

AGREEMENT FOR SOLID WASTE DISPOSAL

THIS AGREEMENT (this Agreement) is made and entered into this 15th day of May, 1996, by and between NASSAU COUNTY, a political subdivision of the State of Florida (hereinafter referred to as "The County") and Browning-Ferris Industries of Florida, Inc., a Florida Corporation (hereinafter referred to as "BFI").

BACKGROUND FACTS

Nassau County operates the West Nassau Class I Sanitary Landfill (hereinafter referred to as "The Landfill") located on U.S. Highway 1, immediately north of Callahan, Florida, Nassau County, a political subdivision of the State of Florida (hereinafter referred to as "The County"). BFI has developed and will continue to develop business arrangements with commercial, institutional, industrial, manufacturing, and other customers in the geographic area in which the West Nassau Landfill is permitted to accept Solid Waste. BFI desires to dispose of Solid Waste generated by its customers within such area in the West Nassau Landfill. Nassau County has agreed to accept and dispose of Solid Waste from sources in the Permitted Service Area of the Landfill collected and delivered by BFI.

The parties desire to enter this Agreement to provide for the disposal of Solid Waste generated in the Permitted Service Area and collected and delivered by BFI 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 herein, and for Ten Dollars and 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: 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", "Ton", with respect to weights shall mean 2,000 pounds, and one pound equals sixteen ounces, 7,000~~

~~grains or 453.59 standard metric grains.~~

- (b) "Change in Law" means any amendments to, or promulgation of any federal, state, county, city, or local statute, rule, regulation, or ordinance first becoming effective 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 at 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 permits, licenses, certificates of public convenience and necessity, approval or authorization issued by any governmental body required for Nassau County. To construct, operate, maintain or close the West Nassau Landfill, or to dispose of Solid Waste of the West Nassau Landfill, or imposes additional requirements or prohibitions upon such construction, operation, maintenance, closure or disposal.

~~provided, however, that a Change in Law shall not include any statute, rule, regulation, or ordinance enacted by Nassau County in its discretion or enacted as a result of the failure of the West Nassau Landfill to be constructed, operated, maintained, closed or monitored in accordance with applicable laws, rules regulations, and permits, or as a result of the negligence or willful acts or omissions of or violation of permits by Nassau County or its agents or contractors.~~

- (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) "Cost Substantiation" means, with respect to certain operating and capital costs or charges set forth in paragraph 5(d) for which Nassau County seeks to be compensated hereunder, the delivery to BFI of a written statement signed by an authorized representative of the Contractor.
- (1) setting forth in reasonable detail the nature and amount of such cost or charge,
 - (2) stating in substance that such cost or charge was

or will be actually paid or incurred by Nassau County as a direct result of an event giving Nassau County the right to be compensated therefor under this Agreement, and

- (3) stating in substance that such cost or charge is reasonable with regard to then existing market conditions for the equipment, materials, service, labor, commitment or other item provided.
- (e) "Department" means the Florida Department of Environmental Protection and any successor agency thereto.
- (f) "Disposal Fee" is defined in Paragraph 5(a).
- ~~(g) "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 with 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.~~
- (h) "Hazardous Waste" means hazardous waste, as defined in Section 403.703(21), Florida Statutes, or any successor statute thereto, or agency rules(s) promulgated thereunder.
- (i) "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.
- (j) "Permitted Service Area" means the geographical area, as specified from time to time under applicable law, rules,

regulations and Permits, from within which Solid Waste that is generated may be received for disposal at the West Nassau Landfill.

