

# **EXHIBIT A**

**AFFIDAVIT OF BRIAN BALES**

**Pursuant to Paragraph X(A). of the Proposed Final Judgment  
in Republic-Allied Merger: DOJ File No. 60-562111-0007**

**State of Florida**                    )  
  )  
**County of Broward**                )           **ss:**

I, Brian Bales, hereby do swear and affirm as follows:

1. Pursuant to Paragraph X(A) of the Proposed Final Judgment (“PFJ”) on behalf of Republic Services, Inc., Republic details the contacts it has had with parties inquiring about the Divestiture Assets and the dissemination of information to interested parties.

2. I am the Vice President of Corporate Development for Republic Services, Inc. (“Republic”) and Allied Waste Industries, Inc. (“Allied”).

3. I am an officer of Republic and I have actual authority to make this affidavit on behalf of defendants in the above-captioned matter.

4. I adopt the definitions of terms as they are set forth in the PFJ in making this affidavit.

5. Republic has engaged Merrill Lynch to manage communications with persons interested in the Divestiture Assets for the Company. The Merrill Lynch team is comprised of Justin McGrory, Mark Carano, Barret Rea and Nareg DerManuelian.

6. As part of its responsibilities, the Merrill Lynch team is sending out initial materials on each of the five areas and the bundle of ten areas to prospective bidders who have signed a Confidentiality Agreement. These materials (“initial materials”) have been provided to the Department of Justice Antitrust Division and are overviews of the Divestiture Assets.

7. The following is a list of persons who, during the last thirty (30) calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any of the Divestiture Assets and the detail about each contact with that person:

- a. Name: David Lasenky (Accurate Recycling Corporation)  
Address: 508 East Baltimore Pike, Lansdowne, PA 19050  
Telephone: 610-637-7160

Mr. Lasenky and Mr. Barret Rea had a telephone conversation on December 8, 2008 during which Mr. Lasenky expressed interest in the Philadelphia assets. Mr. Rea sent a Confidentiality Agreement on December 9, 2008, and Mr. Lasenky returned an executed copy on December 10, 2008. Mr. Rea sent materials about the Philadelphia assets on December 12, 2008. Mr. Lasenky and Mr. Rea had a telephone call on

December 18, 2008 where Mr. Lasenky stated that a substantial amount of the waste in the Philadelphia transfer stations that are part of the Divestiture Assets flow from his hauling operations. Mr. Lasenky submitted a bid for the 58th St. asset only and indicated to Mr. McGrory that he was not interested in Girard Point on December 19, 2008.

- b. Name: Charlie Appleby (Advanced Disposal Services)  
Address: 7915 Baymeadows Way, Suite 300, Jacksonville, FL 32205  
Telephone Number: 904-737-7900

Mr. Appleby and Mr. Mark Carano had a telephone conversation on December 8, 2008 where Mr. Appleby expressed interest in the Divestiture Assets in Atlanta and Ft. Worth and that he was possibly interested in Greenville-Spartanburg and Charlotte if they were separately available. Mr. Carano sent Mr. Appleby a Confidentiality Agreement on December 8, 2008 and Mr. Carano returned an executed copy the same day. Mr. Carano sent materials regarding Atlanta and Fort Worth on December 12, 2008. Mr. Carano made a follow-up telephone call to Mr. Appleby regarding his potential bid on December 19, 2008.

- c. Name: Louie Pelligrini (Alameda County)  
Address: 339 Bonair Siding Road, Stanford, CA 94305  
Telephone Number: 650-321-4236

Mr. DerManuelian had a telephone call with Mr. Pelligrini on December 9, 2008, during which time Mr. Pelligrini expressed interest in the Bay Area Divestiture Assets. Mr. DerManuelian sent Mr. Pelligrini a Confidentiality Agreement on December 9, 2008 and Mr. Pelligrini returned an executed copy on December 11, 2008. Mr. DerManuelian sent materials regarding the Bay Area on December 12, 2008. Mr. DerManuelian left Mr. Pelligrini a voicemail message regarding his willingness to bid on the assets on December 19, 2008.

- d. Name: Kyle Bevis (Allegiance Sanitation)  
Address: 7075 Calvaletti Circle, Cumming, GA 30040  
Telephone Number: 404-414-9837

Mr. Bevis and Mr. DerManuelian had a telephone conference on December 10, 2008 where Mr. Bevis expressed interest in the Atlanta Divestiture Assets. Mr. DerManuelian sent Mr. Bevis a Confidentiality Agreement on December 10, 2008.

- e. Name: Dan Batts (Bestway Disposal/Landfill Mgmt)  
Address: 2314 Miller Road, Kalamazoo, MI 49001  
Telephone Number: 269-207-4824

Mr. Batts telephoned and spoke to Mr. DerManuelian on December 15, 2008 and expressed interest in Northwest Indiana Divestiture Assets if they are divested separately from other areas.

- f. Name: Tom Cowee (BFI Canada)  
Address: 135 Queens Plate Drive, Suite 300, Toronto, Ontario, M9W 6V1, Canada  
Telephone Number: 817-632-4005

Mr. Carano and Mr. Cowee had a telephone call on December 10, 2008 where Mr. Cowee expressed interest in Divestiture Assets in Philadelphia, Cleveland, Fort Worth and Atlanta. Mr. Carano sent Mr. Cowee a Confidentiality Agreement on December 10, 2008, which Mr. Cowee returned executed on December 12, 2008. Mr. Carano sent materials regarding those markets on December 12, 2008. Jeff Peckham informed Mr. McGrory on December 19, 2008, that BFI Canada would bid on the Philadelphia assets and Fort Worth assets exclusively.

- g. Name: Brett Tate (B & G Services, LLC/Heritage Inc. JV)  
Address: P.O. Box 1822, Alexandria, VA 22314  
Telephone Number: 301-651-3780

Ms. Camelia Lazard, an attorney for B&G, expressed an interest in the Atlanta assets. Mr. Rea sent Mr. Tate a Confidentiality Agreement on December 17, 2008, which Mr. Tate returned executed on December 18, 2008. Mr. Rea sent materials relating to the Atlanta assets on December 18, 2008.

- h. Name: Steve Racoosin (Biogold Fuels Corporation)  
Address: 1800 Century Park East, Suite 600, Los Angeles, CA 90067  
Telephone Number: 951-500-9469

Mr. Rea and Mr. Racoosin had a telephone conversation on December 8, 2008 where Mr. Racoosin expressed an interest in the Philadelphia, Cleveland, Atlanta, Fort Worth and Bay Area Divestiture Assets. Mr. Rea sent Mr. Racoosin a Confidentiality Agreement on December 9, 2008. Mr. Racoosin executed and returned the Confidentiality Agreement on December 10, 2008. On the same day, Mr. Racoosin called Mr. Rea to inquire about whether Merrill Lynch could provide financing for any purchase of Divestiture Assets. Mr. Rea responded that Merrill Lynch is not able to provide financing for any Acquirers. Mr. Rea sent teaser materials for Philadelphia, Cleveland, Atlanta, Ft. Worth and the Bay Area on December 12, 2008. Biogold Fuels indicated on December 19, 2008, that it would submit a bid, but did not specify whether the bid would be for all assets or sub-set of the assets.

- i. Name: Bill Dietrich (Bobcat Disposal)  
Address: 7247 Delainey Court, Sarasota, FL 34240  
Telephone Number: 941-704-6103

Mr. Dietrich and Mr. DerManuelian had a telephone call on December 9, 2008 where Mr. Dietrich expressed interest in the Atlanta, Ft. Worth, Lubbock and Houston Divestiture Assets. Mr. DerManuelian sent Mr. Dietrich a Confidentiality Agreement on December 9, 2008, which he returned executed on the same day. Mr. DerManuelian sent materials regarding Atlanta and Fort Worth on December 12, 2008. Mr. Dietrich indicated to Mr. McGrory on December 19, 2008, that he would bid for the Atlanta assets only, but would be willing to bid for the Ft. Worth assets in March 2009.

- j. Name: Bill Nolte (Capital Waste Systems)  
Address: 1551 Perry Blvd., NW, Atlanta, GA 30318  
Telephone Number: 770-663-4885

Mr. DerManuelian sent Mr. Nolte an electronic mail ("e-mail") message inquiring about interest to Mr. Nolte on December 15, 2008. Mr. Nolte replied by e-mail on December 18, 2008, indicating possible interest in the Atlanta Divestiture Assets.

- k. Name: Carol McLeod  
Address: N/A  
Telephone Number: 704-975-5996

On December 15, 2008, Ms. McLeod expressed interest in the Charlotte Divestiture Assets if the bundle is split up.

- l. Name: Ned Coletta (Casella Waste Systems)  
Address: 25 Greens Hill Lane, Rutland, VT 05701  
Telephone Number: 802-775-0325

Mr. Carano and Mr. Coletta had a telephone call on December 8, 2008, where Mr. Coletta expressed possible interest in the Philadelphia Divestiture Assets. Mr. Carano sent Mr. Coletta a Confidentiality Agreement on December 10, 2008. On December 19, 2008, Mr. Coletta informed Mr. Carano that Casella would not bid on any of the assets.

- m. Name: Chrin Landfill  
Address: 635 Industrial Drive, Easton, PA 18042  
Telephone Number: 610-258-4884

Mr. Rea telephoned and left a message with Mr. Chrin's assistant to inquire about any possible interest in the Philadelphia Divestiture Assets. On December 19, 2008, Mr. Rea spoke with Mr. Chrin who informed him that Chrin was not interested in bidding on any of the assets.

- n. Name: William Massa (Clean Earth Inc.)  
Address: 334 South Warminster Road, Hatboro, PA 19040  
Telephone Number: 315-879-7312

Mr. Sittig communicated interest in the Philadelphia Divestiture Assets on December 12, 2008. Mr. Carano sent Mr. Massa a Confidentiality Agreement on December 12, 2008 that Mr. Massa returned executed on December 16, 2008. Mr. Carano sent materials about Philadelphia on December 16, 2008. On December 18, 2008, Mr. Massa sent an e-mail to Mr. Rea indicating that Clean Earth will not bid.

- o. Name: Kyle Kinsel (Coastal Crushed Concrete L.L.C.)  
Address: 9026 Lambright Road, Houston, TX 77075  
Telephone Number: 713-941-3232

Mr. Kinsel expressed interest in the Ft. Worth divestiture assets on December 18, 2008. Mr. Carano sent Mr. Kinsel a Confidentiality Agreement on December 18, 2008.

- p. Name: Stephen Maguin (County Sanitation Districts of Los Angeles County)  
Address: P.O. Box 4998, Whittier, CA 90607  
Telephone Number: 562-699-7411 ext. 1503

Mr. Maguin expressed interest in the Los Angeles assets on December 10, 2008. Mr. Carano sent a Confidentiality Agreement on December 10, 2008 and Mr. Maguin returned a signed copy on December 17, 2008. Mr. Carano sent materials relating to the Los Angeles assets on December 17, 2008.

- q. Name: Deepak Gupta (Covanta Energy)  
Address: 40 Lane road, Fairfield, NJ 07007  
Telephone Number: 973-580-7264

Mr. Gupta expressed interest in the Philadelphia and possibly, Cleveland Divestiture Assets on December 8, 2008. Mr. Carano sent a Confidentiality Agreement to Mr. Gupta on December 8, 2008. Mr. Gupta returned the Confidentiality Agreement executed on December 12, 2008 and Mr. Carano sent materials for the Philadelphia and Cleveland assets the same day. On December 19, 2008, Mr. Carano made a follow-up telephone call to Mr. Gupta regarding a potential initial bid.

- r. Name: Greg Roemer (Community Waste Disposal)  
Address: 2010 California Crossing, Dallas, TX 75220  
Telephone Number: 972-392-9300 ext. 208

Mr. Roemer communicated with Mr. McGrory on December 8, 2008 and Mr. Roemer indicated financing would be difficult, but expressed interest

in the Fort Worth Divestiture Assets. Mr. DerManuelian sent Mr. Roemer a Confidentiality Agreement on December 8, 2008 and Mr. Roemer returned it executed on December 9, 2008. Mr. DerManuelian sent Mr. Roemer materials relating to the Ft. Worth Divestiture Assets on December 12, 2008. On December 18, 2008, Community Waste Disposal dropped out of the bidding process.

- s. Name: George McGrew (Deffenbaugh Industries)  
Address: P.O. Box 3220, Shawnee Mission, KS 66217  
Telephone Number: 913-667-8704

Mr. McGrew expressed interest in certain assets on December 12, 2008. Mr. Carano sent Mr. McGrew a Confidentiality Agreement on December 15, 2008. Mr. McGrew spoke with Mr. Rea on December 18, 2008 and indicated the intent of Deffenbaugh Industries to drop-out from the bidding process.

- t. Name: Dan O'Brien (DeNaples/Keystone LF)  
Address: P.O. Box 249, Dunham Drive, Dunmore, PA 18512  
Telephone Number: 570-343-5782

Mr. O'Brien indicated possible interest in the Philadelphia assets on December 11, 2008. Mr. Rea sent a Confidentiality Agreement on December 11, 2008 and made a follow-up call to Mr. O'Brien on December 16, 2008. Mr. O'Brien e-mailed Mr. Rea on December 19, 2008, and learned that they had no interest in submitting a bid at this time.

- u. Name: James Jones (Disposal Corporation of America, Inc.)  
Address: 3433 Moore Street, Philadelphia, PA 19145  
Telephone Number: 215-463-2526

Mr. Jones expressed interest in the Philadelphia assets on December 12, 2008. Mr. Carano sent a Confidentiality Agreement on December 12, 2008 and Mr. Jones returned it executed on December 15, 2008. Mr. Carano sent Mr. Jones materials relating to the Philadelphia assets on December 15, 2008.

- v. Name: Michael Mastrangelo (ELS Acquisition LLC)  
Address: 15 Polhemus Lane, Bridgewater, NJ 08807  
Telephone Number: 732-271-2800 x101

Mr. Mastrangelo expressed interest in the Philadelphia and Cleveland assets on December 12, 2008. Mr. Carano sent a Confidentiality Agreement on December 12, 2008 and Mr. Mastrangelo returned it executed on December 17, 2008. Mr. Mastrangelo acknowledged receipt of the initial materials for Philadelphia and Cleveland on December 17, 2008 and indicated ELS would proceed as planned.

- w. Name: (Clayton Minder ) Envision Waste Services, LLC  
Address: 4451 Renaissance Parkway, Cleveland, OH 44128  
Telephone Number: 216-831-1818

Mr. Minder expressed interest in the Cleveland assets. Mr. Rea sent a Confidentiality Agreement on December 11, 2008 and Mr. Minder returned it executed on December 18, 2008. Mr. Rea sent initial materials for Cleveland on December 18, 2008.

- x. Name: Rod Proto Envirosolutions (ESI)  
Address: 11220 Assett Loop, Suite 201, Manassas, VA 20109  
Telephone Number: 832-485-7102

Mr. Proto communicated interest in Philadelphia and Cleveland assets on December 8, 2008. A Confidentiality Agreement was sent on December 8, 2008 and Mr. Proto returned it executed on December 15, 2008. Mr. Rea sent initial materials on Philadelphia and Cleveland assets on December 15, 2008. On December 19, 2008, Mr. Carano made a follow-up telephone call to Mr. Proto regarding a potential bid.

- y. Name: Roger Campbell (Express Marine)  
Address: P.O. Box 329, Pennsauken, NJ 08110  
Telephone Number: 856-541-4610

Mr. Rea had a telephone call with Mr. Campbell on December 9, 2008 where Mr. Campbell expressed interest in the Philadelphia assets. Mr. Rea sent a Confidentiality Agreement on December 9, 2008 and Mr. Campbell returned the executed copy on December 18, 2008. Mr. Rea sent the initial materials for Philadelphia on December 18, 2008.

- z. Name: Joe Garaventa (Garaventa Group)  
Address: 4080 Mallard Drive, Concord, GA 94520  
Telephone Number: 952-689-8390

Mr. DerManuelian had a telephone call with Mr. Garaventa on December 10, 2008 where he expressed interest in the Bay Area assets. Mr. DarManuelian sent a Confidentiality Agreement on December 11, 2008 and it was returned executed on December 12, 2008. Mr. Garaventa was sent initial materials on December 12, 2008. On December 19, 2008, Mr. Garaventa left a voicemail message for Mr. DerManuelian regarding his willingness to submit a bid.

- aa. Name: Stuart Eliss (Georgetown Paper)  
Address: N/A  
Telephone Number: 301-938-4280

Mr. Ellis communicated possible interest in the Philadelphia, Atlanta and Cleveland assets on December 10, 2008 and stated he would notify Mr. DerManuelian if he wished to participate in the bidding process.

- bb. Name: Lou Gentili (Gold Medal Disposal)  
Address: 3323 South 61st Street, Philadelphia, PA 19153  
Telephone Number: 215-727-7000

Mr. Gentili expressed interest on December 12, 2008 in the Philadelphia assets and he was sent a Confidentiality Agreement. Mr. Rea and Mr. Gentili had a follow-up telephone call on December 16, 2008 about Mr. Gentili's level of interest. Mr. Rea received back the executed Confidentiality Agreement on December 17, 2008. Mr. Rea sent the initial materials for the Philadelphia assets on December 17, 2008.

- cc. Name: Mark Christensen (Good Earth Bio-Solutions)  
Address: 1920 E. 17th Street, Suite 201, Idaho Falls, ID 83404  
Telephone Number: 208-757-3760

Mr. Christensen expressed interest in Potrero Hills Landfill on December 16, 2008 and he was sent a Confidentiality Agreement. Mr. Christensen returned the executed agreement on December 16, 2008 and he was sent a package of materials for Potrero Hills on the same day.

- dd. Name: Jesse Weigel (Green Waste Recovery & Zanker Rd LF)  
Address: 1500 Berger Drive, San Jose, CA 95112  
Telephone Number: 408-283-4821

Mr. Weigel expressed interest in Potrero Hills Landfill on December 8, 2008 and he was sent a Confidentiality Agreement. Mr. Weigel returned the executed agreement on December 9, 2008 and he was sent a package of materials for Potrero Hills on December 12, 2008.

- ee. Name: David Flood (Highland Trading Group)  
Address: 151 East 22nd Street, Suite 106W, Lombard, IL 60148  
Telephone Number: 630-916-7800 ext. 22

Mr. Flood expressed interest in the Philadelphia, Atlanta and Fort Worth Divestiture Assets on December 12, 2008 and he was sent a Confidentiality Agreement the same day.

- ff. Name: David Perrotti (Hometown Waste)  
Address: 40 Nod Road, Clinton, CT 06413  
Telephone Number: 203-245-8840

Mr. Perrotti expressed interest in the Philadelphia assets on December 17, 2008 and he was sent a Confidentiality Agreement. Mr. Perrotti returned

the executed agreement on December 17, 2008 and he was sent a package of materials for Philadelphia on December 18, 2008.

- gg. Name: William Jennings (Hudson Baylor Corporation)  
Address: 237 Dupont Avenue, Newburgh NY 12551  
Telephone Number: 845-561-0160

Mr. Jennings expressed possible interest in Philadelphia, Atlanta and Bay Area assets on December 16, 2008 and he was sent a Confidentiality Agreement on that day. Mr. Rea and Mr. Jennings had a telephone call on December 17, 2008 where Mr. Jennings indicated that he was not sure of his level of interest and he would let Mr. Rea know what markets, if any, he intended to pursue. Mr. Jennings returned the executed agreement on December 18, 2008, and informed Mr. Rea that he was interested in the Philadelphia, Bay Area and Atlanta assets. He was sent a package of materials for those markets on December 21, 2008.

- hh. Name: Frank Ward (Independent Recycling Services)  
Address: 2401 S. Laflin Street, Chicago, IL 60608  
Telephone Number: 630-742-8807

Mr. McGrory contacted Mr. Ward and informed him that Northwest Indiana assets were being sold with assets in other markets on December 8, 2008. Mr. Ward expressed interest in all of the assets, with particular interest in Northwest Indiana and he was sent a Confidentiality Agreement on December 9, 2008.

- ii. Name: Lynn Johnston (Interstate Waste Services)  
Address: 500 N. Franklin Turnpike, Suite 212, Ramsey, NJ 07446  
Telephone Number: 201-258-1269

Ms. Johnston expressed interest in the Philadelphia and Cleveland assets on December 9, 2008 and was sent a Confidentiality Agreement. Ms. Johnston returned the Confidentiality Agreement executed on December 11, 2008. Ms. Johnston was sent initial materials for Philadelphia and Cleveland on December 12, 2008. Mr. Rea was informed by Ms. Johnston that Interstate Waste expects to submit bids for the Philadelphia and Cleveland assets on December 22, 2008.

- jj. Name: Jay Brandt (JCB Consulting, Inc.)  
Address: 2740 Natchez Place, Colorado Springs, CO 80919  
Telephone Number: 719-360-0443

Mr. McGrory contacted Mr. Brandt and informed him that Front Range Landfill was being sold with assets in other markets on December 8 2008.

- kk. Name: Jeff Cosman (Cosman Disposal Services)  
Address: 511 Maple Lane, Sewickley, PA 15143

Telephone Number: 904-687-5244

Mr. Cosman expressed interest in Philadelphia, Cleveland and Atlanta assets on December 8, 2008 and he was sent a Confidentiality Agreement. Mr. Cosman returned the executed agreement on December 8, 2008 and he was sent a package of initial materials for Philadelphia, Cleveland and Atlanta on December 12, 2008. In a telephone call with Mr. Rea on December 17, 2008, Mr. Cosman indicated he was likely to bid on Philadelphia and Cleveland only.

- ll. Name: Jim Spencer  
Address: N/A  
Telephone Number: 407-908-3666

In a telephone call on December 17, 2008, Mr. Spencer (currently employed by Waste Services) expressed interest to bid on Atlanta and Cleveland assets with his father.

- mm. Name: Dennis McVeigh (J.P. Mascaro & Sons)  
Address: 2650 Audobon Road, Audobon, PA 19403  
Telephone Number: 800-222-1818

Mr. McVeigh expressed interest in the Philadelphia and Cleveland assets on December 8, 2008 in a telephone call with Mr. Rea and he was sent a Confidentiality Agreement. Mr. McVeigh returned the executed agreement on December 10, 2008 and he was sent a package of materials for Philadelphia and Cleveland on December 12, 2008.

- nn. Name: Don Rea (Laurel Mountain Partners)  
Address: 625 Liberty Avenue, Suite 3100, Pittsburgh, PA 15222  
Telephone Number: 412-562-1700

Mr. DerManuelian and Mr. Rea had a telephone call on December 11, 2008 and Mr. Rea expressed interested in Cleveland and Atlanta assets and mentioned that he had previously owned waste disposal assets. He was sent a Confidentiality Agreement on December 11, 2008 and Mr. Rea returned it executed on December 11, 2008. Mr. DerManuelian sent initial materials for Cleveland and Atlanta on December 12, 2008. Mr. DerManuelian had a follow-up telephone call with Mr. Rea on December 18, 2008 where Mr. Rea expressed interest in the Philadelphia assets and Indiana and Lexington if those assets were available individually. Mr. Rea was sent initial materials for Philadelphia on December 18, 2008.

- oo. Name: Clinton Weinstein (M & M Waste, Inc.)  
Address: 1328 Lakewood Ave, SE, Atlanta, GA 30315  
Telephone Number: 404-516-4869

Mr. Weinstein expressed interest in the Atlanta assets on December 15, 2008 and he was sent a Confidentiality Agreement. Mr. Weinstein returned the executed agreement on December 15, 2008 and he was sent a package of materials for Atlanta the same day. Mr. Rea communicated that there was an issue with the execution of the Confidentiality Agreement on December 16, 2008.

- pp. Name: Mike O'Donnell (Metro Disposal, LLC)  
Address: 10330 Brecksville Road, Brecksville, OH 44141  
Telephone Number: 440-262-3000

Mr. O'Donnell expressed interest in the Cleveland assets on December 8, 2008 and he was sent a Confidentiality Agreement on December 9, 2008. Mr. O'Donnell returned the executed agreement on December 10, 2008 and he was sent a package of materials for Cleveland on December 12, 2008.

- qq. Name: Mike Shubert (Miles Waste Disposal)  
Address: 13800 Miles Avenue, Cleveland, OH 44105  
Telephone Number: 216-295-1000 ext. 4

Mr. Shubert communicated interest in the Cleveland assets on December 9, 2008. Mr. DerManuelian sent him a Confidentiality Agreement on December 10, 2008 and it was returned executed on December 11, 2008. He was sent initial materials for Cleveland on December 12, 2008.

- rr. Name: William Darling (Mosner Energy & Environmental Services)  
Address: 6012 Industrial Highway, Gray, IN 46406  
Telephone Number: 219-977-1151

Mr. Darling expressed interest in the Cleveland assets on December 16, 2008 and was sent a Confidentiality Agreement on December 16, 2008.

- ss. Name: Brian Wintjen (Nature's Calling, Inc.)  
Address: P.O. Box 30039, Charleston, SC 29417  
Telephone Number: 843-529-1399

Mr. Wintjen communicated interested in Greenville, Charlotte and Atlanta assets on December 9, 2008. He was sent a Confidentiality Agreement sent on December 9, 2008 that he returned executed on December 10, 2008. He was sent materials relating to the Atlanta assets on December 12, 2008 and on the same day, he asked Mr. DerManuelian if the front-loader trucks were part of the asset sales in these areas.

- tt. Name: Mike Sangiacomo (Norcal Waste Systems)  
Address: 160 Pacific Avenue, Suite 200, San Francisco, CA 94111  
Telephone Number: 415-875-1150

Mr. Sangiacomo expressed interest on December 8, 2008 in the Bay Area assets. He was sent a Confidentiality Agreement sent on December 8, 2008 and he returned it executed on December 12, 2008. He was sent the initial materials on December 12, 2008. On December 19, 2008, Mr. DerManuelian was informed that Norcal Waste Systems will submit a bid on December 22, 2008.

- uu. Name: Dan O'Malley (Northern California TBD)  
Address: 1800 Sutter Street, Suite 250, Concord, CA 94520  
Telephone Number: 925-330-1087

Mr. O'Malley is acting on behalf of a family and expressed interest in the Bay Area assets on December 8, 2008. During this conversation Mr. McGrory explained that the family would need to sign the Confidentiality Agreement, which Mr. McGrory sent on December 9, 2008.

- vv. Name: Bryce Howard (North Bay Corporation)  
Address: P.O. Box 1916, Santa Rosa, CA 95402  
Telephone Number: 415-342-2597

Mr. Howard expressed interest on December 9, 2008 in the Bay Area assets. He was sent a Confidentiality Agreement sent on December 8, 2008 and he returned it executed on December 10, 2008. He was sent the initial materials for the Bay Area on December 12, 2008. On December 19, 2008, Mr. DerManuelian left a voicemail for Mr. Howard regarding his willingness to submit a bid.

- ww. Name: Brad Lucas (O'Leary Family)  
Address: N/A  
Telephone Number: 617-439-9234

Mr. Lucas called on behalf of the O'Leary family on December 11, 2008, expressing interest in the Charlotte and Greenville assets if they become available separately.

