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January 30, 2015

City of Sunrise
City of Weston
City of Hollywood
City of Fort Lauderdale
City of Lauderhill
Town of Lauderdale-By-The-Sea
City of Lighthouse Point
City of Tamarac
Town of Davie

City of Plantation
City of Coconut Creek
City of Deerfield Beach
City of Miramar
City of Margate
City of Cooper City
City of North Lauderdale
City of Coral Springs
Town of Southwest Ranches

Re: RRB Asset Litigation – Proposed Settlement Agreement

Dear Plaintiff Municipalities:

Our Firm has had the honor of representing you in the RRB Asset Litigation with Broward County (the "County"). We recently concluded negotiating the enclosed proposed Settlement Agreement with the County. This letter provides a brief summary of the Litigation process that led to the proposed Settlement Agreement with the County, the material terms of the proposed Settlement Agreement and the material terms of the Settlement Proceeds Distribution Agreement among the Settling Municipalities that provides for the pro rata allocation of expenses and pro rata distribution of funds received from the County pursuant to the proposed Settlement Agreement.

History of ILA and Litigation

The Plaintiff Municipalities were parties to the November 1986 Interlocal Agreement with the County for Solid Waste Disposal Service, as amended (the "ILA"). The ILA provided for the creation of the Broward Solid Waste Disposal District (the "District") and required the participating governmental entities to send the solid waste generated within their boundaries to be transported, delivered and disposed of at designated District waste disposal facilities. Section 15.2 of the ILA provided for the equitable distribution of the assets and liabilities of the District to the participating governmental entities and the County upon the expiration of the ILA. The ILA expired on July 2, 2013. The participating governmental entities and the County disagreed as to the identification and distribution of the assets and liabilities of the District. On June 28, 2013, the Plaintiff Municipalities filed a lawsuit against the County in the litigation styled *City of Sunrise et. al. v Broward County*, 17th Judicial Circuit Court Case No. CACE-013-015660 (the "Litigation"), which sought a declaration regarding the assets and liabilities subject to equitable distribution.

On January 17, 2014, the parties to the Litigation held a joint public meeting of elected officials pursuant to Chapter 164, Fla. Stat., and agreed to proceed with mediation. The Plaintiff Municipalities and the County participated in the mediation process and initially reached an impasse. Thereafter, representatives of the parties to the Litigation entered into negotiations regarding the terms of a possible settlement. The negotiations resulted in the enclosed drafted Settlement Agreement.

Settlement Agreement Terms and Conditions

A. Cash

The County shall pay \$32 million, less the deductions below, (\$32 million minus the deductions stated below is the "Cash Amount") to the ILA communities. The Cash Amount shall be deposited into a Trust Account within 30 days of the Effective Date of the Settlement Agreement and distributed to the Settling Municipalities with pro-rata allocation of distributions and expenses based on 2012 tonnage.

- i. *Unincorporated Area Deduction:* 1.2871% (\$411,872) will be retained by the County based on 2012 tonnage delivered from the unincorporated areas.
- ii. *Non-Settling ILA Municipality Deduction:* It is anticipated that all ILA municipalities will approve and execute the Settlement Agreement. For any ILA municipality that does not, their pro rata share of the Cash Amount, based on the 2012 tonnage, shall be deducted and retained by the County.

B. Properties

1. *BIC Landfill* – The Plaintiff Municipalities made a policy decision to permit the County to retain the BIC for the benefit of residents of the County. The County agrees not to sell the BIC within 10 years of the Effective Date (sale includes a lease of 50% of BIC for period in excess of 30 years), unless prior written consent is given by each and every Settling Municipality.

2. *Alpha 250* – County shall remove the recent deed restriction within 45 days of the Effective Date and sell Alpha 250 to the highest responsive and responsible bidder under a competitive bid process to commence within 60 days of the Effective Date (with input from the 5 mayors on solicitation specifications).
 - i. Net Alpha 250 sale proceeds shall be distributed pro-rata (minus County's 1.2871% share) to the Settling Municipalities based on 2012 tonnage.
 - ii. County performed two appraisals of Alpha 250 - \$6.25 & \$6.5 million
 - iii. A majority of the Mayors of Fort Lauderdale, Hollywood, Miramar, Sunrise and Weston can object if the highest bid in first sale is deemed too low, in which case the County shall conduct a second sale 12 to 18 months thereafter.
 - iv. *County Right of First Refusal*: County may choose to retain the Alpha 250 property by paying the Settling Municipalities the net proceeds they would have received if sold to highest bidder, unless the 5 Mayors reject the highest bid in the first sale.
3. *Ash Monofill* – County retains the Ash Monofill.
4. *Mitigation Properties* - County retains Mitigation Properties.