- (k~~j~~) "Permit Modifications" means a change or alteration to the procedural standards, performance standards or conditions of a Permit.
- (l~~k~~) "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.
- (m~~l~~) "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.
- (n~~m~~) "Solid Waste Disposal Facility" means any Solid Waste management facility as defined in Section 403.703(11) Florida Statutes permitted to be disposed in a lined Class I landfill under the rules and regulations of the Department.
- (o~~n~~) "Tons Per Day" or "TPD" means the number of tons ~~(Avoirdupois)~~ of Solid Waste delivered by BFI to the West Nassau Landfill each operating day (excluding Saturdays and Sundays) averaged over each calendar month.
- (p~~o~~) "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 not 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.
- (q~~p~~) "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 or extended as provided herein, the initial term of this Agreement shall commence on the date hereof and shall continue thereafter for a period of one hundred twenty (120) consecutive calendar months (the "Term"); provided, however, that effective at anytime after the sixtieth (60th) calendar month, BFI may terminate this Agreement by delivering to Nassau County written notice of termination no later than one (1) year prior to the effective termination date. BFI, at its option, with written consent of the county, may extend the Term for sixty (60) consecutive calendar months from and after the initial one hundred twenty (120) month term upon written notice given at least one (1) year prior to the expiration of said initial term.

3. RIGHTS AND OBLIGATIONS OF BFI

- (a) On the date the initial term of the Agreement commences and continuing, throughout the Term of this Agreement (as it may be extended), BFI shall have the right to deliver to the West Nassau Landfill, Solid Waste generated in the Permitted Service Area, up to the maximum amount set forth in paragraph 4(a) hereof.
- (b) BFI shall implement and enforce a program for preventing the deposit of regulated quantities of Hazardous Waste into its collection equipment, and for detecting any such Hazardous Waste in its equipment, in accordance with usual and customary waste collection practices.
- (c) BFI shall provide notification to its customers in the Permitted Service Area that Hazardous Waste shall not be placed in BFI's equipment and BFI shall use its reasonable business efforts to prevent the delivery by BFI of any Hazardous Waste or any waste other than Solid Waste to the West Nassau Landfill. If any Hazardous Waste or any waste not permitted is disposed or at the West Nassau Landfill that is delivered by BFI, BFI will be responsible for the clean up and removal of said waste.

4. RIGHTS AND OBLIGATIONS OF NASSAU COUNTY

- (a) Beginning on the date the Term of this Agreement commences and continuing throughout the Term of this Agreement (as it may be extended), Nassau County shall

cause to be accepted at the West Nassau Landfill for disposal therein all Solid Waste transported by BFI from generators in the Permitted Service Area, but outside Nassau County, up to three hundred twenty-five (325) TPD; provided, however, that BFI may increase such maximum subject to Nassau County's written consent. ~~Nassau County shall reserve such capacity at the West Nassau Landfill as may be required to meet this obligation.~~ No later than ~~July~~ June 1 of each year, beginning ~~July~~ June 1, 1996, BFI shall notify Nassau County of its best estimate of the quantity of Solid Waste to be delivered to the West Nassau Landfill from generators in the Permitted Service Area for the annual period beginning on the upcoming October 1.

- (b) Nassau County shall use its reasonable business efforts to prevent the disposal of Hazardous Waste or any waste other than Solid Waste at the West Nassau Landfill. As used herein, the term "reasonable business efforts" shall mean the implementation, rigorous enforcement, and continuous updating of a Waste Screening program 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.
- (c) 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 BFI 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 law or rule, or reasonably requested by BFI. BFI representatives may observe such weighing and recordation upon reasonable notice.
- (d) Nassau County shall maintain a weight record containing the weight, date, time, and vehicle identification number of each BFI vehicle that delivers waste to the West Nassau Landfill. Nassau County shall deliver copies of such weight records to BFI along with its invoice for disposal for that month, following the end of each calendar month.
- (e) In the event that the scales become inoperable so as to preclude the weighing of vehicles and Solid Waste, then Nassau County shall utilize other reasonable methods mutually agreed with BFI to estimate or determine the basis for charging the Disposal Fee for Solid Waste generated in the Permitted Service Area.