- xx. Name: (Keith Kimble) Penn Ohio Coal Co.  
Address: 3596 State Route 39 NW, Dover, OH 44622  
Telephone Number: (330) 343-1226

Mr. Rea had a telephone call with Mr. Kimble on December 17, 2008 where Mr. Kimble expressed interest in the Cleveland assets and possible interest in the Philadelphia assets. Mr. Rea sent a Confidentiality Agreement on December 17, 2008 and Mr. Kimble returned it executed on December 18, 2008.

yy. Name: Jordan Roker (Platinum Equity)  
Address: 360 North Crescent Drive, Beverly Hills, CA 90210  
Telephone Number: 310-282-9259

In a telephone call with Mr. Roker on December 8, 2008, he expressed interest in Cleveland, Philadelphia, Fort Worth and the Bay Area. On December 9, 2008, Mr. Carano sent him a Confidentiality Agreement and had a follow-up telephone call, stating interest in all assets sold separately from the bundle of assets. He returned the executed Confidentiality Agreement on December 9, 2008. He was sent the initial materials for Cleveland, Philadelphia, Fort Worth, Bay Area and Atlanta on December 12, 2008.

zz. Name: Jerry Harrison (Pratt Industries Recycling Division)  
Address: 1800C Sarasota Parkway, Conyers, GA 30013  
Telephone Number: 888-347-7288

Mr. DarManuelian contacted Mr. Harrison to gauge his interest on December 11, 2008 and left him a voicemail.

aaa. Name: Greg Gibson (Rectec Corporation)  
Address: P.O. Box 478, Terre Haute, IN 47808  
Telephone Number: N/A

Mr. Gibson expressed interest in the Cleveland assets on December 18, 2008 and was sent a Confidentiality Agreement the same day. Mr. Gibson returned an executed Confidentiality Agreement on December 18, 2008. He was sent the initial materials for Cleveland on December 18, 2008.

bbb. Name: Phil Wehrman (Rumpke Consolidated Companies, Inc.)  
Address: 10795 Hughes Road, Cincinnati, OH 45251  
Telephone Number: 513-741-5275

Mr. Carano had a telephone call with Mr. Wehrman and Bill Rumpke, where they expressed interest in the Cleveland and Lexington assets if they become available separately. Mr. Carano sent a Confidentiality Agreement on December 8, 2008 and it was returned executed on December 10, 2008. A package of initial materials was sent on December 12, 2008. On December 18, 2008, Mr. Rea made a follow-up telephone call to Mr. Wehrman to determine the likelihood of a bid.

ccc. Name: Greg Hamilton (Santek Environmental)  
Address: 650 25th Street, NW, Suite 100, Cleveland, TN 37311  
Telephone Number: 423-476-9160

Mr. McGrory attempted to contact Santek and left a voicemail for Eddie Caylor on December 8, 2008. Mr. DerManuelian had a telephone call with Mr. Hamilton on December 9, 2008 where he expressed possible

interest in the Ft. Worth and Atlanta assets. Mr. DerManuelian sent a Confidentiality Agreement on December 10, 2008 and it was returned executed on December 16, 2008. On December 11, 2008, Mr. Hamilton communicated that Santek was no longer interested in Fort Worth. He was sent initial materials for Atlanta on December 16, 2008. On December 19, 2008, Mr. DerManuelian left a voicemail for Mr. Hamilton regarding his willingness to submit a bid.

ddd. Name: Gary Carter (Service Waste)  
Address: P.O. Box 1195 Ft. Worth, TX 76101  
Telephone Number: 817-924-2717

Mr. Carter expressed interest in all Texas assets and was sent a Confidentiality Agreement on December 11, 2008.

eee. Name: Henry Saint Bris (Suez Environment)  
Address: 1, Rue D'Astorg, 75383 Paris Cedex 08, France  
Telephone Number: 0033-158-185

Suez had previously expressed interest in all assets and signed a Confidentiality Agreement. Initial materials were sent on December 12, 2008. On December 18, 2008, Suez indicated they were dropping-out of the bidding process.

fff. Name: Ron Adolph (Tac Transport, LLC)  
Address: 900 Second Street, NE, Suite 117, Washington, DC 20002  
Telephone Number: 202-497-6200

Mr. Rea left a voicemail on December 11, 2008 to learn more about possible interest in assets. He was sent a Confidentiality Agreement on December 12, 2008 that he returned executed on December 12, 2008. Mr. Rea and Mr. Adolph had a telephone conference on December 15, 2008 where he expressed interest in the Philadelphia, Cleveland and Atlanta assets and was sent initial materials the same day.

ggg. Name: Bob Gregory (Texas Disposal Systems)  
Address: 12200 Carl Road, Creedmoor, TX 78610  
Telephone Number: 512-421-1300

Mr. McGrory left a voicemail on December 8, 2008 to gauge interest in the Fort Worth assets. Mr. Gregory returned the call expressing possible interest and a Confidentiality Agreement was sent on December 11, 2008. An executed Confidentiality Agreement was returned on December 19, 2008, and Mr. Gregory was sent initial materials regarding the Ft. Worth assets that same day.

hhh. Name: Rob Lubin (Transload America)  
Address: 76 South Orange Avenue, Suite 208, South Orange, NJ 07079  
Telephone Number: 973-762-6169

Mr. Carano had a telephone call with Steve Menoff on December 8, 2008 to ascertain possible interest. Mr. Carano had a follow-up telephone call with Rob Lubin on December 9, 2008 where he expressed interested in the Philadelphia, Cleveland and Atlanta assets and any other assets that become available separately. Mr. Carano sent a Confidentiality Agreement on December 9, 2008, that was returned executed on December 17, 2008. He was sent initial materials on December 17, 2008.

iii. Name: Veolia Environment  
Address: 700 East Butterfield Road, Suite 201, Lombard, IL 60148  
Telephone Number: 414-479-7800

Mr. Carano and Mr. McGrory had a telephone call with Richard Burke, Jeff Adix and Mike Slattery on December 8, 2008 to provide an overview of the assets. Veolia has expressed interest in all the Divestiture assets. Merrill Lynch sent a full set of materials to Veolia on December 12, 2008. On December 18, 2008, Veolia informed Mr. Carano and Mr. McGrory that it would submit a bid for the Bundled Assets and possibly other individual markets as well pending final corporate approval to proceed.

jjj. Name: Bill Long (Vista Recycling)  
Address: 114 W. 8th Street, Safford, AZ 85546  
Telephone Number: 928-428-1864

In a telephone call with Bill Long on December 16, 2008, Vista expressed interest in the Lubbock assets if available separately.

kkk. Name: Charles Casalinova (WCA Waste)  
Address: One Riverway, Suite 1400, Houston, TX 77056  
Telephone Number: 713-292-2400

Mr. Casalinova had a telephone conference with Mr. Carano on December 8, 2008 where he expressed interest in the Fort Worth assets and in

Houston and Cape Girardeau if these assets become separately available. Mr. Carano sent a Confidentiality Agreement on December 8, 2008 and Mr. Casalino returned it executed on December 11, 2008. Mr. Carano sent initial materials on December 12, 2008. WCA Waste submitted an initial proposal to acquire the assets on December 18, 2008 that Merrill Lynch is currently evaluating.

- III. Name: Waste Connections  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone Number: 916-608-8200

Waste Connections expressed interest in purchasing all of the assets to be divested and previously signed confidentiality agreement. Mr. McGrory and Mr. Carano had a conference call with Ron Mittelsteadt, Worthy Jackman, Rick Wojahn, Steve Bouch and Pat Shea on December 8, 2008 to provide an overview of the assets. Initial materials for all assets were sent on December 12, 2008. On December 19, 2008, Mr. Carano and Mr. McGrory were informed that Waste Connections would submit a bid for the Bundled Assets and the Bay Area assets.

- mmmm. Name: Ven Poole (Waste Industries / Macquarie/ Goldman)  
Address: 3301 Benson Drive, Suite 601, Raleigh, NC 27609  
Telephone Number: 919-877-7533

Mr. Poole expressed possible interest in all of the Divestiture Assets on December 8, 2008. He was sent a Confidentiality Agreement on December 8, 2008 and he sent a mark-up of the same to Jose Gordo of Akerman Senterfitt on December 9, 2008. He returned an executed Confidentiality Agreement on December 16, 2008. Merrill Lynch sent initial materials for all assets on December 16, 2008. On December 18, 2008, Mr. Carano and Mr. McGrory were informed that Waste Industries would submit a bid for the Bundled Assets and selected individual assets.

- nnn. Name: Mike Duncan (Waste Partners of Texas)  
Address: N/A  
Telephone Number: 817-994-7924

Mr. Duncan expressed interest in the assets in the Fort Worth assets on December 9, 2008. Mr. DerManuelian sent him a Confidentiality Agreement on December 9, 2008 and it was returned executed on December 10, 2008. Mr. DerManuelian sent initial materials for Fort Worth on December 12, 2008. In a follow-up telephone call on December 18, 2008 Mr. Duncan expressed interest in the Lubbock and Houston assets if they become separately available. On December 19, 2008, Mr. Duncan informed by DerManuelian that he would submit a bid on December 22, 2008.

ooo. Name: John Jennings (Waste Pro USA)  
Address: 2101 West State Road 434, Suite 315, Longwood, FL 32779  
Telephone Number: 407-869-8800

Mr. Carano had a telephone call with Mr. Jennings on December 8, 2008 where he expressed interest in the Atlanta assets. He was sent a Confidentiality Agreement on December 8, 2008 and he returned it executed on December 9, 2008. He was sent initial materials for the Atlanta assets on December 12, 2008. On December 19, 2008, Mr. Carano was informed that Waste Pro will submit a bid for the Atlanta assets. On December 18, 2008, Waste Pro submitted a proposal to acquire the assets that Merrill Lynch is currently evaluating.

ppp. Name: Bill Hulligan (Waste Services)  
Address: 1122 International Blvd, Suite 601, Burlington, Ontario, L7L 6Z8, Canada  
Telephone Number: 904-319-1237

Mr. Hulligan expressed interest in the Atlanta, Philadelphia and the Bay Area assets and asked to be sent a Confidentiality Agreement on December 15, 2008. It was sent and returned executed on December 16, 2008. Initial materials for Atlanta, Philadelphia and the Bay Area were sent on December 16, 2008. On December 19, 2008, Mr. DerManuelian spoke with Mr. Hulligan who stated that they were still in the process of analyzing whether they would submit a bid.

qqq. Name: Bill Gay (Tunnel Hill Partners / Waste Solutions Group)  
Address: 111 Brook Street – Third Floor, Scarsdale, NY 10583  
Telephone Number: 914-713-0203

Mr. Gay expressed interest in the Philadelphia, Cleveland and Bay Area assets on December 8, 2008 in a telephone call with Mr. Rea. Mr. Rea sent a Confidentiality Agreement on December 16, 2008 and it was returned executed on December 17, 2008. Initial materials for Philadelphia, Cleveland and Bay Area were sent on December 17, 2008. On December 19, 2008, Mr. Rea learned from Mr. Gay that he will likely submit a bid on all three asset groups in which he indicated an initial interest.

rrr. Name: Bob Wallace (WIH Resource Group)  
Address: 2783 West Darien Way, Phoenix, AZ 85086  
Telephone Number: 208-757-3760

Mr. Wallace expressed possible interest on December 16, 2008 in the Chiquita Canyon Landfill.

sss. Name: Craig Stacy (Wills Trucking)  
Address: 3185 Columbia Road, Richfield, OH 44286  
Telephone Number: 330-659-9381 ext. 133

On December 15, 2008, Mr. Stacy expressed interest in the Cleveland assets during a telephone call with Mr. Rea. He was sent a Confidentiality Agreement on December 15, 2008, which he returned executed on December 16, 2008. He was sent initial materials for Cleveland on December 16, 2008. In a follow-up telephone call on December 17, 2008, Mr. Stacy told Mr. Rea he is only interested in the Harvard Road Transfer Station and not the Noble Road Landfill.

ttt. Name: Cherrie Rice (Waste Management, Inc.)  
Address: 1001 Fannin Street, Suite 4000, Houston, TX 77002  
Telephone Number: 713-512-6548

In a telephone call with Mr. McGrory on December 10, 2008, Ms. Rice expressed interest in Potrero Hills Landfill, Turkey Creek Landfill, Chiquita Canyon Landfill, Anderson Landfill, and the Northwest Indiana and Lexington assets. Ms. Rice was sent a Confidentiality Agreement on December 10, 2008. On December 17, 2008, James Ratigan of Merrill Lynch sent a letter to David Steiner, Chief Executive Officer of Waste Management, Inc. and inquired as to three topics: (1) whether WMI would assume sole responsibility for mitigating any concentration due to any purchase of Divestiture Assets; (2) whether WMI would address its view of the competitive issues and how it would be able to achieve approval for the purchase; and (3) to identify what assets would be closed or sold to receive approval of the transaction.

8. No potential Acquirer of the Divestiture Assets has full due diligence materials to date. Each potential acquirer is required to sign a Confidentiality Agreement prior to receiving the initial materials or any due diligence materials protecting against the dissemination of any confidential and proprietary information of Republic or the Divestiture Assets.

9. The Company will provide information and consider bids that are timely and has established a cut-off for potential bidders of December 18, 2008. If a person has not contacted the Company and entered the process by that time, but is a strategic buyer, they will be informed that the deadline has passed and they can submit information, but it will not be considered unless there is not another viable Acquirer for the assets.

10. In complying with its obligations under Section IV(B) of the Proposed Final Judgment, Republic takes into account whether a potential "prospective Acquirer[ ]" might, in fact, be in a position to purchase the Divestiture Assets, and whether providing access to competitively sensitive information to a prospective Acquirer might raise any issues under the U.S. antitrust laws. In one case, the Company has adopted a particular procedure to ensure that one potential "prospective Acquirer[ ] in fact could, consistent with the U.S. antitrust laws, purchase the Divestiture Assets, before providing to that firm "all information and documents

relating to the Divestiture Assets. . . .” In this case, the Company has asked this potential “prospective Acquirer” to advise the Company as to why it believes the DOJ might approve its purchase of the Divestiture Assets. See paragraph 7(tt) above. To date, the Company has not received a response to that letter. If such a response is provided to the Company, we intend to review the response in consultation with counsel and send such information and documents we believes we can and must provide and, to the extent, if any, that it has decided to withhold any materials on this basis, advise the DOJ of its decision in that regard.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 23, 2008.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**AFFIDAVIT OF BRIAN BALES**

**Pursuant to Paragraph X(B). of the Proposed Final Judgment  
in Republic-Allied Merger: DOJ File No. 60-562111-0007**

**State of Florida**                    )  
  )       **ss:**  
**County of Broward**                )

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. (“Republic”) and Allied Waste Industries, Inc. (“Allied”).

2. Among my other current responsibilities, I have been tasked with supervising both compliance with the Hold Separate Stipulation and Order (“Hold Separate”) in this matter, and with the divestiture process. I am an officer of Republic and I have actual authority to make this affidavit on behalf of defendants in the above-captioned matter.

3. In making this affidavit, I adopt the definitions of terms as they are set forth in the Proposed Final Judgment (“PFJ”).

**BACKGROUND**

4. On December 5, 2008, Republic and Allied closed the merger between them and Allied is now a wholly-owned subsidiary of Republic (hereinafter “Merger Closing”).

5. Pursuant to Paragraph X(B) of the PFJ, Republic is required to detail the steps that it has taken to maintain the Divestiture Assets as separate economic entities as set forth in the Hold Separate entered into by the parties.

6. Republic has retained the services of Merrill Lynch as well as outside counsel to ensure expediency in the sale of the Divested Assets.

7. The Divestiture Assets include twenty-seven (27) sites, including nine (9) hauling operations, nine (9) transfer stations and nine (9) landfills. The landfill and transfer stations, totaling 18 sites or 67% of the facilities, are currently stand-alone operations under hold separate management.

8. Republic has taken the steps described below to comply with the Hold Separate in this matter.

9. In conducting its internal planning for compliance with the Hold Separate, Republic has identified two key phases for planning and implementation of the steps to be taken:

(a) The enrollment phase, which is defined as the period beginning on the day of the closing of the merger (December 5, 2008) (“Merger Closing”) and concluding approximately thirty (30) days thereafter. The enrollment phase includes:

- Operations planning exercises such as the designation of a hold separate management team;
- Development of initial budgets;
- Preparation of hold separate guidelines;
- Planning for facility and operations segregation;
- Identification of systems;
- Notification to hold separate employees; and
- Education of both hold separate employees and Republic transition teams; and

(b) The implementation phase, which begins approximately 30 days after the Merger Closing, during which the hold separate management implements the various plans developed during the enrollment phase.

10. The steps undertaken and to be undertaken during those phases are described below in Section I and II.

## **I. ENROLLMENT PHASE ACTIVITIES**

### **A. GENERAL**

11. Facilities included in the hold separate divisions have been designated in accordance with the Hold Separate, Section V(A).

12. Republic has established a hold separate management team that includes an operational manager, controller, sales manager, human resources/safety manager and compliance manager, as reflected in the organization chart attached hereto as Exhibit 1, in accordance with the Hold Separate, Section V(J).

13. The individuals identified in Exhibit 1 are dedicated full-time to the hold separate operations and are housed in office space segregated from the primary administrative functions of Republic.

14. Since the Merger Closing, the hold separate management team has developed site specific transition plans that include detailed actions for critical operating systems; has been working on and is now completing initial operating budgets and capital expenditure budgets; and has completed several initial site visits for the purpose of validating action plans and enrolling employees.

15. The team has also developed hold separate Guidelines, attached hereto as Exhibit 2, that provide guidelines for compliance with the Hold Separate by the hold separate division. These Guidelines will be used during the implementation phase, described below.

## **B. Communications**

16. The company has also established a communications plan during the enrollment period. Under this plan, weekly communication protocols have been implemented, which will migrate to semi-monthly and monthly management review calls as appropriate. For example, at the Merger Closing and shortly thereafter, a series of conference calls were held to discuss the hold separate order and its impact on operations.

17. One aspect of the communications plan that is being implemented is to conduct presentations for employees affected by the hold separate and planned divestitures, as well as to ensure coordination between Republic transition teams and the hold separate divisions.

18. Employees included in these presentations included the Regional Senior Vice Presidents and Area Presidents of the affected operations; hold separate site managers; controllers and the sales personnel. Employee meetings were also held at the hold separate divisions. During these meetings, site managers discussed the requirements of the Hold Separate order; the transition plans; the compensation and benefit plans; incentive plans; and operations processes as they related to customers, vendors, and internal systems.

19. Coordination meetings have also been held with Republic's Information Technology Group (IT), Finance and Accounting group, Internal Audit and Transition Teams. While reviewing hold separate division operating sites, management team members were available to answer specific questions related to the transition and their employees and operations.

20. Finally, management identified initial staffing requirements for the operation of the hold separate divisions. The staffing for these divisions is reflected in Exhibit 3, attached hereto.

## **II. IMPLEMENTATION PHASE ACTIVITIES**

### **A. General**

21. Hold Separate Management is responsible during the implementation phase for monitoring various activities to ensure compliance with the action plans attached hereto as Exhibits 3 and 4. These plans include guidelines for facilities, personnel, customer service and sales, operations, maintenance, finance and administration, and information technology.

22. Site-specific action plans have also been developed for each of the hold separate divisions, attached hereto as Exhibit 5.

23. The other, specific activities that Republic has begun and/or expects to undertake during the Implementation Phase are described below.

### **B. Relocation**

24. Two independent Republic hauling operations that are not under the hold separate order but that reside on hold separate landfill sites are in the process of being relocated to other Republic facilities.

25. The nine hold separate hauling operations all have identified their ultimate facility locations consistent with the Hold Separate, Section V(B); however, their transition is more complicated. The operations first require a split into hold separate routes and Republic routes as designated by the Order. Subsequently, one of the split operations must move to another site. The required move includes trucks, personnel, maintenance shops and computer systems.

26. Pursuant to the Hold Separate, five hold separate operations will remain at their existing sites; two smaller operations are being transferred to either a transfer station or a landfill; and two hauling operations will move to another vacated Republic owned site. Republic is making arrangements to move their remaining hauling route operations (not subject to being held separate) off the hold separate sites. Receiving sites for those routes have also been identified and systems are being reviewed.

27. The physical moves for all sites are being rolled out over the next 30-90 days.

### **C. Finance and Administration**

28. Finance and administration will be provided by a combination of hold separate personnel and shared services personnel through Republic. Site-specific operating budgets and capital expenditure budgets are being prepared. The hold separate divisions are being assigned to a separate line of business or division within the accounting system. The monthly financials will be rolled up into a segregated consolidation under the guidance of the Hold Separate Controller consistent with the Hold Separate, Section V(G).

29. Republic will provide working capital to fund operations and capital expenditures, pursuant to the Hold Separate, V(D). Republic will also remove previously pledged assets from their security agreements prior to divestiture. In addition, Republic will not encumber or otherwise dispose of the assets pursuant to the Hold Separate, V(F). Republic will provide risk management, back office accounting, payroll processing, benefits management, procurement, environmental and engineering, and safety functions to the hold separate divisions on the same basis as it does other divisions of Republic as outlined in the Hold Separate Guidelines.

30. Republic legal staff assigned to the hold separate division will provide routine legal services. Where a potential conflict of interest exists – for example an issue involving a competing sales contract bid – an outside law firm will be identified and engaged to represent the hold separate division.

### **D. Operations**

31. Each operation has a designated site manager/operator who reports directly to the hold separate management team. Operating best practices are being implemented consistent with past practices as outlined in the Hold Separate Guidelines. Equipment utilized by the hold

separate divisions have been identified and listed within the system pursuant to the Hold Separate, V(G).

#### **E. Customer Service, Sales and Marketing**

32. Customer service, sales and marketing will be segregated in order to maintain competition during the hold separate period. Furthermore, marketing and sales will not be coordinated by Republic. Customer service and sales personnel have been designated based on association with the hold separate assets and/or their relevant experience in the market. These designated employees report through their local hold separate sales supervisor up to the Hold Separate Manager. The sales resources equal or exceed the previous levels and initially appear to be sufficient to enable the hold separate group to reasonably maintain and increase sales and revenue, in compliance with the Hold Separate, Section V(C).

33. Hold separate customers associated with the routes have been identified. The IT group will segregate the accounts and relevant information in the system as a hold separate account as soon as practical.

34. Customer service will be handled at each hold separate site. Where this is not feasible due to either the limited size of the hold separate operation or the fact that a call center is utilized, customer service personnel will record information and forward the information to the appropriate hold separate sales person or site manager. All sales inquiries received by the receptionist will be routed directly to the hold separate division without going through customer service.

35. Pricing strategies and practices as outlined in the Hold Separate Guidelines are the decisions of the hold separate division and will not be influenced by or shared with Republic. Republic sales personnel will not be able to accept/route incoming inquiries to the master phone number nor will they have access to hold separate customer information. Finally, marketing expenditures, under the supervision of the Hold Separate Sales Manager, are being budgeted consistent with past practices.

#### **F. Human Resources**

36. Personnel of the hold separate division have been notified of positions within the organization. Employees primarily responsible for the operations of the hold separate assets were chosen for the hold separate division. These employees have been identified in Republic's Human Resource Information System. Pursuant to the Hold Separate Guidelines, employees will maintain their current compensation and benefits levels. In an effort to retain hold separate employees and improve morale, a retention bonus plan has been implemented, in accordance with Exhibit 6, attached hereto. The plan requires employees to stay up to 90 days after the divestiture date at the option of the eventual buyer.

37. Employees who leave of their own volition prior to said date will forfeit their retention bonus and furthermore, will not be eligible for rehire at Republic for a period of time. Unions representing personnel at hold separate locations have been notified by letters attached hereto as Exhibit 7.

### **G. Maintenance**

38. Maintenance will be provided to the hold separate operations on the same basis as it was prior to the Merger Closing. For larger operations, maintenance personnel and facility bays on the existing sites have been designated for the hold separate operations. Shop equipment and parts inventory will be appropriately isolated. For smaller operations, maintenance will be provided to the hold separate divisions by Republic as a third party vendor. At the landfills and transfer stations, routine maintenance will be provided by on site maintenance staff, with larger repairs being outsourced to equipment repair companies as has been the practice in the past. The spending limit authorization process has been implemented and the maintenance program shall be delivered through adherence to normal repair and maintenance schedules and consistent with past practices as outlined the Hold Separate Guidelines.

39. While Republic will provide safety programs and human resource administration, the hold separate human resources/safety manager will manage those functions. The hold separate compliance manager will be responsible for monitoring compliance with the hold separate order. Non-management related processing of accounting and back office information and systems software may be provided on a short-term basis to the eventual buyer, to transition the hold separate operations to the buyers' systems.

### **H. Information Technology**

40. Republic's IT group, in coordination with the hold separate management teams, will manage the transition of the information systems. Site-specific IT migration plans are being developed and implemented. The hold separate systems will be on the same information system as each division was utilizing prior the Merger Closing.

41. The IT group will provide appropriate access controls to the accounting information as well as security to prevent hackers from infiltrating and viruses from disabling the systems.

42. Desktop computer hardware will remain the property of the hold separate divisions. Since basic division operating software is available on the open market to any buyer at a reasonable cost, proprietary and licensed software will remain the property of Republic, but will be available to use by the hold separate division.

43. All of these plans and steps are being and are continuing to be executed, and in compliance with the PFJ, X(B), the Department of Justice will be notified if a material change occurs.

I declare under penalty of perjury that the foregoing is true and correct. Executed on  
December ~~23~~, 2008.

A handwritten signature in black ink, appearing to read 'B. Bales', written over a horizontal line.

Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.



**Hold Separate Management Lead**  
**Brian Bales**  
**(supported by Tim Benter, Legal)**

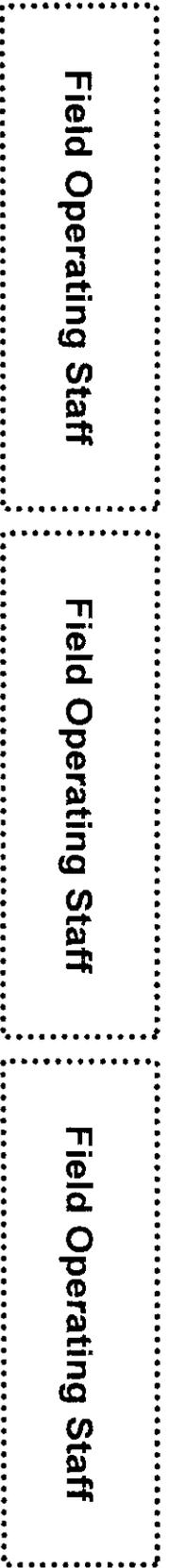
**Hold Separate Management & Compliance**  
**Jim VanWeelden & Nick Skaff**

**HS Human Resources  
& Safety Lead**  
**Marty Heise**

**HS Sales Lead**  
**Joe McConnell**

**HS Finance Lead**  
**Steve DeBoer**

**New Republic Shared Services & Functional Support**  
**(IT, Engineering, Safety, HR Payroll & Benefits)**





Revised 12-8-08

## **Hold Separate Guidelines**

Safety

Risk

Field Operations

Environmental and Engineering

Maintenance

Customer Service and Sales

Procurement

Information Technology

Human Resources

Accounting

Treasury

Tax

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Safety

**Contact Name:** Jim Olson                      Designate backup: Liz Parsons  
**Contact Phone #:** 480 627 7083              Phone:

**Purpose:** To provide maintenance planning and operations support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager  
*System Req's :* HRIS, AS400, excel, visio  
*Personnel :* Safety Manager (shared); general manager (HS)  
*Functions :* Support: Compliance, Claims Administration  
*Mo/Qtrly reports:* Trend  
Reports, Goals Spreadsheets, OSHA Compliance

**Description:**

General

- Assigned Safety staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Safety staff will not make any business decisions for the Hold Separate Division.
- Existing Safety manuals will be used by the appropriate post merger operations

Services available to HSD by Republic

- Safety monitoring, compliance, inspections and investigations will be handled in the same manner, timeliness and intervals as pre merger.
- Make available programs such as Garbage Gus to the hold separate divisions on the same financial basis as AW/Republic

Capital

- None

Compliance

- Insure Focus 6 and OSHA compliance programs are integrated into hold separate divisions
- Identify priority divisions, if any and manage on a consistent basis

Revised 12-8-08

- Ascertain that safety action booklets have been distributed
- Distribute Safety Alerts and corresponding safety standards memos to GMs

*Post-Divestiture*

- Manuals and programs will not be part of the divested assets

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Risk

**Contact Name:** Dave Spruance                      Designate backup:  
**Contact Phone #:** 954 769 7132                      Phone:

**Purpose:** To provide ongoing risk management, workers compensation and claims management for the hold separate enterprise.