C. Liabilities Related to Use of the Ash Monofill and BIC Landfill.

Any and all liabilities resulting from, related to, or in connection with the past, present, or future use of the Ash Monofill or BIC Landfill by any party to the Settlement Agreement shall be determined pursuant to applicable federal and state laws and regulations, without regard to any provision in any prior agreement between the County and that party (including the ILA).

D. Release and Dismissal.

Mutual full release for claims resulting from or arising out of the ILA (except with regard to any claim for contribution or similar claim based on any environmental contamination).

Settlement Approval Process

- A. The Settlement Agreement is being presented for approval at public Commission meetings held by Fort Lauderdale, Hollywood, Miramar, Sunrise and Weston. These five cities shall vote on the Agreement by March 20, 2015 (or no later than the first City Commission public meeting thereafter if a delay is necessary due to a City Commission recess).

- B. If approved by all five cities, the County Commission shall vote on the Settlement Agreement at a public meeting held within 30 days after formal approval of the Settlement Agreement by the last of these five cities (or no later than the first County Commission public meeting thereafter if a delay is necessary due to a County Commission recess).
- C. If approved by the Broward County Commission, the Settlement Agreement shall then be presented for approval at public Commission/Council meetings at each of the ILA Municipalities currently participating in the litigation or otherwise wishing to consider joining this Agreement.
- D. To be effective, the Settlement Agreement must be approved and executed by all Plaintiff Municipalities and the County within 120 days after formal approval of the Settlement Agreement by the County Commission. If fewer than all approve and execute, the County may waive this condition in writing within 30 days after such 120 day period, in which event the County shall retain the pro rata distributions that would otherwise have been provided to the Plaintiff municipality(ies) that did not approve and execute this Agreement.
- E. *Effective Date:* The date of the last approval and execution by a Plaintiff municipality, or, if not all Plaintiff Municipalities approve and execute, the date on which the County waives the condition in writing, is the "Effective Date" of this Agreement.

Settlement Proceeds Distribution Agreement

A. Cash Amount.

Within 30 days after the County deposits the Cash Amount into the Trust Account, each Settling Municipality shall receive a distribution from the Trust Account (each is a "Settlement Payment") equal to each Settling Municipality's pro rata share allocation of the Cash Amount deposited, based on the 2012 Tonnage Schedule, minus each Settling Municipality's pro rata share of the costs and expenses below, based on the 2012 Tonnage Schedule, plus a credit to a Settling Municipality for all of such costs and expenses previously paid by it:

1. \$119,736.08, which shall be paid to the City of Fort Lauderdale for the services of its internal auditor provided to, and approved by, the governing board of the District (the "RRB") but never paid by the County;
2. \$14,104.00, which shall be paid to plaintiffs' counsel for the legal analysis provided to, and approved by, the RRB but never paid by the County;

Plaintiff Municipalities

January 30, 2015

Page 5 of 5

3. \$294,955.69, which has been paid or is due from the Plaintiff Municipalities for litigation expenses, including attorneys' fees, expert fees and costs to be reimbursed to the Plaintiff Municipalities; and

4. \$75,000.00 to plaintiffs' counsel to be held in the Trust Account to be used to pay for attorneys' fees and costs incurred after December 31, 2014, including those related to passage and implementation of the Settlement Agreement, and to ensure compliance in the future. Any funds remaining from the \$75,000.00 held in the Trust Account after the Alpha 250 sale shall be distributed pro rata to the Settling Municipalities based upon 2012 tonnage (and if there are insufficient funds they will be deducted from the Alpha 250 sales proceeds prior to distribution).

B. Alpha 250 Property Sale Proceeds.

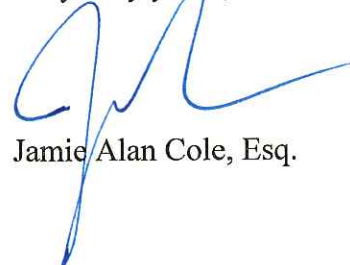
Within 30 days after the County deposits the net Alpha 250 sales proceeds into the Trust Account (the "Alpha 250 Sales Proceeds"), each Settling Municipality shall receive a distribution from the Trust Account equal to each Settling Municipality's pro rata share allocation of the deposited Alpha 250 Sales Proceeds (minus unpaid expenses, if any) based on the 2012 Tonnage Schedule.

C. Conditions Precedent.

To be effective, the Settlement Proceeds Distribution Agreement is subject to (i) the Settlement Agreement becoming effective, and (b) the Settlement Proceeds Distribution Agreement being approved and executed by all of the Plaintiff Municipalities.

It has been a pleasure representing you in this matter. If you have any questions or concerns, please give us a call.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J. Alan Cole", with a long horizontal flourish extending to the right.

Jamie Alan Cole, Esq.