- (f) BFI shall have the right 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 Landfill necessarily reserved to BFI under the terms of this Agreement.~~

5. CONSIDERATION AND DISPOSAL FEES

- (a) The total fee (including all taxes and other charges) to be charged to BFI by Nassau County for receiving Solid Waste transported by BFI from generators in the Permitted Service Area for disposal at the West Nassau Landfill shall be as follows (the "Disposal Fee"): Twenty Nine and no/100 Dollars (\$29.00) per ton (Avoirdupois) for each calendar month during which BFI delivers at least one hundred (100) TPD, and Thirty Three and no/100 (\$33.00) per ton (Avoirdupois) for each calendar month during which BFI delivers less than (100) TPD. For the first 2800 tons per month the fee shall be Twenty Nine and no/100 Dollars (\$29.00) per ton per month and Thirty One and no/100 Dollars (\$31.00) per ton for all additional tons over 2800 received during the month. If 10,000 tons per year or less are delivered to the West Nassau Landfill, the disposal fee shall be the gate rate or Thirty Eight Dollars (\$38.00) per ton, whichever is less. One Dollar (\$1.00) of said disposal fee as provided in paragraph 5(a) hereof shall be considered to be a host fee to Nassau County. The amounts of the above described disposal fees have been established based on the expected annual volume of Solid Waste to be delivered by BFI from sources in the Permitted Service Area. The Disposal Fee shall not be increased even if BFI fails to deliver to the West Nassau Landfill the expected annual volume of Solid Waste, except as expressly provided in paragraph 5(a) hereof.
- (b) On October 1, 1997, October 1, 1998, and October 1, 1999, the 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") for the twelve months ended on the immediately preceding August 31; provided, however, no annual

adjustment shall exceed five percent (5%). After October 1, 1999, any increase in the Disposal Fee (except as set forth in paragraph 5(d) with respect to a Change in Law) shall be subject to mutual agreement based upon market conditions.

- (c) BFI shall deposit or issue to the County an irrevocable Letter of Credit drawn on a bank chartered by the State of Florida which shall equal three months' established disposal fee. Payment of the Disposal Fee shall be made within thirty (30) days after BFI receives an invoice from Nassau County. Following the delivery of written notice to BFI that BFI is thirty (30) days delinquent in paying the Disposal Fee, Nassau County may refuse to receive Solid Waste transported by BFI to the West Nassau Landfill for disposal until the delinquent Disposal Fee has been paid in full.
- (d) In the event that Nassau County incurs additional capital or operating costs for the design, permitting, construction, operating, maintenance or closure of the West Nassau Landfill directly resulting from a Change in Law, Nassau County shall be entitled to proportionately (based on BFI's tonnage in relation to all tonnage) increase the Disposal Fee in an amount to compensate Nassau County for such increase in cost; provided, however, that Nassau County shall not be entitled to increase the Disposal Fee unless, within thirty (30) days after the Change in Law in question and at least thirty (30) days prior to the effective date of such increase, Nassau County gives BFI, in writing, notice and a description of such Change in Law, a detailed explanation of the impact of the Change in Law upon Nassau County's operating and capital costs, and providing Cost Substantiation of such increased costs. BFI shall have the right to seek reimbursement from its customers for any increase in the Disposal Fee due to a Change in Law. ~~If BFI is unsuccessful in requiring a sufficient number of customers (as determined by BFI in its sole description) to pay such increase, BFI shall then have the option to terminate this Agreement at anytime thereafter.~~
- (e) Nassau County, for the duration of this Agreement: (i) shall have the continuing obligation, and shall take all actions necessary, and diligently, 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 (ii) shall take no actions which would

adversely affect the receipt and retention of any and all Permits, or cause adverse modification thereof, 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, BFI shall have the right to terminate this Agreement immediately upon written notice to Nassau County. Nassau County represents and warrants to BFI, which warranty and representation shall survive any termination of this Agreement, that Nassau County currently has all Permits necessary for operation of the West Nassau Landfill and the receipt for disposal thereof of all Solid Waste which may be delivered thereto by BFI under this Agreement.