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager  
*System Req's :* Web Based Third Party Systems  
*Personnel :* Risk Manager (shared); Claims Manager (shared); general manager (HS)  
*Functions :* Support: Compliance, Claims management, insurance, financial assurance  
*Mo/Qtrly reports:* Weekly risk and insurance reports, TPA websites available on request

**Description:**

**General**

- Assigned risk management staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Risk management staff will not make any business decisions for the Hold Separate Division.
- All individual claims will be kept confidential pursuant to the existing policies governing such claims
- Cost of insurance programs will be allocated to the hold separate divisions / assets on the same pro rata basis as prior practices and for non hold separate groups

**Services available to HSD by Republic**

- The Hold Separate Division should continue to use current compliance programs/systems (see safety hold separate policy)
- Risk management will provide all insurance and financial assurance mechanisms in the same amounts and fashion as pre merger to the hold separate enterprises including
  1. Statutory Workers' Compensation Insurance
  2. Employers' Liability
  3. General Liability

Revised 12-8-08

4. Property Insurance (including Earthquake for California)

Any Divested entity with vehicles should have:

5. Commercial Auto Liability Insurance
6. Umbrella and Excess Liability

Transfer and Disposal operations should carry:

7. Environmental Liability

- Claims processing and management will be provided under the same processes as pre merger.
- Allocations of cost for insurance will be the same as pre merger
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- None

Compliance

- All regulatory submittals must be made by the Hold Separate Manager. The assigned risk management staff may assist but may not submit on behalf of the Hold Separate Division.

Post- Divestiture

- Divested operations shall name Company as “additional insured” on all policies of insurance with the exception of Workers’ Compensation and must have all policies endorsed to ensure the insurance carrier and the Divested operation “waives their right of subrogation” against the Company.
- Divested operations shall provide proof of insurance at closing
- Divested operations will engage a Surety Broker and be responsible for substituting Surety Bonds, Letters of Credit, or Cash for any contracts or statutes requiring performance guarantees or to underwrite any applicable financial assurance for closure/post-closure of Disposal sites if applicable, as near to closing as possible.

Revised 12-8-08

Hold Separate Guidelines

**Functional Department:** Field Operations

**Contact Name:** Joe Noorlag                      Backup: Tony Rosback  
**Contact Phone #:** 480.627.2250              480.627.2700  
**Cell Phone #:** 817.946.5412              714.458.4256

Please note, Tony is transitioning from the Midwest and until Jan 1, 2009, all questions should be directed to Joe Noorlag

**Purpose:** To provide field operations support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager  
*System Req's :* Set IT guidelines  
*Personnel :* General Manager (HS)  
*Functions :* Support: Day to Day operations  
*Mo/Qtrly reports:* Same as existing divisions currently receive

**Description:**

General

- General manager (or designated manager) will be responsible for the day to day operations of the hold separate business and report directly to the Hold Separate Manager
- Hold Separate route drivers will report to the local designated manager (Ops Manager, supervisor, GM, dispatcher or other division manager) who will have a direct line to the Hold Separate Manager. Such manager will not have responsibilities for non-Hold Separate operations or functions.

Services available to HSD by Republic

- The following provides guidance to the General Manager for set up and development of the local Hold Separate organization.

Management

- Create a simple Division organization chart identifying personnel in maintenance, sales, admin, payroll, and accounting who will support the "Hold Separate Business". In some cases, these people may only support the business (Safety,

Revised 12-8-08

Maintenance, Payroll, and Accounting): in other cases, the employees will be full-time permanent employees of the hold separate with no other responsibilities (drivers, supervisors, technicians, helpers, sales). Share this information with all division personnel as well as the Corp Hold Separate Mgr.

- Identify one local person that all the affected employees will report directly to this could be a route supervisor, but more likely is a department manager (Ops Manager, Maintenance Mgr, or GM)
- Identify levels of authority for sales personnel, purchasing authority for fuel, parts, discipline, etc. These levels of authority should follow existing company policy and procedure. Identify the escalation chain of command for personnel issues, customer service solutions, etc.
- Openly communicate both orally and in writing with all employees at the division the purpose of separating the routes/drivers. Explain the requirements of the Department of Justice, especially to employees on routes that are to be sold (those that will depart the company). Reinforce that we need to treat all employees with respect, however, we must also comply with the requirements of the Dept of Justice.
- If applicable, approach local union to inform them of what is happening.
- Identify a chain of command person at the region (VP – Ops Support), and at the OSC (likely the Hold Separate Mgr) that the GM can contact directly with any questions or problems needing resolution
- Identify separate facilities, either a separate location, or separate within the existing facility as indicated in the consent order, for the employees/assets to be divested and prepare a plan for such move/separation within 20 days after closing. The move/separation of the assets/employees should be implemented as soon as practical thereafter. . If appropriate and possible, move the assets/employees that are staying with the company leaving the Hold Separate assets, routes and employees at the facility to be divested. Separating the employees starts to create the separation needed to run the business separately. Be sure that the employees get all the support they need and are not neglected.

### Operations

- Identify the assets in writing, including spare trucks and containers, as well as the employees that normally operate or are associated with the routes that are to be divested. Do not attempt to swap drivers, helpers or trucks. **This is the Hold Separate business.**
- Create a simple Operations organization chart identifying drivers/helpers, swing driver, immediate supervisors, dispatch support, and an Operations Manager if appropriate. Maintenance of proper levels of staffing in Operations is critical to providing quality service. If at any time, the hold separate business is short of drivers to staff the divested routes, you must immediately loan skilled, knowledgeable drivers from AW/RSG to the Hold Separate business regardless of the impact on your business. During the hold separate period, the local division will also provide access to swing drivers as needed. You may back

Revised 12-8-08

charge them the actual costs, however, you must provide support needed to maintain an on-going business.

- Ensure that the support personnel (Dispatchers, Supervisors, Ops Mgrs) have the needed access and skills to use RSI or InfoPro.
- Set aside a separate pool of containers to service new customers and swap current customers at a rate equal to the pre-divestiture company. Also provide a method for delivery of same.
- Move DQF, Personnel Files, to a hold separate environment. Update as needed to stay in compliance.
- Schedule to maintain PTO during hold separate for time previously requested but not taken.
- Ensure the existing Driver check-in / debrief process continues in effect and that needed support from the non-HS business is provided when needed.
- Ensure the existing pre & post-trip VCR truck write up process continues and that all needed repairs are completed in a timely fashion. In the event there are insufficient trucks available for the HS routes, immediately assign AW/RSG vehicles to the affected routes.

#### Controller

- Set up separate LOB's in Infopro, the GL and CFA to track the revenue/costs. Be sure to change the route/truck in Infopro/CFA to the new LOB. Transfer the employees to the new LOB in HRIS so the payroll posts correctly in the GL. Transfer the trucks/containers in FAS so the depreciation is recorded correctly in the GL. Get new fuel man cards, if applicable, for the trucks so the fuel costs post to the new LOB. Make sure all employees who create purchase orders, process AP, close the general ledger, are informed of the new LOB. If we are sharing fueling facilities, determine how we will track fuel usage.
- Restrict access to the Hold Separate customers and routes. MIS can support this process.

#### Capital

- Capital budgets shall be prepared/adjusted to reflect ongoing operations. Republic will provide sufficient working capital and lines and sources of credit to meet capital budget requirements.

#### Compliance

- Compliance obligations and reporting are the same as pre merger

#### Post- Divestiture

- The general manager will be responsible for post divestiture communication and wrap up with Republic

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Environmental & Engineering

**Contact Name:** Hank Ludwig      Designate backup: Joe Benco  
**Contact Phone #:** 864 349 8566      Phone: 480 627 2265

**Purpose:** To provide environmental compliance and engineering support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG / AW transaction through the sale and transition of the Hold Separate Entity to selected buyer.

**Overview:**

*Decision Auth :* Hold Separate Manager; Hold Separate Landfill Manager  
*System Req 's :* Landfill models, CER, FIS,CAT, AIMEE,  
*Personnel :* Regional Engineer (shared); Environmental Manager (shared); Landfill manager (HS)  
*Functions :* Support: Compliance, Special Waste, Engineering models and construction  
*Mo/Qtrly reports:* CAT Compliance; Others available upon request

**Description:**

**General**

- Assigned Engineering staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Engineering staff will not make any business decisions for the Hold Separate Division.

**Services available to HSD by Republic**

- The Hold Separate Division should continue to use current compliance programs/systems (FIS, Compliance Assurance Tool)
  - The Hold Separate Manager's password to FIS (Republic Divisions) will be restricted to the Hold Separate Division's information only.
  - The levels of authority for the capital approval / purchase function in FIS will be modified to reflect the HS levels of authority
  - Upon sell of the Hold Separate Division, all FIS access will be terminated.
  - Assigned Engineering staff will have access to the hold Separate Division's information but access by Republic Operational Personnel will not be allowed.

Revised 12-8-08

- CER system access will be disabled under AS400 environment / or will be created in separate environment with the HS levels of authority for approvals.
- Engineering staff will have access, but approvals will be restricted to hold separate personnel.
- Special waste decisions / support will continue as pre-merger:
  - Decisions for pre-merger Allied sites will go to the Special Waste Approvals Group at the OSC in Phoenix.
  - Decisions for pre-merger Republic landfills will go to the assigned Regional Special Waste Manager.
  - All special waste streams must be approved by the HS Landfill/Site Manager. In addition, norm waste and Dioxin waste streams must be approved by Hold Separate Manager
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

#### Capital

- Capital construction projects will be supported by the engineering staff but the Hold Separate Manager must serve as Project Manager and make all business decisions, sign all construction contracts, sign all change orders and approve applications for payment. In certain situations, staffing constraints and engineer (EM) workloads may require use of a consultant to manage construction. These situations will be addressed on an individual basis with the Hold Separate Manager.
- Capital budgets shall be prepared/adjusted to reflect ongoing operations.

#### Compliance

- Third party engineering support, groundwater monitoring, etc. will continue to be managed by the engineering staff under the direction of the Hold Separate Manager. All work must be approved in advance by the Hold Separate Manager and invoices must be approved by the Hold Separate Manager.
- All regulatory submittals must be made by the Hold Separate Manager. The assigned engineering staff may assist but may not submit on behalf of the Hold Separate Division. This includes responses to regulatory inspections.
- Any deficiencies noted by any regulatory agency (inspections, warning letters, NOVs, etc) must be copied to the division's assigned engineering support person who must then submit it to applicable AW or RSG tracking personnel with a copy to the Hold Separate Manager. As systems consolidate, new instructions will be updated. Response and follow-up assistance will be

Revised 12-8-08

provided by the assigned engineering staff but all business decisions must be made by the Hold Separate Manager who must also sign all correspondence.

*Post-Divestiture*

- The purchaser of the Hold Separate Division will be responsible for all permit transfers, permit notifications, updates of contact information and for submittal of any required disclosure information or updates. The Republic engineering staff will not participate in permit transfers beyond providing copies of current site permits if needed.

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Maintenance

**Contact Name:** Roy Svehla                      Designate backup: Brian Beaudrie  
**Contact Phone #:** 480 627 2269              Phone: 702 599 5955

**Purpose:** To provide maintenance planning and operations support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager  
*System Req 's :* Dossier, CFA,  
*Personnel :* Maintenance Manager (shared); general manager (HS)  
*Functions :* Support: Compliance, Maintenance Services  
*Mo/Qtrly reports:* Dossier, CFA Fleet Reports, Accounting Reports

**Description:**

**General**

- Assigned maintenance staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Maintenance staff will not make any business decisions for the Hold Separate Division . They will work as support staff for the Hold Separate Division performing regular maintenance functions and services and, where appropriate, make recommendations to HS management based on their reviews.
- Upon identification and notification of becoming a Division to be divested, all personnel will be deemed "captive personnel" and no transfers of personnel into or away from the divestiture division will be allowed. Staffing levels must remain intact and at levels that are required to adequately serve the business.
- Upon identification and notification of becoming a Division to be divested, a thorough and complete inventory of hard assets must be taken.(Hard assets are defined as all trucks, trailers, heavy equipment, containers, shop equipment, parts, tires, office equipment, etc.)Once completed this Inventory must be furnished to the Regional Controller.
- No equipment transfers will be allowed or approved after the date the date of notification.

Revised 12-8-08

Services available to HSD by Republic

- The Hold Separate Division should continue to use current compliance programs/systems ( Dossier, CFA, Local Accounting Process)
- At merger, equipment used in the hold separate enterprises will be designated as hold separate assets in the fixed asset system pursuant to the accounting hold separate guidelines. In addition, attests will be transfer subject to the minimum standards and guidelines in the attached exhibit.
- The Maintenance department will provide maintenance services to the hold separate entities at existing cost Company internal parts and labor rates. In the event that maintenance work is performed by a third party vendor, actual costs incurred will be charged to the hold separate entities.
- Hold Separate operations will have access to maintenance materials (tires, parts, lubricants, etc) on the same basis as pre merger.
- Equipment will be maintained in accordance with existing maintenance policies. Example: AW divisions will continue to adhere to standards outlined in the Allied Waste Fleet (Landfill) Equipment Maintenance Manuals, Republic divisions will continue to maintain equipment in accordance with the policies and procedures outlined in the Republic On Highway – Off Highway Fleet Maintenance Policies and Procedures Manuals.
- Fleet / cost tracking will be maintained in accordance with the site's current fleet management system and reporting policies.
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- Maintenance expenditures are limited to historical averages. In addition any expenditure over \$3,000 per truck and \$10,000 for yellow iron must be approved by the Hold Separate Manager and Regional Maintenance Manager.
- Capital budgets shall be prepared/adjusted to reflect ongoing operations

Compliance

- The Hold Separate Manager must make all regulatory submittals. The assigned maintenance staff may assist but may not submit on behalf of the Hold Separate Division. This includes responses to regulatory inspections.
- Any deficiencies noted by any regulatory agency (inspections, etc) must be copied to the division's assigned maintenance support person who must then submit it to applicable AW or RSG tracking personnel with a copy to the Hold Separate Manager.

Revised 12-8-08

**Post- Divestiture**

- Maintenance records should be copied as originals will follow the divesting division

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Sales & Marketing

**Contact Name:** Gary Sova                      Designated backup: Randy Smith  
**Contact Phone #:** (954) 612-9654              Phone: (480) 627-7137

**Purpose:** To provide sales and marketing support to establish and operate the Hold Separate Division in compliance with the Hold Separate Order following the close of the RSG / AW transaction through the sale and transition of the Hold Separate Division to selected buyer.

**Overview:**

*Decision Auth :* Hold Separate Manager; Hold Separate Sales Manager  
*System Req's :* RSI, InfoPro  
*Personnel :* Sales Manager (HS); Sales Personnel (HS)–Reps + Support  
*Functions :* Call Center Support  
*Mo/Qtrly reports:* InfoPro Sales Reporting, RSI Sales Reports  
*Agreements :* Intercompany Services Agreement

**Description:**

General

- Assigned sales staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Supporting call center support will not make any business decisions beyond normal business for the Hold Separate Division.
- The general policies and procedures governing the sales people assigned to the divestiture Division (if any) will remain as is and will be the same as those that are currently in place. These policies include:
  - 
  - 
  - Business Ethics Policy
  - Charitable Contributions
  - Communicating with the Media
  - Communicating with the Investment Community
  - Communicating with Government Agencies
  - Alcohol and Drug Free Workplace
  - Electronic Mail, Internet Access and Use of the World Wide Web

Revised 12-8-08

- Environmental
- Workplace Violence
- Computer and Telephone
- Non-company Owned Vehicle Use
- Antitrust
- Payments to Government Officials and Employees
- Political and Other Non-Charitable Contributions
- Record Retention
- Solicitation and Distribution

Services available to HSD by Republic

- The Hold Separate Division should continue to use current customer information/ billing systems (InfoPro, RISTI)

Prospect information in current prospect management systems (CRMS/PMT) that pertains to the Hold Separate assets will be identified (e.g. route footprint, commercial LOB) and transferred from the pertinent prospect management system into a hard copy report format and provided to the Hold Separate Division Call center support will continue to be provided to the Hold Separate Division according to current practices in the business unit, except that Call Centers will not provide direct selling functions for the Hold Separate Division. Shared personnel will be instructed to operate in a manner consistent with pre-merger (e.g. cancellation requests, service changes and new business will continue to be processed the same way they are currently at the call center) except that escalation of issues must take place through the Hold Separate Management Team instead of through the current escalation chain (Division ⇌ Area or District ⇌ Region ⇌ Corporate). New business leads and sales calls received at the call center that pertain to the relevant Hold Separate areas will be directed to the Hold Separate Division. Call centers will not have discretion on which calls to forward.

- Collateral/marketing materials (e.g. service agreements, marketing brochures that do not disclose specific pricing information) shall be made available to the Hold Separate Division with the approval of the Hold Separate Sales Manager. The Hold Separate Division will be responsible for any costs associated with providing this information.

Revised 12-8-08

- Online consent decree/hold separate training will be made available for customer-facing employees (e.g. sales representatives, customer service representatives, the Hold Separate Sales Manager) of the Hold Separate Division post-merger that mirrors the training being provided for Republic Services' customer-facing employees. Hard copies of this information will also be made available.
- Under no circumstances will joint sales training sessions be conducted with Hold Separate personnel and (pre-merger) Allied or Republic personnel.

### Capital

- Capital and expenditure budgets shall be prepared/adjusted to reflect ongoing operations

### Compliance

- The sales individuals assigned to the Hold Separate Division no longer report to their Area/District (and, in route-only situations, their Division) Sales Managers and should cease communication with that/those individual(s). Future sales guidance will come from your General Manager or Hold Separate Sales Manager as may be designated.
- The process for assigning sales representatives to the Hold Separate Division will be consistent with the existing staffing models in use by the pre-merger entities.
- The Hold Separate Sales Manager will establish appropriate goals and incentive plans, based on the attributes of the areas included in the Hold Separate, to appropriately compensate Hold Separate sales personnel. Notwithstanding, the Hold Separate personnel will no longer be eligible for the President's Club/ Chairman's Club.
- Pricing policies for new business and renewals will be established by the Hold Separate management team. Levels of authorization will be:
  - Below \$2,000/mo (Sales Personnel)
  - >\$2,000 but <\$5,000/mo (Sales Manager)
  - >=\$5,000/mo (Hold Separate Manager)
- Sales activities shall be conducted as if the companies were separate competitors subject to existing anti-trust training guidelines. The sharing of information on sales and pricing strategies and activities between the new Republic and the Hold Separate Division is generally not permissible. As a result, while you will continue to have IT support, you may notice that some of your system rights and accesses to broader information have been disabled as part of our desire for you to run your business independently.

Revised 12-8-08

- Existing National Accounts work will continue to be serviced by the Hold Separate Division under the terms and conditions of the prevailing agreement.
- Access to the initial consent decree/Hold Separate training documents will be made available post-close both as hard copy in the Hold Separate Manager's binder and in an electronic format.
- Sales documents and electronic records containing any customer-specific data that does not relate to the Hold Separate Division (e.g. customer lists, contact records, reports) must be identified, segregated and removed as of the close. Hold Separate sales representative will not have access to Allied/Republic sales databases in order to achieve the appropriate electronic data segregation.

Post- Divestiture

- National accounts subcontracts at the time of divestiture will be included in the sale generally thru the term of the Master contract
- Broker accounts managed by the National Accounts Group or at the division level will be assigned in accordance with the terms of their respective agreements.

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Procurement

**Contact Name:** Tom Piersa                      Designate backup: Jerry Wickett  
**Contact Phone #:** 480 627 2213                      Phone: 954 769 2662

**Purpose:** To provide procurement support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager , Division controller  
*System Req's :* ePro, Republic & Allied intranet sites,  
*Personnel :* Purchasing department (shared); division controller (HS); general manager (HS)  
*Functions :* Support: accounts payable process, purchasing,  
*Mo/Qtrly reports:* As Requested

**Description:**

General

- All purchasing functions and systems will remain the same post merger,
- Assigned purchasing staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Purchasing staff will not make any business decisions for the Hold Separate Division.

Services available to HSD by Republic

- Daily processing, with check writing at corporate level for former AW enterprises and established at a local level for former Republic enterprises
- Hold separate enterprises shall be able to access a contracts and discounts available to AW/Republic
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- None, as all systems are in place at the local level

Revised 12-8-08

Compliance

- Purchasing department will maintain all compliance w/ contract guidelines and reporting required by vendor (if any)

Post- Divestiture

- Republic will continue to process/pay all pre divestiture liabilities

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** IT

**Contact Name:** Bill Halnon                      Designate backup: David Hunts  
**Contact Phone #:** 954 769 2240                      Phone: 480 627 2767

**Purpose:** To provide support for IT services to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth :* Hold Separate Manager; General Manager  
*System Req's :* Cognos, FIS, Lawson, Dossier, InfoPro, ePro, Route Mgr  
CRMS, SalesLogix, TRUX, EMAIL (Outlook, Groupwise)

*Personnel :* IT managers (shared); Controller (HS) General Manager  
(HS)

*Functions :* Support for all functional areas  
*Mo/Qtrly reports:* as requested by the hold separate divisions

**Description:**

**General**

- Assigned IT staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- IT will not make any business decisions for the Hold Separate Division.
- All access changes must be approved by Hold Separate Manager

**Services available to HSD by Republic**

- IT will provide support services for
  - Budget and Planning (Cognos)
  - Landfill (FIS)
  - Financials (Lawson and \_\_\_\_\_)
  - Maintenance & Inventory)
  - HR (timekeeping and Lawson)
  - OTC (InfoPro)
  - Purchasing (ePro)
  - Route Optimization
  - Sales (CRMS, Sales Logix)

Revised 12-8-08

- Scales
- Web Development
- Email
- Infrastructure: change mgmt, Citrix, Data Center, Help Desk, VOIP
- IT will provide all:
  - Hardware
  - Networks
- IT will monitor and limit access with appropriate segregation of Hold Separate Division information. Firewalls will be established where appropriate.
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- None as all hardware is located at each site

Compliance

- IT will provide compliance and reporting for any and all license agreements
- Please identify any other compliance matters

Post- Divestiture

- The purchaser of the Hold Separate Division will be responsible installing new systems in the acquired enterprise. IT may provide transitions services such as cash processing and billing for up to 90 days post divestiture. Scales software may also be available for up to 90 days. Buyer will be required switch communications packages and other IT interfaces at closing.

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Human Resources

**Contact Name:** Jeff Young                      Designate backups: 4 Reg VPHRs  
**Contact Phone #:** 480 627 2835              Phone:

**Purpose:** To provide human resources support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity to selected buyer

**Overview:**

*Decision Auth* : Hold Separate Manager; General Manager  
*System Req's* : HRIS,  
*Personnel* : Regional VP HR (shared); Human Resources Manager (shared); General Manager (HS)  
*Functions* : Support: Compliance, Benefits administration and hiring/termination guidelines, employee transition  
*Mo/Qtrly reports:* Tailored reports available upon request, Normal payroll cycle reports prepared, monthly, quarterly and annual tax filings

**Description:**

General

- Assigned human resources staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Human Resources staff will not make any business decisions for the Hold Separate Division.
- All terminations, transfer/reassignments and new hires must be approved by the Hold Separate Manager. In the event of a transfer or reassignment of a Hold Separate Employee to another Republic location under the normal transfer bids initiated by an employee pursuant to established job posting policy, Republic will provide notice to the United States Justice Dept within ten (10) calendar days of transfer/reassignment.

Services available to HSD by Republic

- Human Sources will provide recruiting support along with new hire processing and training. New hires will be notified of the anticipated divestiture
- In the rare event of a termination, Human resources will provide processing

Revised 12-8-08

- HR will provide benefits administration including claims processing in the same fashion as pre merger
- HR will provide all insurance and benefits coverage as pre merger
- Hold Separate divisions may continue to us HR information materials
- Costs will be allocated to the hold separate enterprise consistent w/ past practices
- HR will provide details of stay on bonus plans, severance packages (if applicable) and other such support to transitioning employees
- Payroll processing will be provided as prior to merger. Employees of Hold Separate enterprise will be so designated in the system
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- None as capital systems are already in place

Compliance

- HR will provide all monthly, quarterly compliance reports as pre merger
- HR will notify Hold Separate Manager of any regulatory inquiry, correspondence or action associated with the hold separate divisions

Post- Divestiture

- Hold Separate employees must apply for positions with the buyer. Buyer will hold an employee meeting prior to closing to accept such applications. For those employees who are offered a similar job with the buyer, but elect not to stay with the Buyer, they will not be eligible to be rehired at Allied/Republic for a period of (either six months or a year – under discussion)

Revised 12-8-08

**Hold Separate Guidelines****Functional Department:** Accounting, Controllershship and Internal Audit**Contact Name:** Jerry Clark **Designate backup:**  
**Contact Phone #:** 954 769 2878 **Phone:** \_\_\_\_\_**Purpose:** To provide accounting, internal audit and controllership support to establish and operate the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG / AW transaction through the sale and transition of the Hold Separate Entity to selected buyer.**Overview:**

*Decision Auth :* Hold Separate Manager; HS Controller, Division Controller  
*System Req's :* AW Operations - Infinium, Payroll, TRUX, Infopro  
 RSG Operations – Lawson, PC Scales, RSI  
*Personnel :* Corporate Controller (shared) Division Controller (HS)  
*Functions :* Support: Policy compliance (inc. SOX), G/L (entry, close and reconciliation), transaction processing (A/P, Cash, fixed assets)  
*Mo/Qtrly reports:* Monthly P&L financials (inc statistics), monthly balance sheet financials (only if HS is full division), divestiture accounting.

**Description:****General**

- Assigned accounting staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- All key decisions for Hold Separate operations will be required to be approved by the hold separate manager or their delegate. This includes any customer, employee or asset movement in or out of the hold separate operations
- Internal audit will not have any scheduled reviews, but will be available on an as needed basis.
- Three Basic Hold Separate Entity Structure Scenarios:
  - A. Existing Divisions:** This is a scenario where an entire existing division has been designated as hold separate. (Full division)
  - B. New Hold Separate Locations:** In this scenario a new division is formed with hold separate business. Typically this will be cases where we establish an entire physical location as a hold separate operation. The hold separate business may come from a single existing divisions business or a combination of two or more divisions business now designated as hold separate. A new division number will be established for operating and

Revised 12-8-08

reporting. This structure will be created only when a truly independent facility is established. (It is possible, but unlikely that we may have a hold separate location which houses both Republic and Allied business. We will work out this scenario if and when the circumstance presents itself.)  
(Full division)

**C. Partial business within a shared location:** Business classified as hold separate (i.e. specific routes) which are operated within the same facility as non-hold separate business will have the specifically identified hold separate business moved to a separate subline of business (or LOB) within the existing division. (Partial Division)

- In general, all of the above hold separate scenarios are subject to existing Republic or Allied process, policy and procedures (with the exception of specific hold separate requirements).
- Costs (operating or SG&A) that will not cease when the HS operation is sold will not be allocated to the HS operations. In the case of partial business within a shared location operated as hold separate, it is assumed that direct costs will be allocated and that existing allocation methods will satisfy hold separate requirements.
- Depending on the accounting rules, there may be additional classification work required to meet discontinued operations requirements.
- Hold separate divisions (Scenario A & B above) will be moved out of the current Area and Regional rollups and moved to a new operating structure. Partial division hold separate entities will be held inside the current Divisions, Area and Region.
- Expectations are that a “substantially complete” list of divestitures will be available by November \_\_\_\_\_. From this list we can set-up a specific scope to have all structures in place as of the merger date and distribute all required communications.

