemnify Southland fully and hold it harmless for and on account of any injuries or damages sustained or costs incurred by Nassau County or any third party, and for any and all other liability attributable to Clay County arising under the various and sundry laws, and the rules and regulations promulgated thereunder, of any federal, state, regional or local governmental entity or agency thereof pertaining to environmental protection, as a result of Nassau County's ownership or operation of the West Nassau Landfill. Such indemnification shall include to the duty on the part of Nassau County (1) to defend Southland, and to pay all attorneys' fees and costs arising from such defense, including those associated with proceedings before regulatory agencies, actions at law or equity, and appeals from decisions rendered thereunder; and (2) to undertake all actions and pay all fines, penalties, damages and costs levied which Southland otherwise is legally obligated to undertake or pay.

(p) Negligence of Southland. The provisions of subparagraph (o) shall not apply to the extent the active negligence on the part of Southland is the proximate cause of the matter(s) to which the indemnification from Nassau County to Southland provided thereunder otherwise would apply.

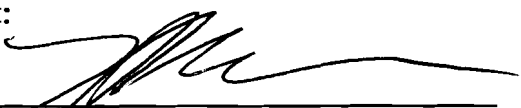
(q) Transportation Corridor. Except in an emergency, Southland will not transport Solid Waste over that portion of S.R. 200/U.S. Hwy. A1A lying between Yulee and Callahan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

NASSAU COUNTY, a political subdivision of the State of Florida, by and through its Board of County Commissioners

By: 

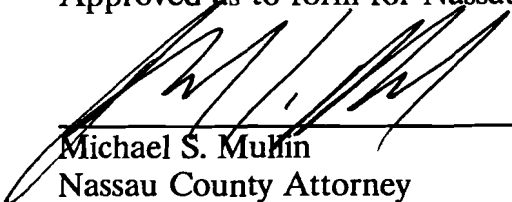
Its Chairman

Attest:


T. J. "Jerry" Greason, Clerk of the Circuit Court of Nassau County, and ex-officio Clerk of its Board of County Commissioners

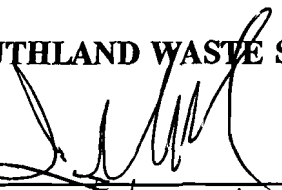
[Nassau County Seal]

Approved as to form for Nassau County:



Michael S. Mullin
Nassau County Attorney

SOUTHLAND WASTE SYSTEMS, INC.

By: 

Name: Felix A. Crawford
Title: President