- (f) BFI shall not be entitled to deliver to the West Nassau Landfill Solid Waste generated in any county except those counties within the Permitted Service Area. IF BFI desires to deliver Solid Waste generated in a county other than a county in the Permitted Service Area, BFI shall cooperate with and assist Nassau County in obtaining such modifications. BFI shall pay the out-of-pocket expenses (including reasonable Consultant's fees) incurred by Nassau County in obtaining such modifications.

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, as follows:

- (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 which 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.

To Nassau County: Walter D. Gossett
County Coordinator
Post Office Box 1010
Fernandina Beach, FL 32034

With a Copy to: Robert P. McIntyre
Solid Waste Director
Route 1, Box 178
Callahan, FL 32011

To BFI: Wally Hall, District Manager
Post Office Box 16966 (32245)
7580 Phillips Highway
Jacksonville, FL 32256

With a Copy to: Post Office Box 3151 (77253)
757 N. Eldridge
Houston, TX 77079
Attention: Secretary


- (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 BFI 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, 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, or otherwise, as a result of Nassau County's design, construction, ownership or operation, closure, or monitoring and maintenance of the West Nassau Landfill including, without limitation, all claims for removal or remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (also known as "Superfund") and comparable state law, and all toxic tort claims. Such indemnification shall include to the duty on the part of Nassau County (i) to defend BFI, and to pay all attorneys' and consultant's 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 (ii) to undertake all actions and pay all fines, penalties, damages and costs levied which BFI otherwise is legally obligated to undertake or pay.

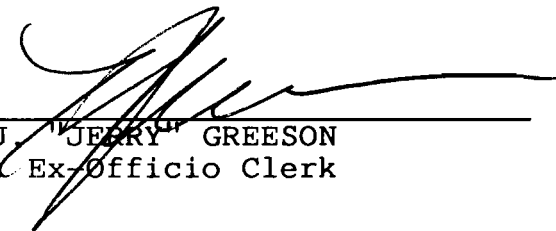
- (p) Negligence of BFI. The provisions of Subparagraph (o) shall not apply to the extent the active negligence on the part of BFI is the proximate cause of the matter(s) to which the indemnification from Nassau County to BFI provided thereunder otherwise would apply.
- (q) Transportation Corridor. Except in an emergency, BFI will not transport Solid Waste over that portion of S.R. 200/U.S. Hwy. A1A lying between Yulee and Callahan or over that portion of S.R. 115 lying between the City of Jacksonville and Callahan.
- (r) Memorandum. The obligations of Nassau County under this Agreement shall be binding upon all its permitted successors and assigns and shall be a burden upon and shall run with the land upon which the West Nassau Landfill is situated, and upon request by BFI, Nassau County shall execute a short form memorandum of this Agreement and the respective rights and obligations of the parties hereto for filing among the property records in Nassau County.

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: JIM B. HIGGINBOTHAM
Its: Chairman

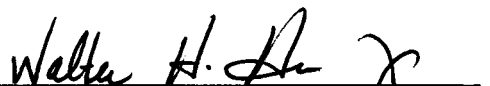
Attest:


T. J. "JERRY" GREESON
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:


MICHAEL S. MULLIN

BROWNING-FERRIS INDUSTRIES OF
FLORIDA, INC.

BY: 
Name: Walter H. Boone Jr.
Title: V.P. of BFB of Fla. Inc.