*Services available to HSD by Republic*

- The Hold Separate Division should continue to use current compliance programs/systems
- All current billing and financial systems in use at the division (RSI, InfoPro, TRUX, PC Scales, Lawson and Infinium) will be available to the HS group as outlined on the attached chart.
- Any third party consulting information held by (pre-merger) Allied or Republic Divisions shall be made available to the Hold Separate Division. The

Revised 12-8-08

Hold Separate Division will be responsible for any consultant charges to provide the information.

Capital

- Accounting systems are available; therefore capital requirements will be a minimum.
- Capital budgets shall be prepared/adjusted to reflect ongoing operations

Compliance

- SOX key control testing and remediation procedures will continue to be performed for the HS operations based on current testing followed. An AW division will follow AW procedures and an RSG division will follow RSG procedures.
- Representation letters currently in place will continue for the HS operations.
- All regulatory submittals (ie. sales tax reports, EEOC, payroll tax) if required to be separately issued must be made by the Hold Separate Manager. The assigned accounting staff may assist but may not submit on behalf of the Hold Separate Division. **Need to define more clearly. For example does this include landfill taxes, host fees, franchise taxes, business and occupational tax returns, property tax renditions etc.**
- **Segregation of duties will maintained between personnel with share information.**

Post- Divestiture

- The purchaser of the Hold Separate Division will be responsible for all accounting systems. Where necessary an interim support services agreement will be provided for up to 90 days for cash processing and billing. Access to all historical HS data may not be provided.

**Exhibit A: Services and Systems Chart:**

Republic Services Action/Procedure	Allied Waste Action/Procedure
------------------------------------	-------------------------------

**DIVISION GUIDANCE: Billing, Cash Application, Credit and Collections**

<p>Hold separate divisions will be a separate dataset. This will be for existing divisions and newly set-up divisions which operating in a separate facility. Benefits include separate lock box and the ability to secure all aspects of RSI.</p>	<p>Full Hauling Division – A separate InfoPro division will be maintained for the division. Separate staff will be responsible for all billing, cash, and collections functions. That staff will continue to follow the existing policies and standards AW has in place for all customers. This includes invoicing, pre-billing reviews, approval of credit and debit memos, approval of customer credit for new</p>
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Revised 12-8-08

	accounts, timeliness of cash posting, and prompt follow-up on past due A/R. System access to the division will be limited to those individuals who require access. Field staff who do not work for or support the new division will have their system access restricted (sales, operations, accounting).
Hold separate sub-lines will be a separate company under existing RSI dataset. Benefits include the ability to secure the sales function but allow shared cash receipts, customer service, and credit & collections.	Partial Hauling Division (ie routes) – The routes to be divested will be set up in a separate LOB. Staff of the go-forward division will continue to support the divested operations for all billing, cash, and collections functions. That staff will continue to follow the existing policies and standards AW has in place for all customers. This includes invoicing, pre-billing reviews, approval of credit and debit memos, approval of customer credit for new accounts, timeliness of cash posting, and prompt follow-up on past due A/R. Guidelines will specify the equal support requirements for hold separate operations, and the Division Controller will certify that those guidelines are followed.
PC Scale should not require any changes as it would only be part of a full division hold separate entity. In this case security should be limited to hold separate individuals.	Disposal Sites - TRUX should not require any changes as it would only be part of a full division hold separate entity. In this case security should be limited to hold separate individuals.

**DIVISION GUIDANCE: Payroll and HRIS**

In all structures, Lawson HRIS will specifically identify personnel as hold separate (once assigned). Direct labor needs to be separated in both Kronos and Lawson HRIS in order to be recorded in the correct division and sub-line of business.	For all operations to be divested, employees will remain on existing payroll systems and hold separate employees will be designated as such (no transfers). HRIS will be updated to reflect the division or LOB established for the hold separate operations. All existing payroll policies and procedures will remain the same including calculation and approval of hours, pay rates, incentive comp, vacation, and safety incentives.
A Mass PAF process will be set up to streamline paperwork and signoff process of the initial movement or classification of employees as hold separate.	A Mass PAR process will be set up to streamline paperwork and signoff process of the initial movement or classification of employees as hold separate.

**DIVISION GUIDANCE: Maintenance (Dossier/CFA) & Asset Management**

All trucks and equipment identified as hold separate should be specifically identified in Dossier. In cases of partial divisions, equipment will be identified within the	All trucks and equipment identified as hold separate should be specifically identified in CFA. In cases of partial divisions, equipment will be identified within the hold separate LOB. This will
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Revised 12-8-08

hold separate subline. This will document vehicles are being maintained per Republic standards.	document vehicles are being maintained per AW standards.
Dossier work hours will be used to allocate shop expense within partial division structures (See #1. A. above)	CFA work hours will be used to allocate shop expense within partial division structures (See #1. A. above)
Within Asset Management, all hold separate assets will be either held inside the hold separate division or in the case of a partial entity will be specifically tagged to a hold separate default accounting unit and location code within the asset management system.	Within the Fixed Asset system, all hold separate assets will be either held inside the hold separate division or in the case of a partial entity will be specifically tagged to a hold separate LOB.
Absent of any specific evidence to the contrary, containers split out from an existing division as hold separate should have similar NBV and distribution of remaining life. (e.g. similar amounts of containers with low or no book value to ensure a similar retirement profile.)	Absent of any specific evidence to the contrary, containers and compactors split out from an existing division as hold separate should have similar NBV and distribution of remaining life. (e.g. similar amounts of containers with low or no book value to ensure a similar retirement profile.)
Corporate will assist field on all mass asset transfers: Corporate will send out excel spreadsheet with asset information. Field will ID assets being transferred. Corporate will books mass transfer.	Corporate will complete all mass asset updates and transfers. Corporate will send out excel spreadsheet with the required asset information. Field will ID assets being transferred.

<b>Republic Services Action/Procedure</b>	<b>Allied Waste Action/Procedure</b>
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**DIVISION GUIDANCE: Insurance and other Corporate Expense Allocations**

Fixed expense and variable expense will be through standard corporate process.	Fixed expense and variable expense will be through standard corporate process.
Need to make certain employee moves are communicated to facilitate proper charges in insurance occurrence process.	Need to make certain employee moves are communicated to facilitate proper charges in insurance occurrence process.

**DIVISION GUIDANCE: Field SG&A Allocations**

SG&A expense in separate divisions will include all direct SG&A expenses charged at the division or via standard intercompany charge from corporate.	Full divisions - SG&A expenses should include all direct SG&A expenses charged at the division or via standard intercompany charge from corporate.
Sales or G&A accounting units will be set-up in partial hold separate divisions to hold specifically identified hold separate employees. Partial divisions will not be allocating SG&A by subline of business as a proxy for total SG&A costs for the	Partial divisions - Only SG&A expenses directly attributable to the operations to be divested should be allocated. Any costs that do not go away after divestiture should not be allocated.

Revised 12-8-08

subline.	
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**DIVISION GUIDANCE: Accounts Payable**

To Come	Full Divisions - Separate purchase orders will be issued for goods and services delivered directly to a held separate division. Accounts payable will process invoices for held separate divisions under that division's number. Invoices for goods and services ordered prior to the close date and commingled with other divisions can be paid by another division and allocated to the held separate division. All AW policies and standards will continue to be in place including approvals, vendor terms and invoice processing timeliness.
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Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Treasury

**Contact Name:** Marsha Lacy (AW) Designated Backup: Victoria Poort  
**Contact Phone #:** 480 627 7074 Phone: (480) 627-2770

**Purpose:** To identify all Treasury-related activities needed for each Hold Separate division or business operation and to assure that all appropriate follow up is completed.

**Overview:**

*Decision Auth* : Hold Separate Manager; General Manager  
*System Req's* : Credit card, Lock box, Online Bill Pay  
*Personnel* : Treasury Mgr (shared) general manager (HS)  
*Functions* : Support: Letters of Credit, bank accounts, trust and escrows, customer payment systems including: credit cards, lockbox and Online Bill Pay  
*Mo/Qtrly reports:* NONE (See Monthly G/L Activity)

**Description:**

**General**

- Assigned Treasury staff will continue to support the Hold Separate Division at the pre-merger level of support subject to the conditions listed below.
- Treasury staff will not make any business decisions for the Hold Separate Division.
- Divisions shall complete the attached checklist, identifying activity requirements.
- Treasury shall remove all HS assets from AR securitization, SNIC and IRB collateralizations
- Add authorized signors to include Hold Separate Manager and designees and delete non hold separate individuals from stand alone divisions (Rep)

**Services available to HSD by Republic**

- The Hold Separate Division should continue to use current customer payment processes including; bank account, lockbox, credit card and Online Bill Pay

**Capital**

- None

Revised 12-8-08

Compliance

- NONE

Post-Divestiture

- The purchaser of the Hold Separate Division will be responsible for conversion of all lock box, Online Bill Pay and B2B EFT payments(30 days post), credit card (immediately) after closing pursuant to the checklist below

**Checklist Instructions:** Hold Separate (“HS”) business operations may require work for bank accounts and other bank products or services. Provisions of the Hold Separate agreement must be complied with.

Hold Separate date	
Expected divest/sale date	
Describe assets (routes, division, market, etc.)	
Allied contact	
Division number(s)	
Division name(s)	
Legal operating entity	
Billing system	
Securitized division/operations?	

Initials and date completed	Task
	<p>1. Get details, including:</p> <ul style="list-style-type: none"> <li>• Scope of assets or business operations</li> <li>• Is an entire legal entity held separate?</li> <li>• Agreement for post-HS billing and cash collections</li> <li>• Any arrangements that would require us to keep banking services in place for a period of time after the sale (for example, lockboxes or credit card capability)</li> <li>• Fill in all treasury-related product information below for the HS division(s)</li> </ul> <p>Note pertinent details here or at the end of the checklist.</p>

Revised 12-8-08

Initials and date completed	Task				
	<p><b>2. Bank accounts</b> (depository, operating, savings, etc.) Republic: see instructions below for disbursement accounts. Watch for ancillary services that may need to be considered, such as armored car service.</p>				
	Bank	Account #	Expected close date	Actual close date	
	<p><b>3. Credit cards</b>                      Arrange for swipe terminal call tags and return at cancel date. Inactivate each of the 3 Merchant IDs (Amex, Visa/Mcard, Discover) on the AS400 at cancel date.</p>				
	Merchant ID	Expected cancel date	Actual cancel date	Swipe terminal call tag/ return date	AS400 inactivate date
	<p><b>4. Trust or escrow accounts</b>                      Include standby trusts. Beneficiary/regulator approval will be required to terminate the trust, which may be subject to proper permit or contract transfers to the purchaser.</p>				
	Bank	Account #	Expected term date	Actual term date	
	<p><b>5. Retail lockbox</b>                      Prior to sale, verify that ARFI flag has updated "positive" file to ensure payments are depositing to non-ARFI bank account. Bank programming to remove the division will be needed. Timing is subject to arrangements in the sale agreement. Notify Tampa RPPS group and ARC opt-out.</p>				
	AR System	Box Number	Tampa RPPS notice (date)	ARC opt-out notice (date)	Turn off bank programming (date)
	<p><b>6. Wholesale lockbox</b>                      A Trux PO box may need to be closed and can be forwarded for a maximum of 60 days. Timing is subject to arrangements in the sale agreement.</p>				

Revised 12-8-08

Initials and date completed	Task				
	Box Number	Close box (Y/N) plus expected date	Actual close date		
	<b>7. Letters of credit</b> In most cases, existing LCs should be canceled. Beneficiary approval will be required, which may be subject to proper permit or contract transfers to the purchaser.				
	Bank	LC #	Expected release date	Actual release date	
	<b>8. Securitization</b> Set customer Account Class Code to "N", m and/or reset securitization flag in INF (CUPMF) to "not securitized" (should occur in advance of divestiture). Amend the securitization agreement and applicable exhibits (see separate detailed instructions in Treasury).				
	AR system	Division	Date removed from ARFI	Update ARFI schedule	
	<b>9. Online Bill Pay customers</b> Arrange for discontinuation of Autopay transactions and disable customers' accounts to prevent payments and further enrollments effective 30 days post or on applicable date as agreed.				
	AR system	Division	Date discontinued	Verified	
	<b>10. Homebanking customers</b> The purchaser will need to contact customers using their bank's homebanking system to update their remittance information. We will return payments effective with the date in (5) above.				

Revised 12-8-08

Initials and date completed	Task
	<p><b>11. B2B customers</b> The purchaser will need to contact business customers sending EFT payments to our bank account to update their remittance information. We will return payments effective 30 days post or on the agreed-upon date. CPPC will need to monitor and Treasury will need to initiate payment returns.</p>
	<p><b>13. Disbursement Accounts</b> Identify the disbursement bank account used by the division. Have Division Controller calculate outstanding checks and remove ZBA link from master account. Prepare Controller group for the removal of check printing services from Lawson.</p>
	<p><b>14. Assets securing Allied's captive insurance company, Saguaro National Captive Insurance Company ("SNCIC")</b> Identify and, if deemed necessary, replace SNCIC collateral in a held separate operation. The applicable assets for SNCIC are listed in the attached. If you have a hold separate asset that is also on this list, please contact Kerri Howard at 480-627-2230.</p>
	<p><b>15. Industrial Revenue Bond ("IRB") Related</b> Identify if the division is included under any existing IRB financing and contact either Monica Pantea at 480-627-2236 or Kerri Howard at 480-627-2230 for further instructions. The attached list includes the specific IRB financed divisions.</p>

Revised 12-8-08

**Hold Separate Guidelines**

**Functional Department:** Tax

**Contact Name:** Ed Lang                      **Designate backup:**  
**Contact Phone #:** 954.769.3591              **Phone:**

**Purpose:** To provide support for ongoing tax compliance and reporting to the Hold Separate entity in compliance with the Hold Separate Order following the close of the RSG/AW transaction through the sale and transition of the Hold Separate Entity

**Overview:**

*Decision Auth:* Corporate tax department head, or Hold Separate Division Manager

*Personnel :* Tax compliance manager (shared)

*Functions :* Support: Compliance, Reporting

*Mo/Qtrly reports:* 10Q

**Description:**

**General**

- The corporate tax department will continue to provide support to the Hold Separate Divisions as is currently provided (federal and state income/franchise tax compliance, financial statement reporting, and maintenance of tax accounting).
- Field controllers will continue to perform decentralized tax reporting (sales & use tax, property tax).

**Divestiture Diligence**

- Any tax diligence will be provided by corporate tax department and may include
  - Analysis of tax basis and/or gain/loss on disposition
  - Determination of ability to sell assets v. stock
  - Provision of tax information to buyer, if necessary

Revised 12-8-08

Compliance

- Federal and State income and franchise tax returns will continue to be prepared and filed by corporate. City and/or local returns to be prepared and filed consistent with pre-merger practices.
- Property tax return services will continue to consistent with pre-merger practices.
- Sales and use tax returns will continue to be prepared and filed consistent with pre-merger practices.

Post- Divestiture

- The purchaser of the Hold Separate Division will be responsible for all post-close tax returns including federal, state, property, sales and use, escheat, etc.

Exhibit 3



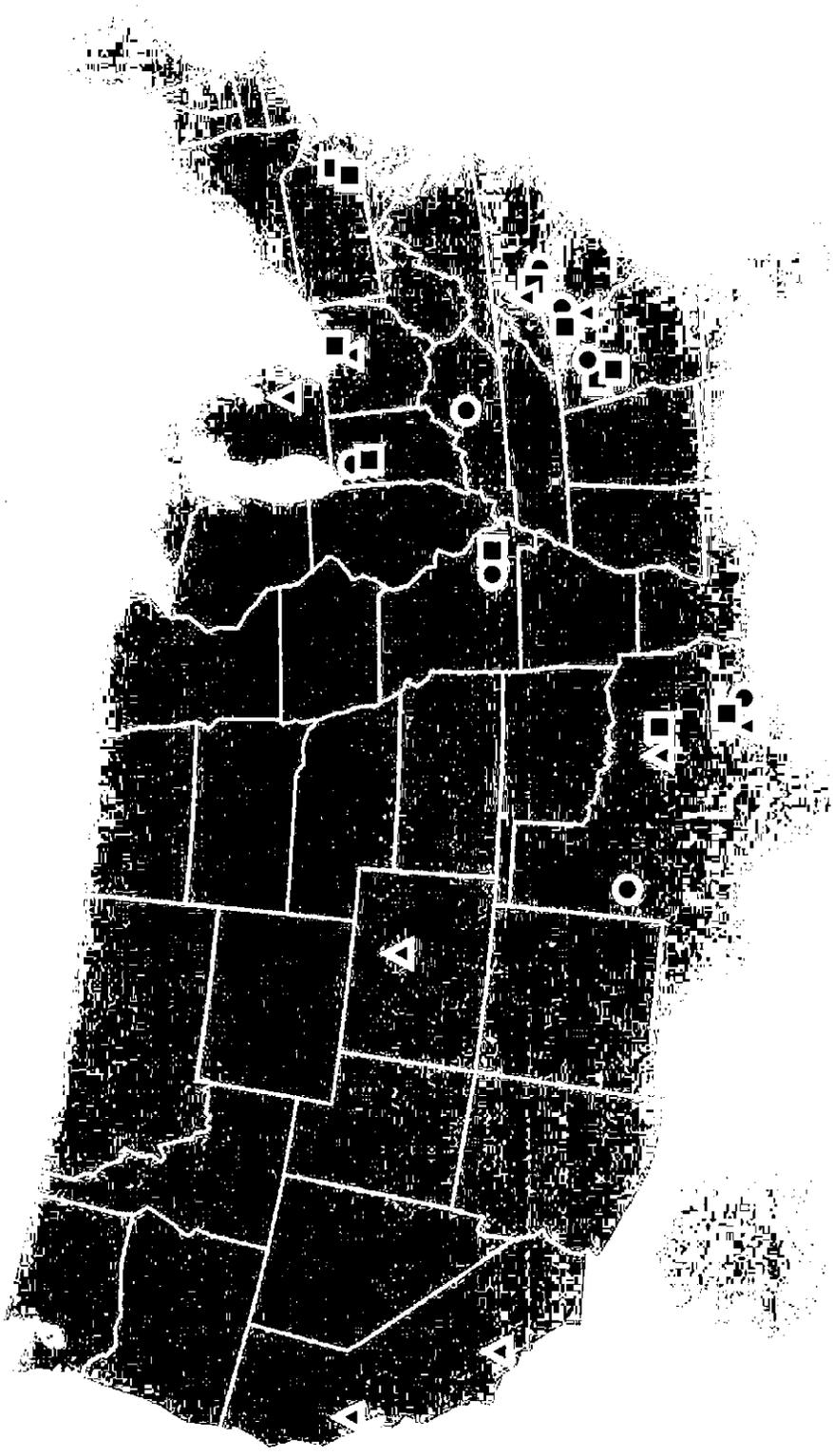
**Hold Separate Planning Summary**

December 18, 2008

*[Faint, illegible handwritten or stamped text]*

PRELIMINARY HOLD SEPARATE FACILITY PLANS

## Hold Separate Facility Footprint



- ▲ Landfill
- Transfer Station
- Collection Asset

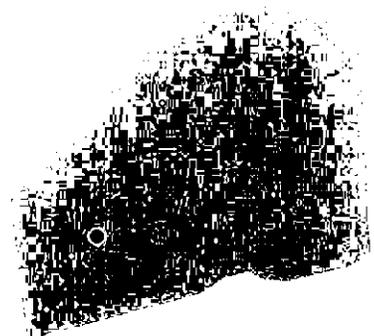
- Does not include Landfills where consent decree requires Transitional Disposal Agreements
- Ft. Worth – one of two RSG LFs to be divested

PRELIMINARY HOLD SEPARATE ROUTES TO NEW FACILITY

# Atlanta: AW Collection Assets

1581 Fullenwider Road, Gainesville GA 30507

Staff: 26



Routes: 13 (123, 130, 131, 132, 133, 136, 137, 138, 141, 142, 144, 146, 147)

Tons: 81,434 TTY

HS Site Contact: Joe McConnell  
Site Lead: Thad Owens

## Hold Separate Transition Summary

- Hold Separate routes move to Fullenwider Rd.
- Facility was mothballed, but is being re-activated to accommodate 13 Hold Separate routes
- Transition to new facility is underway
- RSG routes will stay at current facility

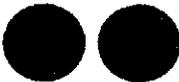
Title	Staff	Title	Staff
General Manager	1	Drivers	13
Supervisor (CDL)	1	Swing Driver	2
Mechanics	2	Sales Rep	2
Customer Service Rep	1	Admin	1
Controller	1	Shop Laborer	1
Sales Manager	1		

Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>- Leased with option to own</li> <li>- Site was mothballed, but is being re-activated</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>- Employees commute distance will change.</li> <li>- Collecting data to review extent of impact</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>- All customer calls currently received at RSG location</li> <li>- Service calls for HS routes will be transferred to new location</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>- All sales calls currently received at RSG location</li> <li>- Service calls for HS routes will be transferred to new location</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>- Maintenance shop will be set up at this location</li> <li>- Shop will be provisioned with proportional share of equipment and materials from RSG maintenance shop</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>- No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>- Shared support with RSG</li> <li>- Supported by site controller</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>- Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>- Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE HOLD SEPARATE

# Atlanta: AW Smyrna Transfer Station

4696 S. Cobb Drive, Smyrna GA 30080



Staff: 2



Tons: 16,899 T/y; 61 T/d

HS Site Contact: Joe McConnell  
 Site Lead: Thad Owens

## Hold Separate Transition Summary

- Self contained site
- Changes limited to system access and training for clerk to provide additional support to HS Hauling Company

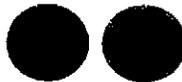
Title	Staff
Operators	1
Scales Clerk	1

Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>• Own Property and Building.</li> <li>• Part of the building is used as a records storage facility. Will need to relocate boxes prior to sale</li> <li>• City Ordinance restricts hours of operation</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>• No change</li> <li>• Shared GM with Hauling Company</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• All customer calls site directly. Phone numbers are unchanged</li> <li>• Calls received at currently received at RSG location will be transferred / directed to HS</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• All customer calls site directly. Phone numbers are unchanged</li> <li>• Calls received at currently received at RSG location will be transferred / directed to HS</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• Required maintenance provided by HS Hauling Company</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Shared support with RSG</li> <li>• Supported by Hauling Company Controller</li> <li>• Train HS Clerk on Trux daily uploads, customer input and customer billing processes</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>• Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE ACTION PLAN

# Atlanta: RSG Central Gwinnett Transfer Station

535 Seaboard Ind. Drive, Lawrenceville GA 30045



Staff: 3



Tons: 81,434 T/y; 300 T/d

HS Site Contact: Joe McConnell  
 Site Lead: Thad Owens

## Hold Separate Transition Summary

- Self contained site
- Changes limited to system access and training for clerk to provide additional support to HS Hauling Company

Title	Staff
Operators	2
Scale Clerk	1

## Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Leased</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No change</li> <li>▪ Shared GM with Hauling Company</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ All customer calls site directly. Phone numbers are unchanged</li> <li>▪ Calls received at currently received at RSG location will be transferred / directed to HS</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ All customer calls site directly. Phone numbers are unchanged</li> <li>▪ Calls received at currently received at RSG location will be transferred / directed to HS</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Required maintenance provided by HS Hauling Company</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support with RSG</li> <li>▪ Supported by Hauling Company Controller</li> <li>▪ Additional support provided by Clerk</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Bay Area: RSG Potrero Hills Landfill

3675 Potrero Hills Lane, Fairfield CA 94585



Staff: 44



Tons: 938,511 (117,998 internal) T/y; 3,200 T/d

HS Site Contact: Jim VanWeelden  
 Site Lead: James Dunbar

### Hold Separate Transition Summary

- Self contained site
- Site shared with Solano Garbage Company. Will limit use of shared areas

Title	Staff	Title	Staff
Billing Clerk	1	Heavy Equipment Operator	9
Landfill Driver	6	Laborer	15
Environmental Technician	1	Landfill Supervisor	2
PM Mechanic	2	Scale Operator	4
Mechanic Helper	2	Site Manager	1
General Manager	1		

### Functional Transition Approach

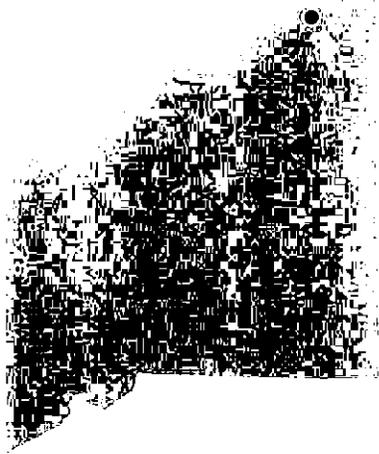
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Expansion project in flight</li> <li>▪ Site shared with Solano Garbage Company</li> <li>▪ Limit use of shared break room</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Recently terminated an operator. May eventually have to replace. Current volumes do not require replacement</li> <li>▪ Joe Lynch, sales person, is housed at site, but sells for all area facilities.</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ All customer calls site directly. Phone numbers are unchanged</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ All customer calls site directly. Phone numbers are unchanged</li> <li>▪ Special Waste calls directed to GM</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Required maintenance provided on site</li> <li>▪ Heavy equipment repairs will be performed by local CAT Dealer</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support with Solano Garbage Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY WORK PRODUCT SUBJECT TO DISCOVERY

# Cape Girardeau: AW of Cape Girardeau Collection Asset

281 Rambler Road, Cape Girardeau MO 63702

Staff: 3



Routes: 2 – 790 & 781  
Tons: 8,232 Tons/ YR

HS Site Contact: Marty Heise  
Site Lead: Ron Probst

## Hold Separate Transition Summary

- Hold Separate routes will stay at Rambler Rd. location and will be divested with site.
- RSG routes will be relocated to the RSG Jackson facility
- Planning for this transition is underway, but exact timing is TBD

Title	Staff
Drivers	2
Supervisor (CDL) / Sales	1

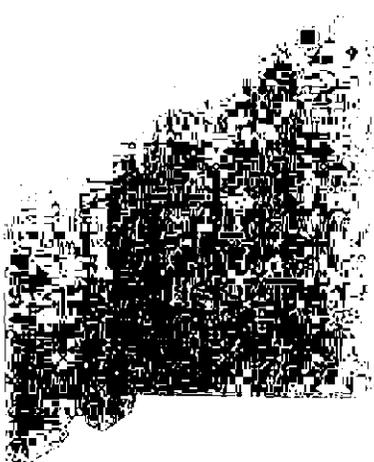
## Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>• Leased</li> <li>• Will share site with RSG until they can be moved</li> <li>• Steps will be taken to maintain separation in interim</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>• Staffed more experienced personnel as site lead</li> <li>• See employee profiles</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• All customer calls currently received at the AW Hauling Company in Dexter MO</li> <li>• Service calls for HS routes will be entered into InfoPro and accessed by HS personnel</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• Calls for HS routes will be redirected to the HS Rambler Rd. location</li> <li>• Supervisor will handle provide sales function</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• Trucks will be maintained by existing RSG shop; HS will be billed for services</li> <li>• Maintenance of hold separate trucks will be provided by RSG of Jackson once move is complete; HS will be billed for services</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Container maintenance will be provided by third party container maintenance company (possibly Mobile Container Service).</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Shared support with RSG</li> <li>• Additional support provided by clerk at HS transfer Station</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>• Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD STATEMENT OF WORK