NASSAU COUNTY
BOARD OF COUNTY COMMISSIONERS
P. O. Box 1010
Fernandina Beach, Florida 32035-1010

Nick Deonas
David C. Howard
Pete Cooper
Floyd L. Vanzant
Marianne Marshall

Dist. No. 1 Fernandina Beach
Dist. No. 2 Fernandina Beach
Dist. No. 3 Yulee
Dist. No. 4 Hilliard
Dist. No. 5 Callahan

May 2, 2000

JOSEPH M. "Chip" OXLEY, JR.
Ex-Officio Clerk

MICHAEL S. MULLIN
County Attorney

WALTER D. GOSSETT
County Coordinator

Mr. Walt Ritter
General Manager
Jacksonville Division
BFI
Post Office Box 16966
Jacksonville, FL 32245

Dear Mr. Ritter:

Pursuant to your letter dated April 7, 2000, the Board of County Commissioners has approved your request to submit a legally binding performance bond in place of a letter of credit for guaranteeing payment of the disposal fees.

Please provide the necessary documents to my office as soon as possible for review by the County Attorney.

Thank you for your assistance in this matter, and if you require additional assistance, please do not hesitate to contact me.

Sincerely yours,

J. M. "Chip" Oxley, Jr.
Ex-Officio Clerk

JMO:jb

CC: Michael S. Mullin, County Attorney
Walter D. Gossett, County Coordinator

4. Consideration of request by BFI Waste Systems for
Board to accept a performance bond guaranteeing
payment of the disposal fees in place of letter of credit
from bank.

Agenda Request For: April 24,2000

Department: Solid Waste

Fund: Solid Waste Enterprise Fund

Action requested and recommendation:

Consideration of request by BFI Waste Systems for Board to accept a performance bond -
guaranteeing payment of the disposal fees in place of letter of credit from bank.

Funding Source: N/A

**Financial/Economic Impact to Future Years Budgeting Process or Effect on
Citizens:**

Should not have any, if performance bond is properly executed.

Is this action consistent with the Nassau County Comprehensive Land Use Plan?

Yes

Reviewed by:

Legal

Finance

Coordinator



April 7, 2000

Mr. J.M. Oxley, Jr.
Clerk of Courts
Nassau County
P.O. Box 456
Fernandina Beach, FL 32035

Dear Mr. Oxley:

BFI Waste Systems is greatly appreciative of the opportunity to service Nassau County landfill for disposal. Over the years we have developed a strong working relationship with the County and look forward to continuing it well into the future.

In our solid waste disposal agreement, the County requires that our company provide a letter of credit for an amount equivalent to three months' disposal fees. BFI respectfully requests that the County consider accepting a legally binding performance bond in place of a letter of credit. The performance bond serves the same purpose as a bank's letter of credit by guaranteeing payment of the disposal fees; however, it is significantly easier to obtain, costs less, and is the solid waste industry standard for guaranteeing bids and contracts.

I have enclosed a copy of an existing performance bond for solid waste disposal for your review. I am hopeful that the County can look favorably upon this request and provide me with a decision in the near future. Please let me know if you need any additional information. I can be reached at (904) 731-0177 ext. 7159. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Walt Ritter".

Walt Ritter
General Manager
Jacksonville Division

Cc: Bruce Roy, District Controller

Jacksonville • 7580 Phillips Highway • P.O. Box 16966 (32245) • Jacksonville, Florida 32256 • Phone 904-731-3440
www.bfi.com

PERFORMANCE BOND

Bond No. 929132704

KNOW ALL MEN BY THESE PRESENTS: That we, BFI Waste Systems of North America, Inc.

7580 Philips Highway

Jacksonville

FL

32256

as Principal, and the National Fire Insurance Company of Hartford, a
CT corporation, as Surety, subject to the Conditions, Limitations and Exclusions of this Performance
Bond, are firmly bound unto City of Jacksonville

515 N. Laura Street, 6th Floor Jacksonville FL 32202, hereinafter referred to as the Oblige, for such monetary amount as incurred by the Oblige, not to exceed the penal sum of

Seven Hundred Eighty Thousand Dollars (\$780,000.00),

as may be required to remedy any contractual default by the Principal in the performance of that certain written contract between Principal and Oblige dated _____ for Ability to Perform the Disposal Operations at the Jones Road Landfill

hereinafter referred to as the Contract; for the payment hereof, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally.