# Cape Girardeau: AW of Jackson Transfer Station

2004 Lee Avenue, HWY 25 N, Jackson MO 63755



Staff: 2

Title	Staff
Loader	1
Clerk	1

Tons: 17,817 T/y

HS Site Contact: Marty Heise  
 Site Lead: Ron Probst

## Hold Separate Transition Summary

- Self contained site
- Changes limited to system access and training for clerk to provide additional support to HS Hauling Company

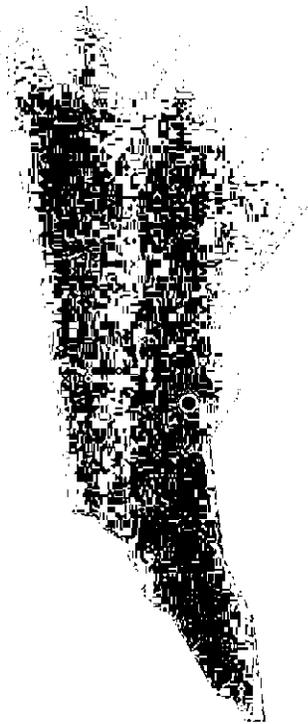
Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Self contained. No changes</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ All customer calls currently received at the AW Hauling Company in Dexter MO</li> <li>▪ Call for TS will be redirected Clerk</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ All customer calls currently received at the AW Hauling Company in Dexter MO</li> <li>▪ Call for TS will be redirected to Clerk</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance of will be provided by RSG of Jackson once move is complete; HS will be billed for services</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ NA</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support with RSG</li> <li>▪ Clerk provides support to HS Hauling Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE ROUTES TO AW

# Charlotte: RSG Charlotte Collection Assets

**5516 Rozzelles Ferry Road, Charlotte NC 28214**

**Staff: 20**



**Routes: 10**  
 (A001,A002, A003, A004, A005, A007, A008, A009, A010, A012)  
**Tons: 52,872 T/y**  
**HS Site Contact: Joe McConnell**  
**Site Lead: Alex Churchill**

**Hold Separate Transition Summary**

- Ten Hold separate routes will remain at current facility
- RSG routes move to AW CMS facility.
- Move of RSG routes targeted by Feb. 2
- Operations at this site will be separated until RSG routes can be moved

Title	Staff	Title	Staff
General Manager	1	Mechanic	1
Sales Manager	1	Customer Service	1
Sales Rep	1	Admin	1
Drivers	10	Controller	1
Route Supervisors (CDL)	1	Container Delivery	1
Mechanic Supervisor	1		

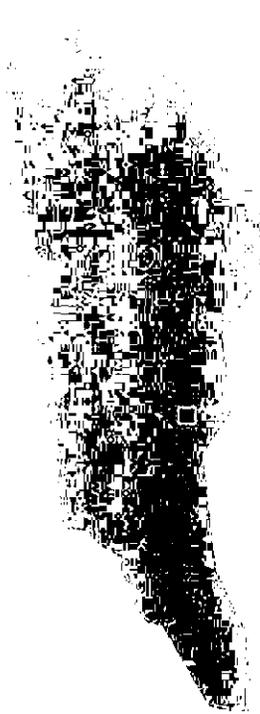
Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Split office space until move of RSG routes</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Phase I: Until RSG moves, all calls come in to facility and are directed to appropriate reps</li> <li>▪ Phase II: When RSG moves to AW facility, phone numbers will be transferred. The HS calls will need to be redirected to the HS location</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Phase I: Until RSG moves, all calls come in to facility and are directed to appropriate reps</li> <li>▪ Phase II: When RSG moves to AW facility, phone numbers will be transferred. The HS calls will need to be redirected to the HS location</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance of will be provided to HS trucks in separate bays, by separate personnel until RSG routes are moved</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Separated operations at site (e.g. change radio frequencies, separate office space)</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by site controller</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

## Charlotte: RSG Queen City Transfer Station

3130 Jeff Adams Drive, Charlotte NC 28206

Staff: 1 1/2



Tons: 149, 530 T/y; 500 T/d

HS Site Contact: Joe McConnell  
 Site Lead: Alex Churchill

### Hold Separate Transition Summary

- Stand alone facility. Minimal changes required

Title	Staff
Scale Clerk	1 1/2

Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>• Owned</li> <li>• Split office space until move of RSG routes</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>• No change</li> <li>• One part time Clerk to augment staffing</li> <li>• Calls will come directly to TS.</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• Calls to Hauling Company and call center will be redirected to TS</li> <li>• Hauling Company GM &amp; Sales Manager will handles sales function going forward. Previously handled by local GM</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• Calls will come directly to TS.</li> <li>• Calls to Hauling Company will be redirected to TS</li> <li>• Hauling Company GM &amp; Sales Manager will handles sales function going forward. Previously handled by local GM</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• Maintenance of will be provided by Hauling Company if needed</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Maintain month to month contracts with truckers</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Supported by controller at Hauling Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>• Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Charlotte: AW Anson County Landfill

375 Allied Road, Polkton NC 28135

Staff: 9



Tons: 199,702 T/y; 700-900 T/d

HS Site Contact: Jim VanWeelden  
Site Lead: David Lawson

### Hold Separate Transition Summary

- Stand alone facility. Minimal changes required
- Co-located with Peachland Hauling Company
- Will share management with Peachland Hauling Company

Title	Staff	Title	Staff
Operators	4	PM Mechanic	1
Laborer	1	Mechanic (outsourced)	1
Scale Clerk	1	Site Supervisor	1

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Co-located with Peachland Hauling Company</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Currently, the site is supervised by Manager that has oversight of 2 other landfills in NC. Recently hired Operations Manager for Peachland Hauling with the expectation that he would oversee both Peachland Hauling and Anson County LF due to these two assets being co-located</li> <li>▪ Site manager also oversees Peachland Hauling Company</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ No insides sales function</li> <li>▪ Calls that go to Concorde call center will be redirected to Landfill</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ 3<sup>rd</sup> party sales handled by site lead using established pricing</li> <li>▪ Special Waste sales are handled by J. Marston out of Concord as a shared resource</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance handled onsite</li> <li>▪ Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by controller at Hauling Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

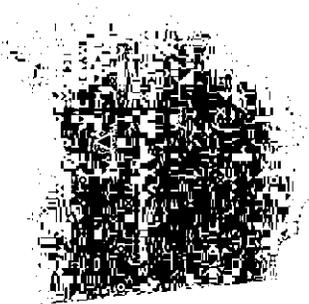
PRELIMINARY BIDDING SPECIFICATIONS

# Cleveland: AW Oakland Marsh Landfill

170 Noble Road, Shiloh OH 44878



Staff: 13



**Tons / Day: 2000 Tons**  
**IC-700, AK steel 500, Medina County 450**

**HS Site Contact: Jim VanWeelden**  
**Site Lead: Alvie Green**

## Hold Separate Transition Summary

- Stand alone facility. Minimal changes required
- Co-located with Peachland Hauling Company
- Will share management with Peachland Hauling Company

Title	Staff	Title	Staff
Site Manager	1	AR Clerk	1
Lead Operator	1	Office Supervisor	1
Operators	5	Scale Clerk	1
Mechanic	1	Staff Accountant	1
General Laborer	1		

## Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Installed more experienced personnel to manage site (see profile)</li> <li>▪ Staff Accountant to be recruited locally</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Customers call landfill directly</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ 3<sup>rd</sup> party sales handled by site lead using established pricing</li> <li>▪ Special Waste sales will be handled by Site Manager</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance handled onsite</li> <li>▪ Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by Staff Accountant</li> <li>▪ RSG Shared service support</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD - SUBJECT TO CHANGE

## Cleveland: RSG Harvard Road Transfer Station

3227 Harvard Road, Newburgh Heights, OH 44105



Staff: 6



Tons / Day: 1100 I/C: 555 O/S: 545  
 O/S Breakdown: AW: 195 Metro: 185 Other: 165

HS Site Contact: Jim VanWeelden  
 Site Lead: Stephen Weber

### Hold Separate Transition Summary

- Stand alone facility. Minimal changes required

Title	Staff
Operators	4
Site Lead Operator	1
Scale Clerk	1

### Functional Transition Approach

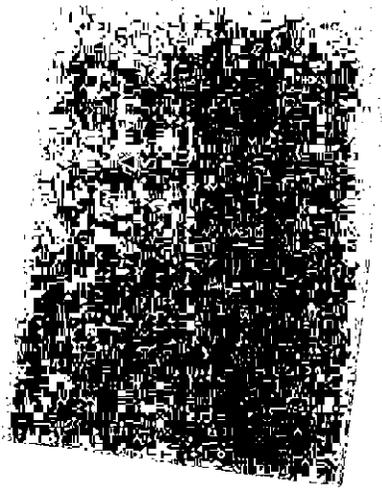
<b>Facilities</b>	<ul style="list-style-type: none"> <li>Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>No change</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>Customers call TS directly</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>Customers call TS directly</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Excess excavator on site</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>RSG Shared service support</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Denver: RSG Front Range Landfill

1830 Weld Company Road 5, Erie CO 80516

Staff: 11



Tons: 425,342 T/y; 1,535 T/d

HS Site Contact: Jim VanWeelden  
 Site Lead: Edward Nestor

### Hold Separate Transition Summary

- Stand alone facility. Minimal changes required

Title	Staff	Title	Staff
Operators	4	Manager *	1/2
Laborer	1	Landfill Supervisor	1
JM Mechanic	1	Sales Rep *	1/2
Scale Supervisor	1	Admin / Clerk	1
Scale Clerk	1		

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Steve Heisle will not remain with site</li> <li>▪ Edward Nestor will pick up</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Customers call Landfill directly</li> <li>▪ Any calls to Hauling Company will be redirected to Landfill</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Site Manager will take additional sales responsibilities once GM moves to other sites</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Radio frequencies will be changed</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ RSG Shared service support</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE SUMMARY

## Flint: RSG Brent Run Landfill

8247 Vienna Road, Montrose MI 48457

Staff: 15



Tons: 693,226 T/y; 2,702 T/d

HS Site Contact: Jim VanWeelden  
 Site Lead: James Webber

### Hold Separate Transition Summary

- Stand alone facility. Minimal changes required
- Mid Michigan Hauling Company co-located at this site
- Hauling Company will be Relocated to AW of Flint
- Move of RSG routes targeted before divestiture
- Operations at this site will be separated until RSG routes can be moved

Title	Staff	Title	Staff
General Manager	1	Scale Operators	2
Sales / Admin	1	Equipment Mechanics	2
LF Heavy Equip Operators	5	Landfill Laborer	1
Temp. Laborer	1	Sales	1
Controller	1		

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Separate from Hauling Operations (locks, keys, time clock etc)</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Customers call Landfill directly</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Sales Representative will provide sales support</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance handled onsite</li> <li>▪ Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by site controller</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY RSG COLLECTION ASSET

## Ft. Worth: RSG Collection Asset

1212 Arlington, TX 76011, (Shared Facility)



Staff: 10

Title	Staff	Title	Staff
Sales Rep	1	PM Mechanic	1
Operations Manager	1	Drivers	5
Customer Service/Admin	1	Container / Swing	1

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>Owned</li> <li>Separate from Hauling Operations (locks, keys, time clock etc)</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>Staffed more experienced operations Manager, Neel Dotson (see profile)</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>Personnel in the Customer Service Center will answer incoming sales and service inquiries.</li> <li>Customer service inquiries for the affected service area will be directed to the designated administrative employee. <b>Details</b></li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>Personnel in the Customer Service Center will answer incoming sales and service inquiries.</li> <li>Prospective sales opportunities for the divested routes will be directed to the designated sales representative.</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Shop will be shared services. Mechanics will service hold separate vehicles. The fees for maintenance services will agreed by the parties.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Container services will be provided on shared basis. An acceptable charge system will be determined</li> <li>Container delivery for HS will be handled by HS</li> <li>Need to acquire pick up truck</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Shared service support provided by RSG</li> </ul>

Routes: 5 (VA, VB, VC, VD, VE)

HS Site Contact: Joe McConnell  
Site Lead: Neel Dotson

### Hold Separate Transition Summary

- Hauling Operation to be "shared facility" at RSG Arlington location, 1212 Harrison Avenue, Arlington, TX.
- Upon sale, routes will be moved to associated landfill
- If Buyer selects Southeast Landfill, divested routes will be retained at current facility for 6 month with an option to extend an additional 6 months
- Operations at site will be separated during period of co-location

PRELIMINARY HOLD SEPARATE TRANSITION PLAN

## Ft. Worth: AW Ft. Worth Southeast Landfill

6900 Dick Price Road, Kennedale TX 76060

Staff: 3

Title	Staff
Scale Operator	2
Supervisor	1



Tons:

HS Site Contact: Jim VanWeelden  
 Site Lead: Nghia Tran

### Hold Separate Transition Summary

- Self contained site operated with 3<sup>rd</sup> party staff and equipment
- Buyer can select this site or Turkey Creek Landfill
- If Buyer selects Southeast Landfill, divested routes will be retained at Arlington facility for 6 month with an option to extend an additional 6 months

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>Owned</li> <li>Separate from Hauling Operations (locks, keys, time clock etc)</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>No changes</li> <li>Need to recruit operator locally to replace resigned employee</li> <li>Will temporarily fill from other operations until new operator is recruited</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>Calls come directly to Landfill</li> <li>Scale operators will provide primary customer contact</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>Calls come directly to Landfill</li> <li>Scale operators will provide primary customer contact</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Equipment provided and maintained by 3<sup>rd</sup> party service provider</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Shared support from RSG &amp; 3<sup>rd</sup> Party</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Shared service support provided by RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Ft. Worth: AW Turkey Creek Landfill

9100 South 1-35 West Exit 21, Alvarado TX 76009



Tons: 40,887 T/y; 150 T/d

HS Site Contact: Jim VanWeelden  
 Site Lead: Nghia Tran

### Hold Separate Transition Summary

- Site is currently mothballed
- Self contained site will be operated with 3<sup>rd</sup> party staff and equipment when brought back online
- Buyer can select this site or South East Landfill

Title	Staff

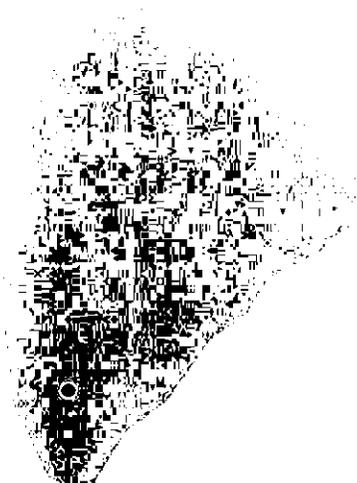
Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Facility is currently mothballed</li> <li>▪ Site start up expected 30 – 60 days prior to sale if this site is selected</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Staff model developed, but will not be implemented until 30 – 60 days prior to sale</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Established prior to sale</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION APPROACH

## Greenville/Spartanburg: AW Duncan Collection Assets

1010 Rogers Bridge Rd., Duncan SC 29334

Staff: 18



**Routes: 8 ; Tons / YR: 50,125**  
(701, 704, 705, 708, 714, 718, 719, 720)

**HS Site Contact: Joe McConnell**  
**Site Lead: Rob Wall**

### Hold Separate Transition Summary

- Hold Separate routes will stay at the current facility
- RSG routes will be moved to RSG Greenville
- Expected timing of move is Feb. 1

Title	Staff	Title	Staff
General Manager	1	Mechanics	2
Sales Manager	1	Cust. Svc / Inside Sales	1
Sales Rep	1	Admin	1
Drivers	8	Swing Driver	1
Route Supervisors (CDL)	1	Staff Accountant	1

### Functional Transition Approach

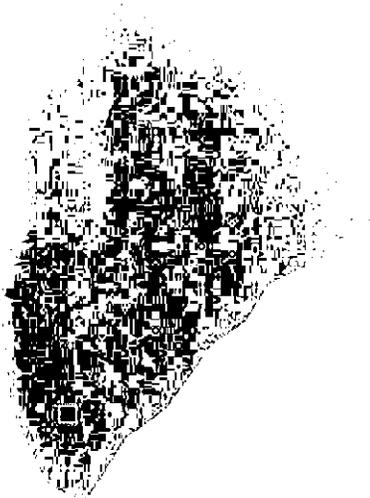
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Current division controller is leaving – will need to recruit Staff Accountant</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Calls go through Call center in Charlotte</li> <li>▪ Will need to reroute HS calls back to local customer service reps</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Calls go through Call center in Charlotte</li> <li>▪ Will need to reroute HS calls back to local sales team</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ While shared with RSG, maintenance function will be shared</li> <li>▪ Will use existing shop after RSG routes are moved out</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Separated operations until RSG moves out</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by staff accountant</li> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared IT Support with RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared service support provided by RSG</li> </ul>

PRELIMINARY - NOT FOR CONSTRUCTION

## Greenville/Spartanburg: AW Greer Transfer Station

590 Gilliam Road, Greer SC 29651

Staff: 1



Tons: 57,455 T/y; 400T/d

HS Site Contact: Joe McConnell  
 Site Lead: Rob Wall

### Hold Separate Transition Summary

- Self contained site. No major changes

Title	Staff
Scale Clerk	1

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>• Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>• No Change</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• Calls go through Call center in Charlotte</li> <li>• Will need to reroute HS calls back to site</li> <li>• Scale clerk will handles calls</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• Calls go through Call center in Charlotte</li> <li>• Will need to reroute HS calls back to site</li> <li>• Scale clerk will handles calls</li> <li>• GM handles pricing to 3<sup>rd</sup> party customers using pricing minimum guidance from HS Leadership</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>• While shared with RSG, maintenance function will be shared</li> <li>• Will use existing shop after RSG routes are moved out</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>• Ops and trans are contracted with 3<sup>rd</sup> party – contract with First Tee expires in mid-2009</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Shared support from RSG and Hauling Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>• Shared support from RSG and Hauling Company</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Shared support from RSG and Hauling Company</li> </ul>

PRELIMINARY AND NOT BE USED FOR CONSTRUCTION

## Greenville/Spartanburg: AW Anderson Landfill

203 Landfill Road, Anderson SC 29627

Staff: 12



Title	Staff	Title	Staff
Operators	6	Scale Clerk	1
Laborers	1	Admin	1
Mechanic (outsourced)	1	Site Supervisor	1
PM Mechanic	1		

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>Owned</li> <li>SC state test-site for leachate recirculation R&amp;D</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>No Changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>Most 3rd party customer issues are handled locally. There is no Inside Sales for this site.</li> <li>Any calls that go to call center in Concord will need to be redirected</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>3rd Party customer acquisitions are handled by GM with pricing minimums from OSC</li> <li>SW currently handled centrally by J. Marston – SW Rep in Concord, NC.</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Maintenance function is outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>No Change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Shared support from RSG and Hauling Company</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>Shared support from RSG and Hauling Company</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Shared support from RSG and Hauling Company</li> </ul>

Tons / Day: 1200  
Tons / year: 217,903

HS Site Contact: Jim VanWeelden  
Site Lead: Hal Hovis

### Hold Separate Transition Summary

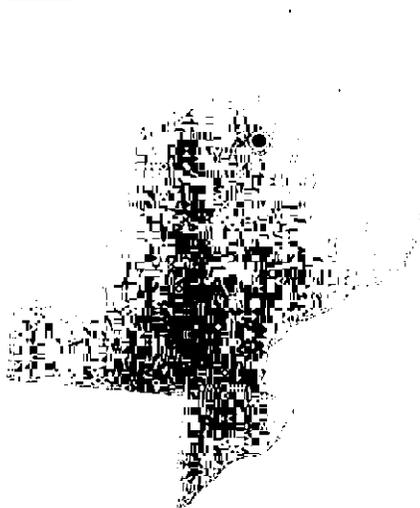
- Self contained site. No major changes
- Need to determine how to handle hauling operations on-site if they are not included in HS (CONFIRM)

PRELIMINARY - SUBJECT TO CHANGE WITHOUT NOTICE

# Houston: Wilson Road Hauling Company

2010 Wilson Road, Houston TX 77396

Staff: 73



**Routes: 32**

( A002, A004, A005, A006, A008, A009, A010, A011, A012, A017, A024, A027, A028, A029, A031, A034, A035, A038, A040, A042, A043, A044, A045, A046, A049, A052, A053, A054, A055, A058, A059, A060, A001, A003, A007, A016, A018, A019, A020, A021, A022, A023, A026, A030, A032, A033, A036, A037, A041, A047, A048, A050, A051)

**Tons / YR: 319,471**

**HS Site Contact: Marty Heise  
Site Lead: Scott Bradshaw**

**Hold Separate Transition Summary**

- Move Commercial hauling assets from Tanner Road facility to Wilson Road facility
- Execute Lease Extension at Wilson Road facility
- RSG Residential routes at Wilson Rd. to be moved to Tanner Rd. (phased)
- RSG commercial routes at Wilson Rd. to be moved to AW Facility (Jan 12th start)

Title	Staff	Title	Staff
General Manager	1	Drivers	32
Ops Manager	1	Customer Service Reps	3
Sales Manager	2	Clerks (A/P A/R clerk)	2
Sales Reps	5	Controller	1
JM Mechanics	5	Swing Drivers	3
Lead Mechanic	2	Container Delivery	3
Welder	2	Ops Supervisor	5
Collections	3	Helpers	1
Admin	1	Shop Laborer	1

**Functional Transition Approach**

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Leased</li> <li>▪ HS and RSG will share Wilson Rd. facility until RSG routes can be moved</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Employees commute distance will change.</li> <li>▪ Collecting data to review extent of impact</li> <li>▪ Current manager of Wilson Rd. retained (see profile)</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Any HS calls that go to Tanner Rd. Facility will need to be redirected to HS reps at Wilson Rd.</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Any HS calls that go to Tanner Rd. Facility will need to be redirected to HS reps at Wilson Rd.</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance shop will be moved from Tanner to Wilson Rd.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ HS containers will be moved to Wilson</li> <li>▪ Will need to notify vendors of move</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by Site Controller and support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Houston: RSG Hardy Road Transfer Station

18784 Hardy Road, Houston TX 77073

Staff: 2



Title	Staff
Scale Clerk	2

Tons: 218,025 T/y, 800 T/d

HS Site Contact: Marty Heise  
 Site Lead: Scott Bradshaw

### Hold Separate Transition Summary

- Self contained site. No major changes
- Site run with 3<sup>rd</sup> party labor and equipment

Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Leased</li> <li>▪ HS and RSG will share Wilson Rd. facility until RSG routes can be moved</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Supported with 3<sup>rd</sup> party labor</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Calls come directly to site</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Calls come directly to site</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Equipment is provided and maintained by 3<sup>rd</sup> party</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by Wilson Rd. Controller</li> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Houston: RSG Seabreeze Landfill

10310 FM-523 Angleton, TX 77516

Staff: 18



Tons / Day: 2,000  
Tons / Year: 592,702

HS Site Contact: Jim VanWeelden  
Site Lead: Gary Higgs

### Hold Separate Transition Summary

- No change
- RSG HC (Angleton) on site will be considered for additional strategic divestiture.
- Republic MRF on site (operated by 3rd party) will continue and will be divested"

Title	Staff	Title	Staff
Operators	8	Manager	1
Special Waste Sales	2	Shop Laborer	1
Scale Clerk	3	Site Supervisor	1
Mechanic	1	Controller	1

### Functional Transition Approach

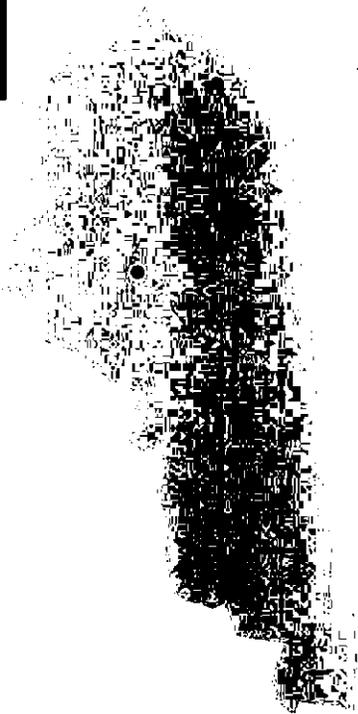
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ May include temporary additional assets brought in to deal with hurricane related volume spikes</li> <li>▪ Angleton hauling is on the same site and shares some facilities (break room etc)</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Current sharing of people resources</li> <li>▪ Current sharing of facilities</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Calls come directly to site</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Calls come directly to site</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Controller will also oversee Angleton Hauling</li> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Gulf Coast Waste Disposal Authority contracts expiring in May 2009 (class I &amp; II materials). Will need to bid against Republic and Waste Management</li> </ul>

PRELIMINARY - ONLY BE USED FOR INFORMATIONAL PURPOSES

## Lexington: M&M Sanitation Collection Asset

4000 Park Central Court, Nicholasville KY 40356

Staff: 10



**Routes: 5**  
(A031, A032, A034, A036, A037)

**HS Site Contact: Marty Heise**  
**Site Lead: Johnny Gentry**

### Hold Separate Transition Summary

- HS will remain at site
- RSG Routes will be moved to AW Facility
- Facility is shared by Hauling Division and Area Office
- RSG Region Payroll and Area Staff will remain in current facility until Allied facility is expanded. Target date is August 2009 for the facility expansion to be completed

Title	Staff	Title	Staff
Supervisor (CDL)	1	Customer Service	1/2
Sales	1	Admin	1/2
Mechanic	1	Drivers	5
Welder	1		

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Current lease expires August 2009, will need to extend lease with property owner.</li> <li>▪ RSG will temporarily share facility with HS Company</li> <li>▪ Facility will be segregated until RSG routes are moved</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Current sharing of people resources</li> <li>▪ Staffed more experienced supervisor (see profile)</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Phase I: Until M&amp;M RSG moves, all calls come in to facility and are directed to appropriate reps</li> <li>▪ Phase II: When M&amp;M RSG moves to AW facility, phone numbers will be transferred. The HS calls will need to be redirected to the HS location</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Phase I: Until M&amp;M RSG moves, all calls come in to facility and are directed to appropriate reps</li> <li>▪ Phase II: When M&amp;M RSG moves to AW facility, phone numbers will be transferred. The HS calls will need to be redirected to the HS location</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Will use existing shop on site</li> <li>▪ RSG equipment will be moved when routes are moved</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> <li>▪ Leased Container rentals</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## Los Angeles: RSG Chiquita Canyon Landfill

29201 Henry Mayo Drive, Valencia CA 91355

Staff: 35



Tons: 136,962 T/m; 96,666 tons diverted to Sunshine  
 HS Site Contact: Jim VanWeelden  
 Site Lead: Greg Loughnane

### Hold Separate Transition Summary

- Self contained site

Title	Staff	Title	Staff
General Manager	1	Office Clerk	1
Division Controller	1	Scale Clerk	2
Equip. Mechanic Mgr.	1	Mechanic	1
Ops. Manager	1	Shop Laborer	3
Operator	11	Laborer	11
Office Manager	1	Engineer	1

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Expansion project in flight</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Staffed more experienced supervisor (see profile)</li> <li>▪ As volume is reduced, staff will be adjusted</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Most calls come directly to site and are handled by management</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Special Waste sales will be handled by GM</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance performed on site</li> <li>▪ Yellow Iron maintenance outsourced</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Supported by site controller</li> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	

PRELIMINARY HOLD SEPARATE RSG CALLS

## Lubbock: AW Collection Assets

1812 CR-60 Lubbock TX 79403

Staff: 14



**Routes: 7**

(1711, 1713, 1714, 1911, 1912, 1913, 1914)

**HS Site Contact: Marty Heise**

**Site Lead: Robert Lara**

### Hold Separate Transition Summary

- Hold Separate Routes stay at site
- RSG routes to move to RSG Lubbock facility
- Estimated timing for move is Feb. 1

Title	Staff	Title	Staff
Ops. Manager (CDL)	1	Drivers	7
Sales (Inside Sales / CS)	1	Mechanic	2
Maint. Clerk / Receptionist	1	Swing Driver	1
Welder	1		

### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Shared with RSG until move</li> <li>▪ Site permitted for transfer station</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ Keep Ops manager with a CDL to manage facility, train drivers and drive.</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Calls come to HS site. RSG calls will be re-routed to RSG reps before move and RSG facility after move</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Calls come to HS site. RSG calls will be re-routed to RSG reps before move and RSG facility after move</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Maintenance performed on site</li> <li>▪ Shared maintenance with RSG until move</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Republic Dispatcher stays with HS to Take Roll-Off Calls &amp; Build &amp; Print Driver Roll-Off Route Sheets Deliver to Republic Site and Close Routes (to InfoPro System not at Republic Site)</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	

PRELIMINARY HOLDING STATEMENT

# North West Indiana: AW Valparaiso Collection Asset

3101 Bertholet Blvd., Valparaiso IN 46383



Crown Point, IN

Staff: 8

Title	Staff	Title	Staff
Drivers	5	Mechanic	1
Manager / Sales	1	Customer Service Rep	1

## Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>Owned</li> <li>Shared with RSG until move</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>No changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>Calls taken at Morocco call center and forwarded to site</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>Currently no inside sales for these routes</li> <li>Manager will handle sales and retention</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>No on site shop facilities</li> <li>Investigating available shop to rent. Otherwise utilize 3rd party vendors</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>No change other than maintenance</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>Shared support from RSG</li> </ul>
<b>Other</b>	

**Routes: 5 - (150, 751, 754, 756, 757)**

**Tons: 30,828 T/y**

**HS Site Contact: Marty Heise**  
**Site Lead: Jeffery Jones**

## Hold Separate Transition Summary

- Hold Separate Routes stay at site
- RSG routes to move to AW Valpo facility
- Estimated timing for move is – 30 days

PRELIMINARY HOLD SEPARATE TRANSITION SUMMARY

## North West Indiana: AW Valparaiso Transfer Station

3101 Bertholet Blvd., Valparaiso IN 46383

Staff: 1



Tons: 61,991 T/y

HS Site Contact: Marty Heise  
 Site Lead: Jeffery Jones

### Hold Separate Transition Summary

- Self contained site
- No changes

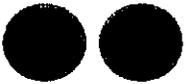
Title	Staff
Scale Operator	1

Functional Transition Approach	
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Site called directly or calls taken at Morocco call center and forwarded to site</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Calls taken directly at site by scale clerk</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Outsourced if required</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	

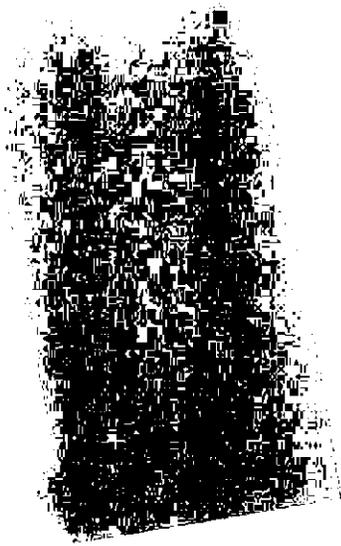
PRELIMINARY - CITY OF PHILADELPHIA - RSG CONTRACT 170

# Philadelphia: RSG Girard Point Transfer Station

3600 South 26th Street, Philadelphia PA 19145



Staff: 5



Tons / Day: Permitted 2,500, I/C Tons/Day 436,  
O/S 237, City of Philadelphia Contract 170

HS Site Contact: Marty Heise  
Site Lead: Thomas Fulcomer

## Hold Separate Transition Summary

- Self contained site
- No changes

Title	Staff
Operations	3
Scale Clerk	2

## Functional Transition Approach

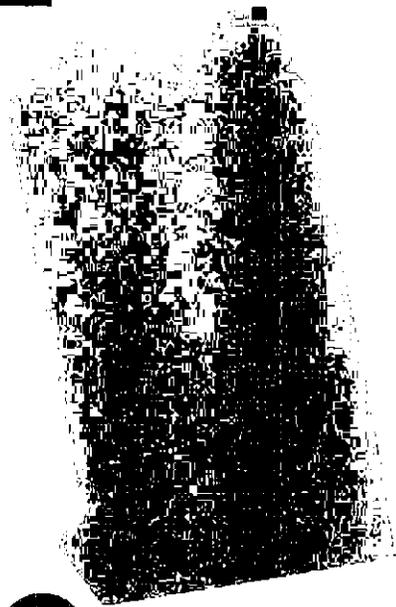
<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ Permit allows 6 days 24 hours a day operations.</li> <li>▪ Permitted Barge and Rail capabilities.</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Site called directly</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Site called directly</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Outsourced if required</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> <li>▪ Use multiple truckers that also cover RSG Quickway facility</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	

PRELIMINARY - NOT BE USED FOR CONTRACTS

# Philadelphia: AW 58<sup>th</sup> Street Transfer Station

2209 South 58th St., Philadelphia, PA 19143

Staff: 11



Tons / Day: 2,000 tons/day permit. 2008 actual – IC 55 tons/day : 3<sup>rd</sup> party 625 tons/day

HS Site Contact: Marty Heise  
Site Lead: Thomas Fulcomer

### Hold Separate Transition Summary

- Self contained site, includes MRF facility (shared building)
- MRF will be marketed with site
- No changes

Title	Staff	Title	Staff
Operations	3	Operations (MRF)	4
Scale Operator	1	Scale Operator (MRF)	1
Operations Manager	1	Mechanic (MRF)	1

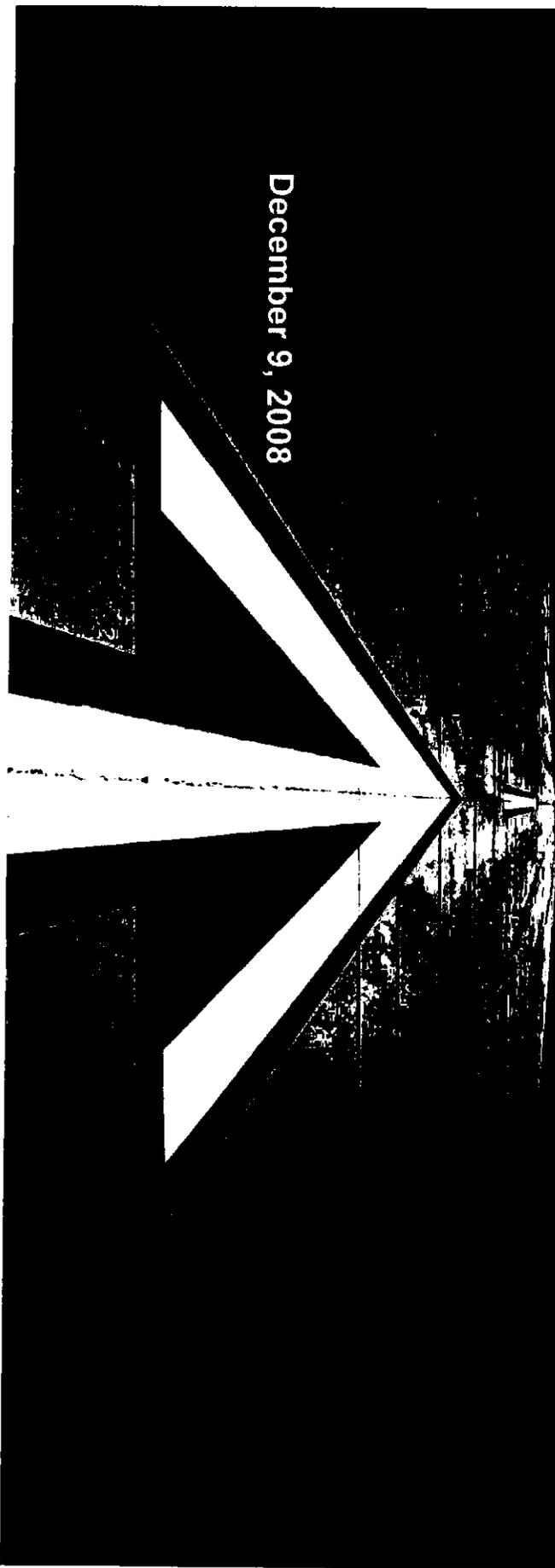
### Functional Transition Approach

<b>Facilities</b>	<ul style="list-style-type: none"> <li>▪ Owned</li> <li>▪ 2 contiguous properties - 1 includes unused 6 bay garage and 4,000 square foot office building, 2nd includes TS and separate MRF facility (div #V16)</li> <li>▪ Rail access with 10 AW owned cars available (currently rail used infrequently)</li> </ul>
<b>Personnel</b>	<ul style="list-style-type: none"> <li>▪ No changes</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>▪ Site called directly</li> <li>▪ Calls handled by Operations Manager</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>▪ Site called directly</li> <li>▪ Calls handled by Operations Manager</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>▪ Outsourced if required</li> <li>▪ MRF mechanic on site</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>
<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG (Port Richmond HC)</li> </ul>
<b>IT</b>	<ul style="list-style-type: none"> <li>▪ Shared support from RSG</li> </ul>
<b>Other</b>	



# Hold Separate Launch

December 9, 2008



## **Objectives**

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**Today's presentation marks the formal launch of the Hold Separate Division.**

**At the end of today's presentation Hold Separate Site Leads / Managers should:**

- Understand The Hold Separate Process and Department of Justice Requirements
- Be prepared to engage with Hold Separate staff
- Be able to identify, plan and execute specific hold separate compliance activities
- Understand the Hold Separate management process and deliverables
- Be able to access available support tools and personnel

# Agenda

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- **Introductions**
- **Hold Separate 101**
  - Overview of Hold Separate Requirements
- **Hold Separate & You**
  - Implications and Requirements
- **HS Staff Engagement**
  - Talking Points for Hold Separate Site Leads
  - Retention Program
  - General Guidance
  - Addressing Difficult Questions and Challenging Situations
- **Managing The Change**
  - Hold Separate Management Process, Timeline & Deliverables
- **Wrap Up & Next Steps**
- **Questions**

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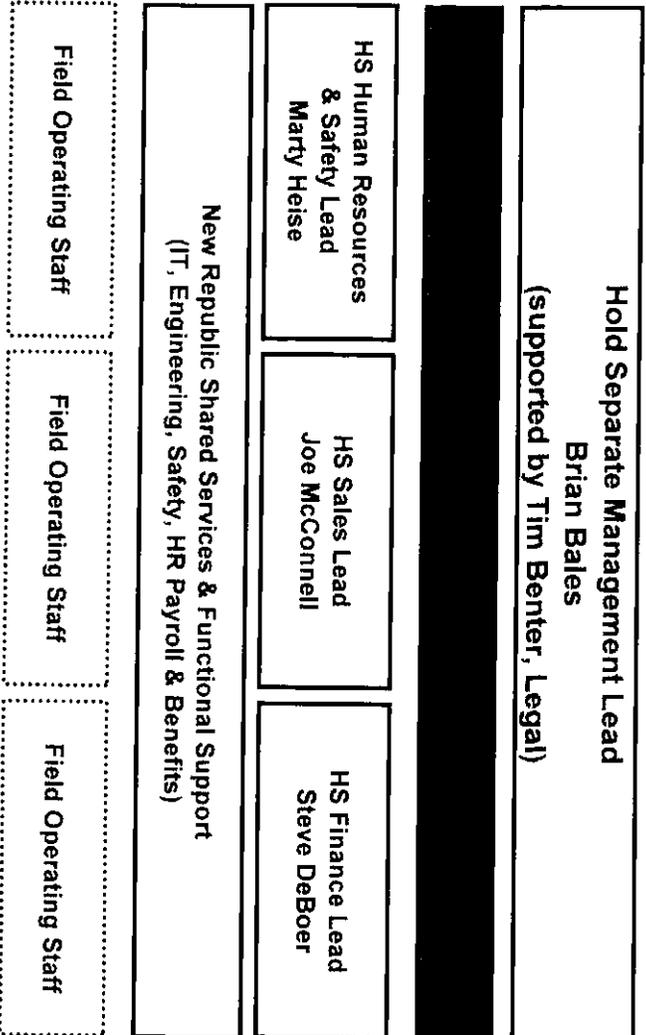
**Introductions**

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## Hold Separate Management Team

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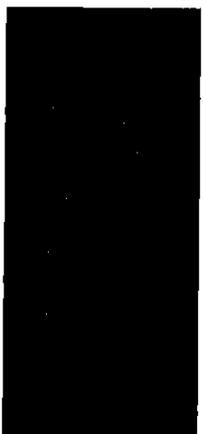
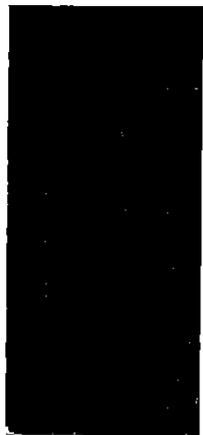
- Manage the assets as a viable competitor in compliance with Hold Separate Order
- Maintain the quality and financial performance of the Hold Separate Assets
- Support transition of Hold Separate Assets to the ultimate buyers



# Hold Separate Management Team

<p>Hold Separate Management Lead          Brian Bales</p>
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<p><b>Hold Separate Management &amp; Compliance</b></p> <p>HS General Manager          Jim VanWeelden</p> <p>HS Compliance Manager          Nick Skaff</p>
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<b>Regional &amp; Area Leadership</b>				
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<b>Field Leads &amp; Staff</b>				
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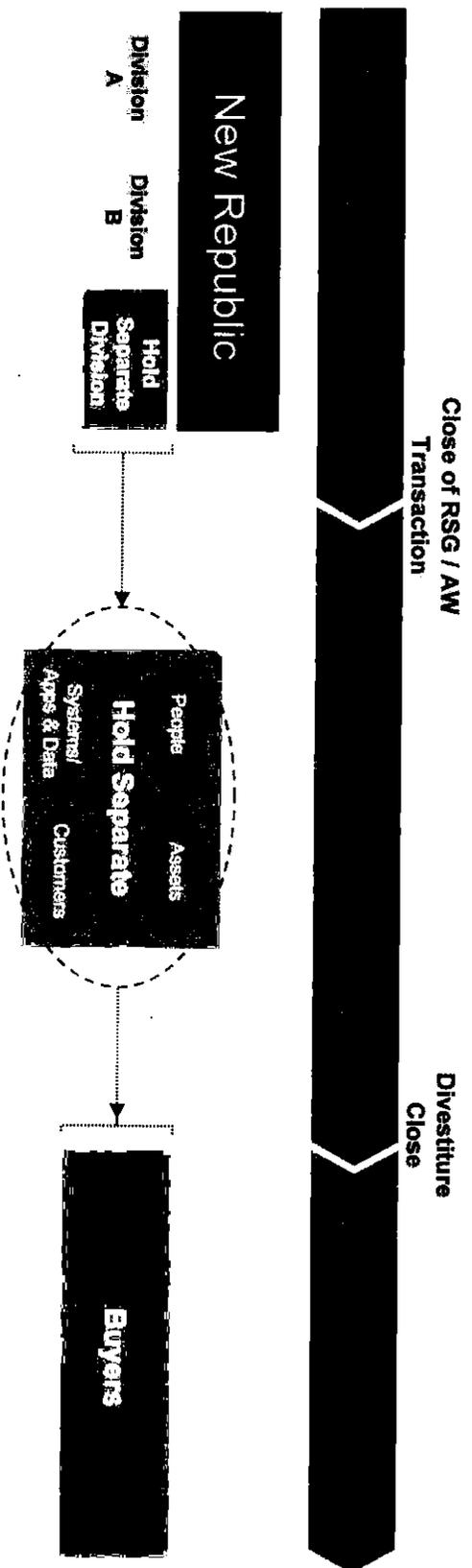
Hold Separate 101

## Hold Separate Overview

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The Hold Separate Order governs the management and operation of DOJ mandated divestitures until completion of sale

- The Hold Separate Assets will operate as a stand alone competitor
- Assets must be operated by independent Republic management and compete with the new Republic
- Assets will be provided adequate services, equipment and personnel from the new Republic so that the assets continue to impact competition until sold



## **Hold Separate Overview**

*Site Leadership will continue to build on initial Hold Separate plans*

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- Hold Separate Operating Policies have been prepared (*included in the Hold Separate Guide*) to guide interactions of the Hold Separate Assets and the New Republic and to help establish compliance with the Hold Separate Order
- Initial Hold Separate Planning is already underway
- Site leadership and staff will continue to develop and execute detailed site by site separation plans



## **Hold Separate Overview**

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### **Who**

- Employees whose primary responsibility are attached to the Hold separate Assets must be assigned to the Hold Separate Division

### **When**

- The Hold Separate Division will begin operations on Dec – 10 when you inform the impacted employees of their Hold Separate Status
- The transition to full Hold Separate Status will happen over the next 20 days
- The Hold Separate Entity is expected to be sold by end on Q2, but the stay period will extend for an additional 3 months

### **What's Next**

- After this call, you will need to engage employees to inform them of their status and develop detailed separation plans
- You will receive a HS Day 1 Guide (operating manual) and Employee Retention Letters (within the next week)
- For the most part, The Hold Separate Assets will continue business as usual

— **Hold Separate & You** —

# Summary of Hold Separate Guidelines

**We have developed the Hold Separate Guide to capture HS Policies and General Guidance.**

**To comply with the Hold Separate Order it will be necessary to:**

- Refrain from hiring, transferring, terminating, or altering salary agreements for employees within the Hold Separate entity
- Create and maintain separate books and records and provide periodic performance reports (assets, liabilities, expenses, revenues and income) consistent with past practices
- Create and maintain separate customer lists
- Ensure that normal maintenance, HR, Benefits, Safety, Engineering, Legal policies and IT support continue to be provided
- Maintain the level of staffing in operations, sales and other functions preserve the competitive viability of the Hold Separate Division

Privileged and Confidential 12/09/2008

- 12 -

## **HOLD SEPARATE GUIDE**



***For use at all***

***Hold Separate***

***Operations***

***REPUBLIC***  
SERVICES, INC.

**The HS Guide and Other Policies should be delivered to your site today**

## **Hold Separate HR**

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- Shared HR staff will continue to provide support to the Hold Separate Division
- Compensation, benefits and payroll processing remain unchanged (except sales)
- HS Employees will be considered for stay bonus - TBD
- Employees that are not offered full-time roles in the buyer org. are eligible to re-apply to RSG
- HR Data for Hold Separate employee will continue to reside in respective HRIS Systems, but will be flagged for easy identification at the appropriate

## **Hold Separate Field Operations Planning Highlights**

- Identify and separate impacted assets (trucks, FTEs, containers etc.)
- General Manager will be responsible for day to day operations and report directly to HS Manager
- Hold Separate Drivers will report to designated manager locally
- Develop org. Chart for each division
- Levels of Authority remain up to thresholds of \$3k and \$10k for maintenance - HS Manager and Controller to approve
- Planning to revise escalation pathway
- Plan Facility separation as needed
- Manage access control to IT Systems e.g. RSI, Info Pro and DQF

## **Hold Separate Maintenance Planning Highlights**

**Maintenance support will be provided in one of two ways:**

- Support at the pre-merger level in New RSG shops at historical cost (monthly maintenance reports produced to double check fair charges)
- Support by dealer / outside vendor at actual cost

**New Maintenance Level's of Authority:**

- Expenditures limited to historic averages
- HS Manager / Controller must approve truck maintenance costs greater than \$3000
- HS Manager / Controller must approve Yellow Iron maintenance costs greater than \$10,000

**Hold Separate Divisions continue to use existing compliance systems (Dossier, CFA, Local Accounting processes)**

**Equipment will be maintained in accordance with existing maintenance policies**

## **Hold Separate Sales & Marketing Highlights**

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- **Call centers will provide support consistent with pre-merger levels, but will not make any business decisions on behalf of the Hold Separate Divisions**
  - Still resolving approach to inside sales
- **HS Sales team will pursue new sales opportunities**
- **HS Pricing will include standard price increase and maintain integrity of SW pricing & volume**
- **Customer Service escalation pathways will be changed to escalate to the local HS Sales Rep**
- **Sales people assigned to the Hold Separate Division should cease contact with previous managers, sales and customer service team**
- **Sales Training material will be made available to the HS managers. No joint training sessions will be delivered**
- **On-line Consent Decree training will be provided for customer facing employees**
- **All Hold Separate Customer data will be segregated and physically moved where applicable**
- **National accounts will be subcontracted by the Hold Separate Division**
  - Hold Separate Division will be subcontractor of broker accounts from Republic
  - Brokerage accounts will be transferred to buyer upon sale of HS Division

## **Hold Separate Procurement Planning Highlights**

- All purchasing systems remain largely unchanged
- Levels of Authority escalation will need to be adjusted in ePro

## **Hold Separate Safety Highlights**

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- Safety monitoring, compliance and inspections will be handled in the same manner as pre merger
- Provide Hold Separate with schedule of training programs
- Distribute safety booklets/ manuals and policies to Hold Separate Division
- Distribute Safety Alerts to respective HS GMs in keeping with pre-merger practices

## **Hold Separate Environmental & Engineering Highlights**

- Continue to support Hold Separate Divisions at pre-merger levels
- Hold Separate Manager will have controlled access to FIS
- CER system access will be disabled under AS400 or created in separate environment
- Levels of Authority if FIS will be modified to reflect the Hold Separate Manager's Levels of Authority
- Special waste streams must be approved through pre-merger approval process. Norm & Dioxin waste will also need approval of HS Manager
- Regulatory submissions will be made by historical Engineers or officers with the approval of the H/S Manager
- Will provide list of and guidance on planned projects for affected sites

## **Hold Separate Finance**

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- **Hold Separate Assets flagged in fixed asset accounting systems**
- **Set up appropriate LOBs in InfoPro, RSI, GL and CFA to track revenues and costs**
- **Restrict access to HS customers and routes in partial Hold Separate divisions**
- **Prepare budgets to reflect ongoing operations and HS Operations**
- **OpEx and SG&A that will be allocated to HS Division as appropriate**
- **Developing new LOAs to include HS Team**

—————  
**Engaging Hold Separate Staff** —————

## **Engaging Hold Separate Employees**

- Site leads will need to determine the best approach to meet with employees bases on the specific situation
  - Number of employees
  - Union vs. Union
  - Employee groups
- Use talking points on Hold Separate
- Explain retention program and distribute retention letters
  - Employees will need to sign and return retention letters
- Maintain a positive outlook – the HS employees may have an opportunity to continue with the buyer
- Elicit employee assistance to develop and execute Hold Separate plans

## Stay Bonus Overview

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The Stay bonus Program has been designed to reward employees who stay with the Hold Separate Assets through the Transition period

Title	Bonus
Driver	\$ 3,000
Mechanic	\$ 3,000
Laborer	\$ 3,000
Operator	\$ 3,000
Scale Clerk	\$ 3,000
General Manager	50%
Sales Manager	35%
Controller	30%
Ops Manager	30%
Supervisor	30%
Sales Rep	30%
Admin	15%
Customer Service	15%

Stay Bonus Highlights

- Eligible hourly paid employees will be given a flat \$3,000 bonus at the end of the Stay period if all conditions have been met
- Eligible salaried employees will receive a percentage of their cumulative salaries (from start of HS period) at the conclusion of the Stay Period, providing all conditions have been met
- Employees that are not offered a role with the buyer are eligible for re-hire
- Employees who leave before the conclusion of the stay period are not eligible for bonus, severance or rehire within 1 year

## **Key Message to HS Employees**

*Talking points to help explain the Hold Separate mandate to employees*

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### **Hold Separate Day One General Manager Talking Points**

- This is a DOJ decisions, not the companies.
- This decision has nothing to do with your performance.
- You should continue doing the same job you have been doing
- Your current benefits will continue as they are today.
- You should see no changes in your Health Care or with Doctors
- Your current pay, salary or compensation will remain the same going forward
- Existing trucks should stay on their assigned routes
- We do not know who the new buyers will be or how long the transition will take.
- We will discuss potential stay bonuses with eligible employees on an individual basis
- If an employee leaves during the Transition Period, they'll not be eligible for the Stay Bonus or rehire by the new RWS.
- If an employee stays through the Transition Period and do not get offered a position with the new company, they'll be eligible for severance and rehire at the new Republic Services.
- If an employee stays with the new company for 90 days, they'll receive a Stay Bonus.

## **Frequently Asked Questions (1/2)**

*Below are answers to some anticipated questions*

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### **Going forward, will my pay and benefits change?**

Your pay, 401K, health insurance, disability, open enrollment and life insurance should not change.

### **How long might I be asked to stay on board with the Buyer?**

Currently all employees assigned to the HS Division are asked to stay a minimum of 90 days after the sale of the Hold Separate Division to facilitate a smooth transition to the buyer. Details of the stay period and retention bonus will be discussed with each of you individually.

### **How soon will I know who the new buyer may be?**

We understand your concerns. As soon as a buyer has been identified and a deal has been reached, everyone will be notified.

### **What happens if I quit?**

If you choose to leave during the transition period, you will not be eligible for any stay bonus, severance or rehire by the new Republic Services within one Year of departure date

### **Am I eligible for a severance?**

At this time you are not eligible. Your manager will discuss your retention incentives with you individually.

## **Frequently Asked Questions (2/2)**

*Below are answers to some anticipated questions*

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### **Can I go to work for the new Republic Services?**

At this time, no. Your route or division is being divested and you must go with assets according to the DOJ. However, if the new buyer does not offer you a role in their organization, you will be eligible to be rehired by Republic Services.

### **As part of the Hold Separate Division, will I continue to work out of this location?**

At the present time you will remain working out of this location, however, in the future a new location could be required.

### **Will the truck assigned to the route stay on the route?**

Every effort will be made to keep the current assigned trucks on the same routes as they were before the merger. These trucks will also be maintained in the same way as before the merger.

### **Will I get to keep my vacation I have planned?**

Yes, if your vacation has been approved, you can take it as planned.

### **What name will the HS Division operate under until a buyer acquires the company?**

The Hold Separate Divisions will continue to operate under their existing names in most markets.