CONDITIONS

The obligation of this Performance Bond shall be null and void unless: (1) the above Contract is in writing, and has been fully executed by both the Principal and the Oblige; (2) the Principal is actually in default under the above Contract, and is declared by the Oblige thereafter to be in default; (3) the Oblige has performed all of the obligations of the Oblige under the above Contract; and (4) the Oblige has provided written notice of the default to the Surety as promptly as possible, and in any event, within ten (10) days after such default.

LIMITATIONS AND EXCLUSIONS

The Surety, as the sole election and discretion of the Surety, may take any of the following actions:

- (1) With notice to the Oblige, provide financial assistance to the Principal to remedy any contractual default by the Principal; or,
- (2) Undertake the completion of the above Contract by the Surety, through its agents or through independent contractors; or,
- (3) Determine the amount for which the Surety may be liable to the Oblige, and as soon as a practicable thereafter, tender payment thereof to the Oblige; or,
- (4) Pay the full amount of the above penal sum in complete discharge and exoneration of this Performance Bond, and of all liabilities of the Surety relating thereto.

If the Surety so elects to act, all payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

COPY

The obligation of this Performance Bond Shall not include liability for loss, cost, damage, fines, penalties or expense (including attorney's fees) from personal injury (including death), or from property damage (including environmental impairment or cleanup), or from any criminal or tortious act arising out of the performance, default or completion of the above Contract, nor shall the Surety obligated to provide or maintain any policy or undertaking of liability insurance

This bond is for a one year term beginning January 1, 2000. In the event of default by the Principal in the performance of the contract during the term of this bond, the Surety shall be liable only for the direct loss to the Obligee due to actual excess costs of performance of the contract up to the termination of this term of this bond. No suit shall be brought on this bond after one year following its termination. Neither non-renewal by the Surety, nor failure or inability of the Principal to file a replacement bond, shall constitute loss of the Obligee recoverable under this bond. The bond may be extended for additional terms at the option of the Surety, by continuation certificate executed by the Surety.

The Obligation of this Performance bond inures solely to the benefit of the obligee. No right of action shall accrue under this Performance Bond to or for the use of any person, firm, corporation, public or private entity other than the obligee. In the event that the Obligee is comprised of more than one person, firm corporation, public or private entity, the conditions, limitations and exclusions of this Performance Bond shall apply jointly and severally to each and all constituents of the Obligee, and the aggregate liability of the Surety to the Obligee shall in no event exceed the above penal sum.

The consent of the Surety shall be required with regard to any changes or alterations in the above Contract including, but not limited to, where the cost thereof, added to prior changes or alterations, causes the aggregate cost of all changes and alterations to exceed 10 percent of the original contract price, or where the completion thereof is extended by more than 90 days.

No right of action shall accrue under this Performance bond unless demand is brought by suit, action or other legal proceeding commenced against the Surety within one year after the day that the Principal last performed labor or supplied material for the above Contract. Any and all claims and causes of action (including warranty requirement or the remedy of latent defects) not so commenced shall be deemed extinguished and forever barred from action under this Performance Bond.

In the event of conflict or inconsistency between the provisions of this Performance Bond and the provisions of the above Contract, the provisions of this Performance Bond shall control, or the obligation of the surety be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Performance Bond.

BFI Waste Systems of North America, Inc.

By: 

Justine Handzel

Power of Attorney

Principal

National Fire Insurance Company of Hartford

By: 

Kathleen A. Weaver

Attorney-in-fact

1411 Opus Place
Downers Grove, IL 60515

COPY

ADDENDUM TO
AGREEMENT FOR SOLID WASTE DISPOSAL

THIS AMENDMENT TO AGREEMENT is entered into this 14th day of May, 2003, by and between NASSAU COUNTY, a political subdivision of the State of Florida (hereinafter referred to as "The County"), and BFI Nassau, a Florida Corporation (hereinafter referred to as "BFI").