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**Process, Timeline & Deliverables**

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## **Hold Separate Management Process**

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- Hold Separate Leadership will cycle through visits to Hold Separate Sites to:
  - Review compliance activities and planning
  - Respond to questions
  - Resolve specific issues
- HS Leadership will initiate weekly touch points with individual sites
  - Weekly calls will be scheduled starting next week
- Hold Separate Compliance will be centrally managed

## Activity Timetable

*The timetable has been designed to accelerate HS Compliance*

Activity	Responsible	Timing
HS Day 1 Kickoff Call	HS Leadership	Now
Day 1 HS Guide Received at Sites	Site Leadership	Today
HS Leadership Site Visits (first round)	HS Leadership	Dec 8 – 19
Distribute HS Retention Letters	Site Leadership	Dec 10 – 17
Detailed Activity & Timing Due	GM / Site Leadership / AP	Dec - 12
Sales Guidance Calls	Joe McConnell	Dec - 12
Activity Update	AP / Site Lead	Weekly (to be scheduled)

## Key Deliverable: Activity & Timing Summary

HS Compliance Activity	Completion Date	Comments / Status
E.g. Separate customer service support	Dec - 14	<ul style="list-style-type: none"> <li>Working with local phone company to redirect calls to HS site from Republic site</li> </ul>

As soon as employees are engaged, site leadership should identify, record and execute required Hold Separate Compliance Activities.

A summary of Hold Separate Compliance 'Activities & Timing' should be submitted to Nick Skaff ( )

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**Wrap Up & Next Steps**

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## **Wrap Up & Next Steps**

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- Employees will likely feel a lot of anxiety - communicate openly, honestly and frequently with your employees.
- Help employees understand the changes that are occurring and the opportunity that is before them
- Remember the Hold Separate Division will operate in competition with the new Republic
- Relationships may change as former colleagues are now adversaries – work to minimize tension, while maintaining competition
- Escalate emerging and current issues quickly to accelerate resolution

## **Wrap Up & Next Steps**

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- Inform staff of their status
- Begin developing detailed plans and timing to execute HS separation
- Familiarize yourself with the Day 1 Start Up Guide
- Direct people to their sections and set expectations for staying current with the information
- Lead by example . . . stay current
- Don't assume . . . Ask Questions

# Contacts

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First Name	Team	Mobile	Office	Email
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<b>Steve DeBoer</b>	Finance Lead	(630) 878 4351		Steve.DeBoer@dhs.gov
<b>Marty Heise</b>	HR / Retention	(623) 680 9903	1 480 627 1901	Marty.Heise@dhs.gov
<b>Joe McConnell</b>	Sales	(843) 425 2585	843-266-6237	Joe.McConnell@dhs.gov
<b>Nick Skaff</b>	DHS Compliance	(602) 315-0817	(480) 627-2380	Nick.Skaff@dhs.gov

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**Questions**

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Market: Houston - Seabreeze LF  
 Last Updated: 15-Dec-08

Seabreeze LF	Personnel	Gary Higgs	Hold meetings with operational employees, office and sales staff to explain requirements and expectations of HS companies	On Track	11-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Complete selection of staff for Seabreeze Landfill going forward as a HS company	On Track	11-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Alland telephone conference calls specifically for HS companies to receive direction and instruction	On Track	11-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Distribute retention agreements to employees	On Track	18-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Collect Signed retention letters from employees	On Track	30-Dec-08	
Seabreeze LF	Finance	Gary Higgs	Create accurate detailed HS Fixed Asset lists	On Track	19-Dec-08	
Seabreeze LF	Facility	Gary Higgs	System connectivity unchanged.	On Track	10-Dec-08	
Seabreeze LF	Facility	Gary Higgs	RSG Hauling company co-located - segregate facility	On Track	10-Dec-08	
Seabreeze LF	Facility	Gary Higgs	Landfill phone/fax numbers unchanged.	On Track	10-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Office duties of onsite staff unchanged	On Track	10-Dec-08	
Seabreeze LF	Personnel	Gary Higgs	Employees to be moved to HS payroll	On Track	10-Dec-08	
Seabreeze LF	Cust. Svc	Gary Higgs	Special waste calls directed to Site Manager	On Track	22-Dec-08	
Seabreeze LF	Maintenance	Gary Higgs	Shred Mill #3 moved; lead Mechanic designated	On Track	10-Dec-08	
Seabreeze LF	Maintenance	Gary Higgs	Heavy equipment repairs directed to local CAT dealer	On Track	10-Dec-08	
Seabreeze LF	Sales	Gary Higgs	Land fill manager handles special waste sales	On Track	10-Jan-09	
Seabreeze LF	IT	Gary Higgs	No change	On Track		
Seabreeze LF	Finance	Gary Higgs	Preparing operations budget and cap-ex spending for 2009	On Track	2-Jan-09	

ISSUES						
Priority	Function	Owner	Description	Status	Due Date	Notes
High	Sales	Joe McConnell	Extension of Gulf Coast Special Waste Contract	In Process	15-Mar-09	Current contract extended to May 2009
Medium	Operations	Gary Higgs	MRF operating contract	In Process	31-Dec-08	Contractor scaling back operations

Market: Greenville / Spartanburg - Duncan HC  
 Last Updated: 18-Dec-08

Site	Functional Area / Category	Owner(s)	Activity Description	Status	Expected Completion Date	Notes / Comments
Duncan HC	Cust. Svc	Nikki	Develop list of HS Customers	Complete	12-Dec-08	
Duncan HC	Personnel	Wall	Complete Organizational Chart for HS employees	Complete	8-Dec-08	
Duncan HC	Personnel	Wall	Communicate HS details to affected personnel	Complete	10-Dec-08	
Duncan HC	IT	IT Dept	Flag HS accounts in Infopro	Complete	16-Dec-08	HS Acq code has been assigned in Infopro
Duncan HC	Cust. Svc	Wall	Communicate HS employee list to Customer Support Center and priority list of soft transfer calls to site, including after hours calls.	Complete	16-Dec-08	
Duncan HC	Cust. Svc	Chandler	Determine keying location and process of CSA activity for Infopro accounts going to RSG	On Track	23-Dec-08	Currently keyed by HS employee in Duncan
Duncan HC	Cust. Svc	Fountain	Determine transition plan for emergency pager number.	On Track	22-Dec-08	
Duncan HC	Sales	Nikki	Separation of Contract Files. Ensure usage of a chain of custody log for each move.	On Track	30-Jan-08	Space issues at RSG as well as CSA flow need to be addressed in this process.
Duncan HC	IT	IT Dept	Restrict security to HS divisions software (Infopro and Trux)	On Track	30-Dec-08	
Duncan HC	Finance	Lloyd	Create an asset list of items to be transferred to RSG from Duncan and Greer.	Complete	15-Dec-08	
Duncan HC	Finance	Brenda	Brenda to train Mary Johnson on HS Payroll processing	On Track	29-Dec-08	
Duncan HC	Finance	Brenda	Brenda to train Michelle Jahya on Accounts Payable processing	On Track	20-Jan-08	
Duncan HC	Finance	Michelle	Transition remaining A/P Duties from Fort Mill to Duncan	On Track	1-Feb-08	
Duncan HC	Finance	Wall/Lloyd	Transition Collections and Credit processing from Fort Mill to HS employees in Duncan	On Track	1-Feb-08	
Duncan HC	Finance	Lloyd	Transition Trux Billing from Fort Mill to Mary in Duncan	On Track	1-Feb-08	
Duncan HC	Finance	Wall/Lloyd	Define process for bad debt and/or service interrupt customers to be communicated to Duncan until transition of duties is completed.	On Track	19-Dec-08	
Duncan HC	Facility	Fountain/Walker	Develop transition plan of RO containers and equipment to RSG yard once they have space to handle.	On Track	15-Jan-08	
Duncan HC	Operations	Wall/Turner	Allocate FEL containers on yard between HS and RSG	On Track	5-Jan-08	
Duncan HC	Operations	Brenda	Transfer new RSG employees to their Nextel Radio account, thus leaving HS employees on Allied account.	On Track	30-Dec-08	
Duncan HC	Cust. Svc	Wall	Determine plan for overlap customers between HS routes and non HS routes, including Saturday stops.	On Track	15-Jan-08	
Duncan HC	Cust. Svc	Wall	Need customer friendly solution for HS FEL customers that also have Rolloff service and desire only one vendor and invoice.	On Track	15-Jan-08	
Duncan HC	Facility	Hovis / Fountain	Change alarm codes and re-key all facilities.	On Track	15-Jan-08	
Duncan HC	Other	Brenda	Transition Uniform vendor as appropriate	On Track	15-Jan-08	
Duncan HC	Other	Brenda	Separate DOT files at 3rd Party contractor - CONCORDE	On Track	15-Jan-08	
Duncan HC	IT	Fountain	Mappoint software access and training for Jim Fountain	On Track	9-Jan-08	

**Market: Greenville / Spartanburg - Duncan HC**  
**Last Updated: 18-Dec-08**

Site	Functional Area Category	Ownership	Activity Description	Status	Expected Completion Date	Notes / Comments
Duncan HC	Facility	Wall	Modify phone system and greeting to properly direct calls in house. This would be for the current "back door" number 864-801-1436.	On Track	19-Dec-08	
Duncan HC	Sales	Wall	Develop plan to migrate all calls to local number for HS customers. 801-1436	On Track	19-Jan-08	
Duncan HC	Sales	Barkley	Suspend Price Increase activity, specifically in the RPM models	On Track	17-Dec-08	
Duncan HC	Personnel	Wall	Communicate Stay Bonus agreements to employees	On Track	22-Dec-08	
Duncan HC	Sales	James	Receive copies of sales prospects in PMT	On Track	26-Dec-08	
Duncan HC	Operations	Fountain	Separate HS trucks on yard. Create designated parking area to differentiate between HS and RSG trucks	On Track	17-Dec-08	
Duncan HC	Finance	Wall	Develop/verify budget and capital for 2009	On Track	2-Jan-09	
Duncan HC	Cust. Svc	James	Develop script for Customer Service and Sales to follow. Train staff on usage of script.	On Track	19-Dec-08	

Market: Greenville / Spartanburg - Anderson LF  
 Last Updated: 18-Dec-08

Site	Functional Area Category	Owner(s)	Activity Description	Status	Expected Completion Date	Notes / Comments
Anderson LF	Personnel	Wall	Complete Organizational Chart for HS employees	Complete	8-Dec-08	
Anderson LF	Personnel	Wall	Communicate HS details to affected personnel	Complete	10-Dec-08	
Anderson LF	IT	IT Dept	Restrict security to HS divisions software (Infopro and Trux)	On Track	30-Dec-08	
Anderson LF	Finance	Wall/Lloyd	Define process for bad debt and/or service interrupt customers to be communicated to Duncan until transition of duties is completed.	On Track	19-Dec-08	
Anderson LF	Cust. Svc	Wall/Fountain	Ensure coverage/service of RO convenience center cans located at the landfill.	On Track	29-Dec-08	
Anderson LF	Facility	Hovis / Fountain	Change alarm codes and re-key all facilities.	On Track	15-Jan-08	
Anderson LF	Other	Brenda	Separate DOT files at 3rd Party contractor - CONCORDE	On Track	15-Jan-08	
Anderson LF	Personnel	Wall	Communicate Stay Bonus agreements to employees	On Track	22-Dec-08	
Anderson LF	Finance	Wall	Develop/verify budget and capital for 2009	On Track	2-Jan-09	
Anderson LF	Sales	Hal Hovis	Special Waste sales to be handled by GM	On Track	10-Jan-09	
Anderson LF	Maintenance	Hal Hovis	No change. Yellow Iron maintenance outsourced	Complete		
Anderson LF	Operations	Hal Hovis	No change.	Complete		

Market: Greenville / Spartanburg - Greer TS  
 Last Updated: 18-Dec-08

Site	Functional Area: Category	Owner(s)	Activity Description	Status	Expected Completion Date	Notes / Comments
Greer TS	Personnel	Scott Bradshaw	Complete Organizational Chart for HS employees	Complete	8-Dec-08	
Greer TS	Personnel	Wall	Communicate HS details to affected personnel	Complete	10-Dec-08	
Greer TS	IT	IT Dept	Restrict security to HS divisions software (Infopro and Trux)	On Track	30-Dec-08	
Greer TS	Finance	Wall/Lloyd	Define process for bad debt and/or service interrupt customers to be communicated to Duncan until transition of duties is completed.	On Track	19-Dec-08	
Greer TS	Operations	Hovis / Fountain	Assess volume flow at TS and LF on Saturday's for possible change in operating hours.	On Track	15-Jan-08	
Greer TS	Facility	Hovis / Fountain	Change alarm codes and re-key all facilities.	On Track	15-Jan-08	
Greer TS	Other	Brenda	Separate DOT files at 3rd Party contractor - CONCORDE	On Track	15-Jan-08	
Greer TS	Personnel	Wall	Communicate Stay Bonus agreements to employees	On Track	22-Dec-08	
Greer TS	Finance	Wall	Develop/verify budget and capital for 2009	On Track	2-Jan-09	
Greer TS	Sales	Hal Hovis	Sales calls handled by scale clerk.	On Track	10-Jan-09	
Greer TS	Maintenance	Hal Hovis	No change. Yellow Iron maintenance outsourced	Complete		
Greer TS	Cust. Svc	Hal Hovis	Develop process for forwarding calls from Charlotte	On Track	10-Jan-09	
Greer TS	Operations	Hal Hovis	No change.	Complete		











Market: Denver - Front Range LF  
 Last Updated: 18-Dec-08

Area	Functional Area / Dept	Owner	Description	Status	Resolution Date	Comments
Front Range LF	Facility	Edd Nestor	Stand alone facility - no changes required		9-Dec-08	
Front Range LF	Personnel	Edd Nestor	Communicate HS Status to HS employees			
Front Range LF	Personnel	Edd Nestor	Distribute HS Retention Agreements	On Track	12-Dec-08	
Front Range LF	Personnel	Edd Nestor	Collect signed retention agreements	On Track	17-Dec-08	
Front Range LF	Personnel	Edd Nestor	No change - payroll administered by Republic Hauling company.			
Front Range LF	Cust. Svc	Edd Nestor	Train Republic hauling company customer service reps to provide number to landfill for landfill inquiries	On Track	12-Dec-08	Contracts and customer service will be handled by Edd Nestor (Site Manager) - no training required
Front Range LF	Sales	TBD	Special Waste currently handled by Stephen Brown, site manager will handle moving forward	On Track		
Front Range LF	Maintenance	Edd Nestor	No change, accounts will be run thru hauling.			Any separation of boys, equipment. Any communication to maintenance staff required
Front Range LF	Finance	Edd Nestor	Prepare CapEx and OpEx budgets	On Track	2-Jan-09	Account payables processed by Republic hauling company (Kyra Doyle)
Front Range LF	Finance	Edd Nestor	Guidance on accounts payable provided to Kyra Doyle	On Track		Account payables processed by Republic hauling company (Kyra Doyle)
Front Range LF	IT	Edd Nestor	Hauling company radios changed to New frequency	On Track		Please confirm - what are the steps to change.
Front Range LF	Operations	Edd Nestor	Create accurate detailed HS Fixed Asset lists	On Track	18-Dec-08	
Front Range LF	Facility	Edd Nestor	System connectivity unchanged.	On Track	10-Dec-08	

Priority	Functional Area	Owner	Description	Status	Resolution Date	Comments
Medium	Operations		Need to check on feasibility of approach to changing radio frequencies	Resolved	17-Dec-08	Keep all radios
Low	Other	Risk Department	Legal 3rd party claim related to accident two years ago	In Process	18-Dec-08	Risk responding
Medium	Sales		Confirm that new contracts should be written for up to 1 year	In Process		
Medium	Operations		Confirm adding PC Scale to site	In Process		

Market: Cleveland - Oakland Marsh  
 Last Updated: 16-Dec-08

Location	Department	Employee	Description	Status	Completion Date	Notes
Oakland Marsh LF	Personnel	Mark O'Brien	GM to meet with employees	Completed	9-Dec-08	Completed
Oakland Marsh LF	Personnel	Alvie Green / Mark O'Brien	Met with Alvie Green he is the HS operations supervisor.	Completed	10-Dec-08	Completed
Oakland Marsh LF	Operations	Sandra McGraw	We separated the SPW profiling from Oakland Marsh to County Environmental #387 for the three sites including Cherokee Run # 054 and Calina landfill #032.	Completed	12-Dec-08	Completed/ physical files need to be transferred
Oakland Marsh LF	Finance	Sandra McGraw	Billing and cash applications for Mansfield T/S #U01, Mansfield recycling #R73, and Ross Bros. T/S #U02	On Track	28-Feb-09	12/12/08 training to begin with employee to take over, computer access has being requested.
Oakland Marsh LF	Finance	Sandra McGraw	Payment of taxes and annual reporting for Mansfield T/S #U01 and Ross Bros. T/S #U02	On Track	28-Feb-09	12/12/08 training to begin with employee to take over, computer access has being requested.
Oakland Marsh LF	Operations	Sandra McGraw	Recycling admin work done by Oakland Marsh office supervisor. CFA for Mansfield T/S U01, Mansfield Recyclery R73, and Ross Bros. U02. Has not been assigned yet	On Track	28-Feb-09	Have not assigned other employee from another division yet.
Oakland Marsh LF	Other	Sandra McGraw	HS manager JWW visiting the site	On Track	28-Feb-09	Employee has been identified but not been trained yet.
Oakland Marsh LF	Personnel	Alvie Green	Facility remains the same, no movement, no change	On Track	23-Feb-09	Meeting on the 23rd site visit.
Oakland Marsh LF	Facility	Alvie Green	Meet with all employees of HS individually to explain retention letters and bonus plans	Completed	10-Dec-08	Completed
Oakland Marsh LF	Personnel	Alvie Green	Pass out and get signed all the HS retention letters	On Track	11-Dec-08	Completed
Oakland Marsh LF	Personnel	Sandra McGraw	Payroll currently processed out of the Mansfield #226 division will continue to do so until sold.	On Track	28-Dec-08	Waiting for letters to be sent by HS Management target date is 12/19/08
Oakland Marsh LF	Cust. Svc	Alvie Green	Customer calls will continue to be handled at the facility, no change	Completed	10-Dec-08	Completed
Oakland Marsh LF	Sales	Alvie Green	Glenn Taiten, SPW rep, has three other sites he will not be going with the HS division. Glenn will turn over his SPW funnel and potential events to Alvie to follow up on. Any SPW jobs will be turned over to Alvie to sell.	On Track	19-Dec-08	Glenn is in the process of getting all the information to Alvie.
Oakland Marsh LF	Maintenance	Alvie Green	Obtain bids for equipment repairs	On Track	30-Jan-09	
Oakland Marsh LF	Maintenance	Alvie Green	Schedule equipment repairs	On Track	30-Jan-09	
Oakland Marsh LF	Maintenance	Alvie Green	Mechanics will be staying with the HS division and large equipment repairs will continue to be handled by 3rd party vendors.	Completed	10-Dec-08	Completed
Oakland Marsh LF	IT	Alvie Green	Will continue to use current systems, no changes	Completed	10-Dec-08	Completed
Oakland Marsh LF	Operations	Alvie Green	Has been operating as an independent site will continue to do so.	Completed	10-Dec-08	Completed
Oakland Marsh LF	Finance	Sandra McGraw/Alvie Green	Prepare operating budget and budgeted capital for 2009	On Track	9-Jan-09	Waiting for instructions from HS Management to proceed with the budget and capital items.
Oakland Marsh LF	Finance	Sandra McGraw	Billing and cash application for this site will remain being done by this site, no changes. Will continue to share a local depository and wholesale lockbox account with U01, R73 and U02 until sold.	Completed	10-Dec-08	Completed
Oakland Marsh LF	Finance	Sandra McGraw	Develop OpEx and CapEx budgets	On Track	2-Jan-09	
Oakland Marsh LF	Finance	Sandra McGraw	Fixed assets to be tagged by division as to which are staying with the HS division	On Track	19-Dec-08	Received list from Area controller and highlighted the assets to stay (all of them on the list) and sent back to Jim Cochran, forwarded on to Steve DeBoer
Oakland Marsh LF	Finance	Sandra McGraw	Shared services on monthly financials will continue to be handled by Division Controller, Sandra McGraw, no change	Completed	10-Dec-08	Completed

ISSUES						
Priority	Location	Department	Employee	Description	Status	Completion Date









Market: Charlotte - Rozelle Ferry HC  
Last Updated: 18-Dec-08

Rozelle Ferry	Operations	Lewis/Farneck/Brady	Verify old conditions and check to rail for transition	Complete	16-Dec-08	Only 8 old cars on yard.
Rozelle Ferry	Finance	Barrows/Delore/Orush	Obtain requirements for Rozelle Ferry HS and develop inter-company agreements	On Track	31-Dec-08	Company #776 created in RSI system for HS. December will be LOB 251 for Rozelle Ferry. January will have accurate divisional P&L.
Rozelle Ferry	Operations	Lewis/Churchill	Review needs to receive non-HS accounts	On Track	31-Dec-08	Accounts identified from HS list.
Rozelle Ferry	Finance	Overcash/Barrows	Prepare APV proposals for RSG resources - including buying, approving, vendor support, matching separate APV proposals for RSG resources - including billing, input, tracking, etc.	On Track	18-Feb-09	Train and transition APV duties to Karl Hollingsworth for HS RFR and CC, TB.
Rozelle Ferry	Finance	Overcash	Prepare collection process out from existing RSG resources - including cash application, credit approval, collection.	On Track	21-Jan-09	Set up pilot as Company #776 in RSI. Working with M. Barrows to determine process, etc. Training and resources required not known, but will be coordinated prior to initiation of collection for RSG assets.
Rozelle Ferry	Finance	Overcash/Churchill	Identify RSG HS resource to handle vehicles from Durham	On Track	21-Jan-09	Set up pilot as company #776 in RSI. Working with M. Barrows to determine process, etc. Training and resources required not known, but will be coordinated prior to initiation of collection for RSG assets.
Rozelle Ferry	Operations	Lewis	Identify RSG HS resource to handle vehicles from Durham	On Track	15-Jan-09	Identified Karl Hollingsworth. Access to Diesel in process. Expect training to be complete by 1-15-09
Rozelle Ferry	Operations	Lewis	Transfer old train from Twi's as needed for emergency runs	On Track	16-Jan-09	We found several issues with RFR on equipment status and to walk away from use of RSG resources for complicated electrical/hydraulic problems as well as potentially carry good mile
Rozelle Ferry	Operations	Farneck/Brady	Move out of non-HS RSG assets/employees from RFR to Company #776	On Track	18-Feb-09	Successful dependent on conversion to ICDP/Network. Conversion expected by 2-18. Cannot move prior because RSI and Info are not used simultaneously at the same site.
Rozelle Ferry	IT	Overcash/TBD	Software applications	On Track	TBD	Overcash has developed a list. Will submit to IT by 12-23 for processing. Timing of execution based on IT.
Rozelle Ferry	Finance	Overcash/Barrows	Finalize V&A package tracking process	On Track	31-Dec-08	
Rozelle Ferry	Sales	Hubb	Obtain HS customer proposal list for Charlotte market from the CRM system and the RFR proposal list for Angelo LF	On Track	28-Dec-08	Joe McConell has indicated the commercial list will be available by 12-28. Working on Action.
Rozelle Ferry	Finance	Overcash	Develop O&A and Capital	On Track	7-Jan-09	Expect to train and transition this process to Candy Rury in Action.
Rozelle Ferry	Cost. Sys		Provide guidance to Overcash and center to redirect calls to LF	On Track	30-Dec-08	









Market: Atlanta - Gainesville HC  
 Last Updated: 15-Dec-08

Site	Task Lead Area / Category	Owner(s)	Activity Description	Status	Expected Completion Date
Gainesville Hauling Company	Facility	Ronnie Mann	Ensure the Time clock is still operational and functioning with the Bellecouth line to poll by Alfreda	Complete	
Gainesville Hauling Company	Personnel	Thad Owens	Identify HS Staff	Complete	
Gainesville Hauling Company	Personnel	Thad Owens	Notify HS Staff of HS status	Complete	
Gainesville Hauling Company	Personnel	Thad Owens	Distribute and collect retention agreements	Complete	
Gainesville Hauling Company	Finance	Controller (HC)	Develop OpEx & CapEx budgets	On Track	2-Jan-09
Gainesville Hauling Company	Operations	Ronnie Mann/ Jimmy Huff	Move the Roll off containers and 11 NGO compactors to alternate location.	Complete	
Gainesville Hauling Company	IT	Jan Vanwynbergen	Need 7 Desktop computers - locate 4 addl units	Complete	
Gainesville Hauling Company	Maintenance	Greg Wilson	Restock the Parts Inventory and Tire Inventory at Gainesville for the 13 Commercial trucks	Complete	
Gainesville Hauling Company	Finance	Ronnie Mann	Obtain Fuel man cards for the 15 Drivers, 2 mechanics, 1 Ops Supervisor & GM - total 19 cards	On Track	15-Dec-08
Gainesville Hauling Company	Operations	Ronnie Mann	Verify that the water, electric, phone lines are operational.	Complete	9-Dec-08
Gainesville Hauling Company	Operations	Marian Brinkley	Prepare a list of utility vendors and Gainesville phone numbers	Complete	9-Dec-08
Gainesville Hauling Company	Finance	Jan Vanwynbergen	Verify with the HS Management the new Div 801 LOB is operational and that HRIS is validated with the new Lob	Complete	8-Dec-08
Gainesville Hauling Company	Finance	Jan Vanwynbergen	Create Par forms for the Gainesville employees to transfer new LOB for payroll purposes	Complete	12-Dec-08
Gainesville Hauling Company	Operations	Ronnie Mann	Obtain the Driver DOT files, and make one copy for the HS facility. Retain originals.	On Track	12-Dec-08
Gainesville Hauling Company	Personnel	Alfreda Tate	Gather the personnel files for the HS employees and give to Teri Boatman	On Track	15-Dec-08
Gainesville Hauling Company	Maintenance	Greg Wilson	Gather six months of Truck Maint. Records for the 15 trucks and 3 support vehicles. Make copies and provide the HS location with the copies	On Track	15-Dec-08
Gainesville Hauling Company	Operations	Greg Wilson	Obtain the titles to the 15 trucks and 3 support units.	Complete	12-Dec-08
Gainesville Hauling Company	Operations	Marian Brinkley	Make copies of the truck titles	On Track	18-Dec-08
Gainesville Hauling Company	Operations	Marian Brinkley	Review to determine if titles are on hand for all HS units, if not request replacement	On Track	18-Dec-08
Gainesville Hauling Company	Operations	Marian Brinkley	Review titles to ensure correct legal entity and no liens	On Track	18-Dec-08