WHEREAS, BFI has requested that the fee charged by the county for sludge be the same as the fee presently being charged the City of Fernandina Beach; and

WHEREAS, the county finds that BFI should be charged the same fee.

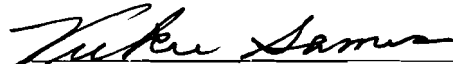
NOW, THEREFORE in the consideration of the premises and mutual covenants herein, and for Ten Dollars and other good and valuable consideration, the receipt of which and the adequacy of which are mutually acknowledged, with each party accordingly waiving any challenge to the sufficiency of such consideration,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

1. BFI shall pay \$28.57 per ton for sludge received at the West Nassau Landfill.
2. BFI guarantees that they will deliver a maximum of 300 tons per month to the county landfill.
3. Sludge, pursuant to Ordinance No. 91-17, is considered a special waste and is defined as follows: Any wastes that require extraordinary management. They include, but are not limited to, abandoned automobiles, inoperative and discarded refrigerators, ranges, washers, water heaters, and other similar domestic and commercial appliances, used tires, waste oil, sludges, dead animals, septic tank pumpings.
4. Sludge will be inspected by the county and the county has a right to refuse the sludge based upon inspection.
5. The term of this contract shall be one year commencing May 15, 2003 and either party may renew the contract upon written consider of both parties.

6. All other terms and conditions of the contract entered into on the 15th day of May, 1996 shall remain in full force and effect.

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

BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA



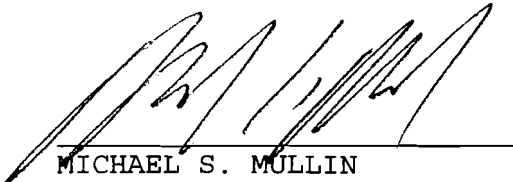
VICKIE SAMUS
Its: Chairman

ATTEST:



J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk

Approved as to form by the
Nassau County Attorney:



MICHAEL S. MULLIN

BFI NASSAU

By: 

Name: Sidney Thomas
Its: General Manager



NOTICE OF BOND
CANCELLATION

SAFECO Insurance Company
PO Box 34526
Seattle, WA 98124-1526

CC: BFI WASTE SYSTEMS OF NORTH AMERICA, INC.
MARSH USA INC 37-7063

(OBLIGEE'S NAME/ADDRESS)

TO: NASSAU COUNTY BOARD OF COMMISSIONERS
PO BOX 1010
FERNANDINA FL 32035

You are hereby notified that **SAFECO INSURANCE COMPANY OF AMERICA** Surety upon

Type of Bond: **FINANCIAL GUARANTEE BOND.**

Bond No. 6196056

date effective 05/14/2003
(MONTH, DAY, YEAR)

on behalf of (PRINCIPAL'S NAME/ADDRESS)

BFI WASTE SYSTEMS OF NORTH AMERICA, INC.
7580 PHILLIPS HIGHWAY
JACKSONVILLE FL 32256

desires to cancel and does hereby cancel said bond in accordance with the cancellation provisions contained therein or in applicable laws or regulations. This notice is

mailed to you on 5-27-04
(MONTH, DAY, YEAR)

and is effective 30 days from receipt of notice

SAFECO INSURANCE COMPANY OF AMERICA

By: Sammie Carriger
Sammie Carriger (ATTORNEY-IN-FACT)

Cancellation Acknowledged: (PLEASE SIGN, PRINT NAME, TITLE, AND RETURN THE DUPLICATE OF THIS NOTICE)

By: J. M. "Chip" Oxley, Jr.

Ex-Officio Clerk
(TITLE)

Dated: 06/11/04
(MONTH, DAY, YEAR)

[Signature]
(SIGN)



CANCEL REASON: CANCEL-PER AGENT REQUEST