Market: Atlanta - Gainesville HC  
Last Updated: 15-Dec-08

Gainesville Hauling Company	Operations	Ronnie Mann	Request one weeks of route sheets for the 13 routes for the first full operational week. Provide to HS Manager	On Track	18-Dec-08
Gainesville Hauling Company	Operations	Ronnie Mann / Jimmy Huff	Move the HS trucks to the Gainesville facility the day before the effective operations date	On Track	20-Dec-08
Gainesville Hauling Company	Maintenance	Greg Wilson	Return the misc shop equipment to the Gainesville facility	Complete	12-Dec-08
Gainesville Hauling Company	IT	Ronnie Mann	Connect the desktop computers and configure to a system	Complete	12-Dec-08
Gainesville Hauling Company	Sales	Karen ?	Obtain the list of Commercial Customers, pull customer files for HS.	On Track	TBD
Gainesville Hauling Company	Cust. Svc	Hal Risher / Karen / Joe M	Create script for Customer Service on how to respond to HS customer calls and transfer of the call to the HS location. Role Play with CSR Reps prior to go live date	On Track	TBD
Gainesville Hauling Company	Finance	Jan Vanwynbergen / Tish	Provide database security to the HS employees prior to Day 1 for Trux & Infopro systems	On Track	TBD
Gainesville Hauling Company	Operations	Ronnie Mann	Provide the HS personnel with keys to the facility	On Track	TBD
Gainesville Hauling Company	Maintenance	Ronnie / Greg	Establish container maintenance program at the Gainesville facility using existing 3rd party vendor	On Track	12-Dec-08
Gainesville Hauling Company	Operations	Ronnie / Greg	Establish a Commercial container inventory ready line at Gainesville for HS company in proportion to overall inventory	On Track	18-Dec-08
Gainesville Hauling Company	Personnel	Ronnie Mann	Ensure AW Safety plans continue in place - train the new HS Mgr and monitor weekly via shared Safety resource	On Track	19-Dec-08
Gainesville Hauling Company	Sales	Karen / Hal	Meeting with all AW/RSG Winder / Lawrenceville reps on non-solicit provision of the customers on the 13 routes	On Track	19-Dec-08
Gainesville Hauling Company	Cust. Svc	Ronnie Mann	Provide the HS MGR with AW Customer Service Agreements and Maint forms for Commercial Customer Activity (Warwick will order ASAP) I will e mail the list today.	Complete	11-Dec-08
Gainesville Hauling Company	Operations	Ronnie Mann	Provide the HS Mgr with Extra Pickup Tickets for Commercial use if needed	Complete	10-Dec-08
Gainesville Hauling Company	Facility	Ronnie / Karen	CSR test of phone lines and transfer of call two days prior to "go live" date for HS Company	Complete	10-Dec-08
Gainesville Hauling Company	Sales	Jan Vanwynbergen	Determine what, if any, type of Customer notification is needed during the HS period for customers on the HS routes	On Track	TBD
Gainesville Hauling Company	Facility	TBD	Meeting with Landlord on change to the assignability of the Gainesville lease prior to the sale.	On Track	TBD
Gainesville Hauling Company	Operations	Ronnie Mann	Renew Truck Tags for HS units	Complete	11-Dec-08
Gainesville Hauling Company	Operations	Hal /Ronnie	HS Radios - Change the Radio Freq channel on the HS employee radios. Turn off all cross fleet functionality on the Driver Units.	On Track	18-Dec-08
Gainesville Hauling Company	Operations	Ronnie Mann	Cleaning of the office prior to inception	Off Track	13-Dec-08

Market: Atlanta - Gainesville HC  
 Last Updated: 15-Dec-08

Gainesville Hauling Company	Operations	Ronnie Mann	Cintas Uniforms, Mats, Paper, etc.... Re-stock and coordinate with Cintas	Complete	11-Dec-08
Gainesville Hauling Company	Facility	Ronnie Mann	Vending Machines, water cooler and coffee machine for employees	Complete	13-Dec-08
Gainesville Hauling Company	Facility	Ronnie Mann	New Locks and Hardware to be installed on the walk thru Gates	Complete	
Gainesville Hauling Company	Finance	Marian / Ronnie / Cindy	HS Personnel training on InfoPro	On Track	20-Dec-08
Gainesville Hauling Company	Finance	Marian / Tish	HS Office Admin to be trained on AS400 input of A/P and EPROM use	On Track	20-Dec-08
Gainesville Hauling Company	Finance	Marian / Tish	Create detailed fixed asset list	On Track	
Gainesville Hauling Company	IT	Ronnie Mann	Install two network printers at the Gainesville facility and ensure operational	On Track	20-Dec-08

Market: Atlanta - Smyrna TS  
Last Updated: 15-Dec-08

Site	Functional Area / Category	Owner(s)	Activity Description	Status	Expected / Completion Date
Smyrna	Operations	Sherry / Jan	Relocate the records stored at the Smyrna TS facility	On Track	31-Jan-09
Smyrna	Personnel	Thad Owens	Identify HS Staff	Complete	
Smyrna	Personnel	Thad Owens	Notify HS Staff of HS status	Complete	
Smyrna	Personnel	Thad Owens	Distribute and collect retention agreements	Complete	
Smyrna	Facility	Sherry Long	Obtain alternate records storage location on So Cobb Drive	On Track	15-Dec-08
Smyrna	Operations	Tim Johnson	Remove the one 2001 Back up Loader from Smyrna prior to final sale	On Track	31-Dec-08
Smyrna	Sales	Becky Thomas	Provide the HS company Mgr with AW Disposal Agreements for use, if needed, on new 3rd Party Customers	On Track	19-Dec-08
Smyrna	Sales	Tish Strange	Recreate back up file of customers prior to go live effective date, if needed.	On Track	TBD
Smyrna	Cust. Svc	Tish	Customer calls site directly - no change	Complete	
Smyrna	Finance	Marfan / Tish	Transfer of General Ledger Acct Recs and Fixed Asset Reports to HS company Controller	On Track	20-Dec-08
Smyrna	Maintenance	Thad Owens	Secure 3rd party maintenance support	On Track	1-Jan-09
Smyrna	Finance	Tish / Kathy Welsh	Train HS Office Admin on Trux daily uploads, customer input and customer billing processes.	On Track	19-Dec-08
Smyrna	Finance	Controller (HC)	Develop OpEx & CapEx budgets	On Track	2-Jan-09
Smyrna	IT	Thad Owens	No change all systems remain unchanged	Complete	
Smyrna	Finance	Jan Vanwynbergen	Ensure that District Central cash processor understands to continue to post Trux cash receipts in to T28 as it's a shared lockbox for metro Atlanta facilities.	On Track	12-Dec-08



Market: East Penn/Philadelphia  
Last Updated: 15-Dec-08

Site	Functional Area / Category	Owner(s)	Activity Description	Status	Expected Completion Date
58th St.	Personnel	Fulcomer	Hold Separate Team identified	Complete	9-Dec-08
58th St.	Personnel	Fulcomer	Hold Separate Team announced/communicated with	Complete	10-Dec-08
58th St.	Accounting	Gerace	Create accurate detailed HS Fixed Asset lists	On Track	15-Dec-08
58th St.	Accounting	Gerace	Review RSG and AW pro formas for consistency and waste flow match ups	On Track	15-Dec-08
58th St.	Accounting	Gerace	Develop process to ensure separation of duties	On Track	19-Dec-08
58th St.	A/P	Gerace	Vendor identification process for A/P - i.e. how do vendors know to bill HS vs. RSG	On Track	19-Dec-08
58th St.	Accounting	Gerace/McGarvey	Tax Filings - Sales and Use	On Track	31-Dec-08
58th St.	Accounting	Gerace/McGarvey	Lockbox cash for A/R	On Track	31-Dec-08
58th St.	Accounting	Gerace/McGarvey	SOX testing	On Track	31-Dec-08
58th St.	Accounting	McGarvey	Separate payroll processes out from RSG resources	On Track	31-Dec-08
58th St.	Personnel	Fulcomer	Hold Separate letters sent to employees	On Track	TBD
58th St.	Regulatory	Fulcomer	Communicate HS with government officials	On Track	18-Dec-08
58th St.	Ops	Fulcomer/Glenn K	Track and account for equipment R&M	On Track	19-Dec-08
58th St.	A/P	Gerace	Separate A/P processes out from AW resources - including keying, approving, vendor support, matching	On Track	15-Jan-09
58th St.	Collections	Gerace	Separate collection processes out from existing AW resources - including cash application, credit approval, collections	On Track	15-Jan-09
58th St.	Ops	Fulcomer	Replace operator at 58th st.	On Track	15-Jan-09
58th St.	Accounting	Gerace	Make changes to I/C vs. 3rd party for RSG/Allied	On Track	28-Dec-08
58th St.	A/P	Gerace	Separate A/P processes out from RSG resources - including keying, approving, vendor support, matching	On Track	15-Jan-09
58th St.	Ops	Gerace	Negotiate contract for Long Haul & Ops	On Track	1-Mar-09
58th St.	Accounting/Ops	Gerace/Fulcomer/Glenn K	Develop process for charging shop expenses to HS	On Track	19-Dec-08
58th St.	Ops	Fulcomer	Track and account for vehicle R&M	On Track	19-Dec-08
58th St.	Ops	Fulcomer	Remove Allied/Republic containers stored at GP TS and 58th st.	On Track	19-Dec-08
58th St.	Ops	Fulcomer	Scrap old containers and clean up yard for transition	On Track	19-Dec-08
58th St.	Accounting	Gerace/McGarvey	Create separate divisional financial statements for 58th and GP HS and develop inter-company allocations	On Track	20-Dec-08
58th St.	A/P	Gerace/Fulcomer/McGarvey	Separate A/P processes out from RSG resources - including keying, approving, vendor support, matching	On Track	31-Dec-08
58th St.	A/R	Gerace/McGarvey	Separate A/R processes out from RSG resources - including billing, input, invoicing, etc	On Track	31-Dec-08
58th St.	Collections	Gerace/McGarvey	Separate collection processes out from existing GP and 58th resources - including cash application, credit approval, collections	On Track	15-Jan-09
58th St.	Ops	TBD	Identify and train new resource to handle vehicles thru Dossier.	On Track	15-Jan-09

Market: East Penn/Philadelphia  
 Last Updated: 18-Dec-08

58th St.	IT	TBD	Obtain appropriate access for all individuals to needed software applications	On Track	15-Jan-09
58th St.	Operations	Fulcomer	Remove excess MRF equipment	On Track	1-Jan-09
58th St.	Finance		Preparing operations budget and cap-ex spending for 2009	On Track	2-Jan-09

Market: East Penn/Philadelphia  
 Last Updated: 18-Dec-08

Site	Functional Area / Category	Owner(s)	Activity Description	Status	Expected Completion Date
Girard Point	Personnel	Fulcomer	Hold Separate Team Identified	Complete	9-Dec-08
Girard Point	Personnel	Fulcomer	Hold Separate Team announced/communicated with	Complete	10-Dec-08
Girard Point	Accounting	Gerace	Create accurate detailed HS Fixed Asset lists	On Track	15-Dec-08
Girard Point	Accounting	Gerace	Review RSG and AW pro formas for consistency and waste flow match ups	On Track	15-Dec-08
Girard Point	Accounting	Gerace	Develop process to ensure separation of duties	On Track	19-Dec-08
Girard Point	A/P	Gerace	Vendor identification process for A/P - i.e. how do vendors know to bill HS vs. RSG	On Track	19-Dec-08
Girard Point	Accounting	Gerace/McGarvey	Tax Filings - Sales and Use	On Track	31-Dec-08
Girard Point	Accounting	Gerace/McGarvey	Lockbox cash for A/R	On Track	31-Dec-08
Girard Point	Accounting	Gerace/McGarvey	SOX testing	On Track	31-Dec-08
Girard Point	Accounting	McGarvey	Separate payroll processes out from RSG resources	On Track	31-Dec-08
Girard Point	Personnel	Fulcomer	Hold Separate letters sent to employees	On Track	TBD
Girard Point	Regulatory	Fulcomer	Communicate HS with government officials	On Track	18-Dec-08
Girard Point	Ops	Fulcomer/Glenn K	Track and account for equipment R&M	On Track	19-Dec-08
Girard Point	A/P	Gerace	Separate A/P processes out from AW resources - including keying, approving, vendor support, matching	On Track	15-Jan-09
Girard Point	Collections	Gerace	Separate collection processes out from existing AW resources - including cash application, credit approval, collections	On Track	15-Jan-09
Girard Point	Ops	Fulcomer	Replace operator at 58th st.	On Track	15-Jan-09
Girard Point	Accounting	Gerace	Make changes to I/C vs. 3rd party for RSG/Allied	On Track	29-Dec-08
Girard Point	A/P	Gerace	Separate A/P processes out from RSG resources - including keying, approving, vendor support, matching	On Track	15-Jan-09
Girard Point	Ops	Gerace	Negotiate contract for Long Haul & Ops	On Track	1-Mar-09
Girard Point	Accounting/Ops	Gerace/Fulcomer/Glenn K	Develop process for charging shop expenses to HS	On Track	19-Dec-08
Girard Point	Ops	Fulcomer	Track and account for vehicle R&M	On Track	19-Dec-08
Girard Point	Ops	Fulcomer	Remove Allied/Republic containers stored at GP TS and 58th st.	On Track	19-Dec-08
Girard Point	Ops	Fulcomer	Scrap old containers and clean up yard for transition	On Track	19-Dec-08
Girard Point	Accounting	Gerace/McGarvey	Create separate divisional financial statements for 58th and GP HS and develop inter-company allocations	On Track	20-Dec-08
Girard Point	A/P	Gerace/Fulcomer/McGarvey	Separate A/P processes out from RSG resources - including keying, approving, vendor support, matching	On Track	31-Dec-08
Girard Point	A/R	Gerace/McGarvey	Separate A/R processes out from RSG resources - including billing, input, invoicing, etc	On Track	31-Dec-08
Girard Point	Collections	Gerace/McGarvey	Separate collection processes out from existing GP and 58th resources - including cash application, credit approval, collections	On Track	15-Jan-09
Girard Point	Ops	TBD	Identify and train new resource to handle vehicles thru Dossier.	On Track	15-Jan-09

**Market: East Penn/Philadelphia**  
**Last Updated: 16-Dec-08**

Girard Point	IT	TBD	Obtain appropriate access for all individuals to needed software applications	On Track	15-Jan-09
Girard Point	Finance		Preparing operations budget and cap-ex spending for 2009	On Track	2-Jan-09

















**REPUBLIC SERVICES  
HOLD SEPARATE EMPLOYEE STAY BONUS PROGRAM SUMMARY**

**CONFIDENTIAL**

As a condition of the merger approval by the US Government, the new Republic Services is required to divest selected operations and associated personnel.

Impacted employees will continue to be employed in their current roles during a Transition Period and a Stay Period (as both periods are defined below). Impacted employees that remain employed for the entire Stay Period and satisfy the eligibility requirements (as defined below) will receive a "Stay Bonus" at the end of the Stay Period. These and other terms of your employment during the Transition Period and Stay Period are outlined below:

**Transition Period**

The Transition Period will begin on December 5, 2008 and will end on the effective date of the sale of the business operations where employees currently perform services and their employment will be terminated on the effective date of that sale. Depending on the buyer's resource needs and hiring practices, employees may be considered for employment with the buyer.

**Stay Period**

The Stay Period will begin on December 5, 2008 and will end 90 days after the effective date of the sale of the business operations where employees currently perform services, unless the buyer establishes an earlier date.

**Position**

Employees will remain in their current position during the Transition Period and Stay Period and will continue to report to their current supervisor, or other supervisors as the Company may designate during the Transition Period, or as the buyer may designate during the 90 day period immediately following the sale. Employee responsibilities will be as directed by their supervisor.

**Compensation**

During the Transition Period employees will continue to be paid their current base rate of pay or salary, less applicable withholdings, for their services as long as they remain employed. During the 90-day period after the sale of the business operations where employees currently perform services, they will be paid by the buyer for the services they provide to the buyer in an amount and manner comparable to what they would have been paid in wages and provided for with respect to benefits had their employment continued during that 90-day (or less) period.

**Benefits Continuation**

Employees will be eligible to continue their participation in your current Company benefit plans through the Transition Period. To the extent that Company benefits programs are changed or modified during your Transition Period, employees will be eligible to participate in those benefits programs, as may be changed or modified, that are comparable to the benefits programs in which they currently participate.

**Stay Bonus Eligibility**

To be eligible for the Stay Bonus, employees must (1) remain employed for the entire Stay Period; and (2) satisfactorily perform the duties and responsibilities of their position for the entire Stay Period. Employees will be eligible to receive a lump sum cash payment as follows:

***Hourly Paid Employees:***

Hourly paid employees will receive a flat Stay Bonus of \$3000 for the entire Stay Period.

General Title	Bonus Structure	Type
Driver	\$3,000	Flat Rate
Laborer	\$3,000	Flat Rate
Operator	\$3,000	Flat Rate
Clerk	\$3,000	Flat Rate
Mechanic	\$3,000	Flat Rate

***Salaried Employees***

Salaried employees will receive a percentage of their cumulative salary earned during the stay period based on the schedule below:

General Title	Bonus Structure	Type
Administrative	15%	Percent of salary earned during stay period
Controller	30%	Percent of salary earned during stay period
Customer Service	15%	Percent of salary earned during stay period
General Manager	50%	Percent of salary earned during stay period
Operations Manager	30%	Percent of salary earned during stay period
Supervisor	30%	Percent of salary earned during stay period
Sales Manager	35%	Percent of salary earned during stay period
Sales Representative	30%	Percent of salary earned during stay period

For example, an eligible General Manager with a salary is \$150,000 per year that stays for 9 months would have earned \$112,500 in the stay period. The stay bonus will be 50% of this earned amount i.e. \$56,250. This is in addition to his regular salary.

**Severance Pay and Rehire Eligibility**

At the end of the Transition Period, employment with Republic Services will be terminated. Employees will be eligible to receive severance based on the terms provided by Republic Services ("Severance Pay") at the end of the Transition Period or Stay Period, whichever is later, provided that they are not offered a full-time position with the buyer. If employees are offered a full-time position with the buyer that continues beyond the 90-day period, they will receive their Stay Bonus as outlined above, but will not be eligible for the Severance Pay. If employees do not remain throughout the Stay Period, they will forfeit the Stay Bonus and they will not be eligible for the Severance Pay.

**Employment Eligibility**

At the conclusion of the Stay Period, employees that are **not** offered a full-time position with the buyer will be immediately eligible to apply for employment with Republic Services or any of its affiliated entities. If employees do not remain with the buyer throughout the Stay Period,

they will not be eligible for employment with Republic or any of its affiliated entities for one year after the date of their termination or resignation.

There are no other understandings concerning the modified terms of employment during the Transition Period and Stay Period other than what is in this Employee Stay Bonus Letter. These terms cannot be changed unless in writing and signed by the Hold separate Manager.





December 10, 2008

Via Facsimile and First Class Mail  
(219) 736-0054

John Sorensen  
Business Representative, Local 150  
2193 W 84<sup>th</sup> Place  
Merrillville, IN 46410

Re: Allied Waste Industries and Republic Services Merger

Dear Mr. Sorensen,

On December 5, 2008, the merger involving Republic Services and Allied Waste Industries was completed. As a result of the Hold Separate Stipulation and Order entered into with the United States Department of Justice, the Illiana Transfer Station (for which Local 150 represents one operator) must be sold. We will also be assigning one Local 150 mechanic to that facility in fourteen days. We anticipate no change in the employees' working conditions, however as a courtesy we wish to bring this matter to your attention.

If you have any questions, please do not hesitate to contact me at (480) 627-2720.

Sincerely,

Dean L. Burrell  
Vice President, Labor Relations

**bcc: Bill Meyer  
HR Rep**



December 10, 2008

**Via Facsimile and First Class Mail**  
(215 333-4146)

Mike Darden  
Teamsters, Local 115  
2833 Cottman Ave.  
Philadelphia, PA 19149

Re: Allied Waste Industries and Republic Services Merger

Dear Mr. Darden,

On December 5, 2008, the merger involving Republic Services and Allied Waste Industries was completed. As a result of the Hold Separate Stipulation and Order required by the United States Department of Justice, the Republic Girard Point transfer station, for which Local 115 represents certain employees, must be divested. We anticipate no change at this time in working conditions at this time, however as a courtesy we wish to bring this matter to your attention.

Please do not hesitate to contact me at (610) 698-6538.

Sincerely,

Scott Richardson  
Labor Relations Manager

**bcc: GM  
HR Rep**



December 10, 2008

Via Facsimile and First Class Mail  
(925) 228-1612

Dale Robbins  
Teamsters, Local 315  
2727 Alhambra Ave.  
Martinez, CA 94453

Re: Allied Waste Industries and Republic Services Merger

Dear Mr. Robbins,

On December 5, 2008, the merger involving Republic Services and Allied Waste Industries was completed. As a result of the Hold Separate Stipulation and Order required by the United States Department of Justice, the Potrero Hills Landfill (for which Local 315 represents the unit) must be sold. We anticipate no change in the employees' working condition at this time, however as a courtesy we wish to bring this matter to your attention.

If you have any questions, please do not hesitate to contact me at (925) 201-5814.

Sincerely,

Jerry Vincent  
Director of Labor Relations

**bcc: AP**  
**Mark Porchesta**



December 10, 2008

Via Facsimile and First Class Mail  
(404) 627-2045

Eric Robertson  
Teamsters, Local 728  
2540 Lakewood Ave. SW  
Atlanta, GA 30314

Re: Allied Waste Industries and Republic Services Merger

Dear Mr. Robertson,

On December 5, 2008, the merger involving Republic Services and Allied Waste Industries was complete. As a result of the Hold Separate Stipulation and Order entered into with the United States Department of Justice, approximately thirteen routes (and the drivers assigned to those routes) that Local 728 represent will be moved to the Gainesville, Georgia facility. This move shall take place fourteen days from today. The Smyrna, Georgia transfer station must also be divested. We anticipate no change in the employees' working conditions at this time, however as a courtesy we wish to bring this matter to your attention.

If you have any questions, please do not hesitate to contact me at (610) 698-6538.

Sincerely,

Scott Richardson  
Labor Relations Manager

P.O. Box 128 Morgantown, PA 19543 610-698-6538

**bcc: Jack Perko  
Terry Boatman**



December 10, 2008

Via Facsimile and First Class Mail  
(219) 944-6283

Richard Kenney  
Teamsters, Local 142  
1300 Clark Road  
Gary, IN 46404

Re: Allied Waste Industries and Republic Services Merger

Dear Mr. Kinney,

On December 5, 2008, the merger involving Republic Services and Allied Waste Industries was completed. As a result of the Hold Separate Stipulation and Order required by the United States Department of Justice, five routes (and the drivers assigned to those routes) that Local 142 represents will be moved to the Illiana Transfer Station in fourteen days. They will work out of that facility until its sale. We anticipate no change in their working conditions, however as a courtesy we wish to bring this matter to your attention.

If you have any questions, please do not hesitate to contact me at (480) 627-2720.

Sincerely,

Dean L. Burrell  
Vice President, Labor Relations

**bcc: Bill Meyer  
Chris Kentopp  
Debora Martinez**

**SECOND AFFIDAVIT OF BRIAN BALES**

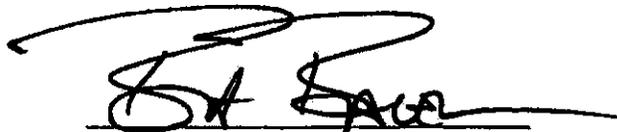
**Pursuant to Paragraph X(A) of the Proposed Final Judgment  
in Republic-Allied Merger: DOJ File No. 60-562111-0007**

**State of Florida**                    )  
  )  
**County of Broward**                )            **ss:**

I, Brian Bales, hereby do swear and affirm as follows:

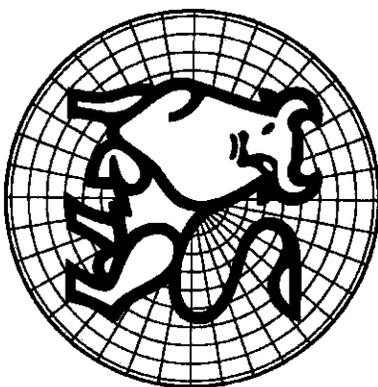
1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic") and Allied Waste Industries, Inc. ("Allied").
2. I am an officer of Republic and I have actual authority to make this affidavit on behalf of Republic.
3. I adopt the terms as set forth in the Proposed Final Judgment ("PFJ") in making this affidavit.
4. Pursuant to Paragraph X(A) of the PFJ, Republic submitted an affidavit on December 23, 2008, describing the contacts it had with prospective Acquirers of the Divestiture Assets to date. Since that date, Republic has made additional efforts to sell the Divestiture Assets.
5. As part of its responsibilities, Merrill Lynch has prepared the document attached hereto as Exhibit A, which provides a summary of the bids Republic received from persons interested in the Divestiture Assets.
6. Pursuant to its obligations under Paragraph IV(A) of the PFJ to use its "best efforts to divest the Divestiture Assets as expeditiously as possible," the Company has considered these bids.
7. Based upon the bids received, Republic does not intend to consider new prospective Acquirers at this time. Furthermore, Republic has narrowed the prospective Acquirers to a subset of the bidders as indicated in Exhibit A and will continue to engage these parties in discussions about the relevant Divestiture Assets.
8. The prospective Acquirers indicated in Exhibit A will be contacted to discuss their proposals, as their proposals were sufficient amounts for the sale of the assets. These prospective Acquirers are also those bidders Republic has determined potentially have the intent and capability (including the necessary managerial, operational, technical, and financial capability) of competing effectively in the disposal or hauling business and who will potentially "have the intent and capability to use the Divestiture Assets as part of a viable, ongoing disposal or hauling business in each relevant area" as set forth in the PFJ, Paragraph IV(A).

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 30, 2008.

A handwritten signature in black ink, appearing to read "B. Bales", written over a horizontal line.

Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.





*Highly Confidential*

Discussion Materials Prepared for:

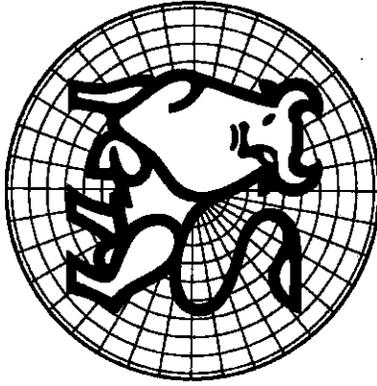
**Republic Services**

**Divestiture Process Update**

December 29, 2008



Global Markets & Investment Banking Group



**Bundled Assets Bid Summary**

## Bundled Assets Bid Summary Overview

### Process Summary

- Preliminary Indications of Commitment received from Veolia and Waste Connections in October 2008
- Veolia and Waste Connections met with Republic and its advisors in early November 2008 to review their respective Preliminary Indications and discuss the divestiture process
- Suez met with Republic in Fort Lauderdale and requested to be included in the process
- Waste Industries submitted a letter formally requesting to be included in the process
- After agreeing to, and public disclosure of, a settlement with the Dept. of Justice (DoJ), Republic provided summary financial information to all but Waste Industries
- Waste Industries, along with their equity investors, Macquarie and Goldman, confirmed their interest and answered financing questions via conference call
- All four bidders received “Teasers” and related information

### Bids Submitted

Bidder	Preliminary Purchase Price (\$ mm)
Waste Connections	\$345
Waste Industries	\$300-\$325
Veolia	\$200
<ul style="list-style-type: none"> <li>▪ Suez Environnement declined to bid</li> </ul>	





## Bundled Assets Bid Summary Waste Connections

Category	Response
Preliminary Purchase Price	<ul style="list-style-type: none"> <li>▪ \$345 million                             <ul style="list-style-type: none"> <li>▪ To be adjusted up or down based on Pro Forma EBITDA (post diligence) and implied EBITDA multiple of 6.4x                                     <ul style="list-style-type: none"> <li>▪ If Pro Forma EBITDA is less than 90% of Teaser, renegotiate deal</li> </ul> </li> </ul> </li> </ul>
Assets to Swap or Sell Within Two Years	<ul style="list-style-type: none"> <li>▪ Cape Girardeau</li> <li>▪ Lexington</li> <li>▪ Northwest Indiana</li> </ul>
Access to Disposal Facility	<ul style="list-style-type: none"> <li>▪ For Valparaiso Transfer Station, disposal rights, at rates to be negotiated, at Newton County Development Corp. Landfill</li> <li>▪ For small container routes in Houston, disposal rights, at rates to be negotiated, at Blue Ridge</li> </ul>
Timing	<ul style="list-style-type: none"> <li>▪ Execute definitive agreements by January 9</li> <li>▪ Complete diligence by February 13</li> <li>▪ Close transaction by February 27</li> <li>▪ Also bid on Bay Area / Potrero Hills Landfill (see page 11)</li> <li>▪ Will seek Section 338 (h)(10) election</li> <li>▪ Advisors specified in letter</li> <li>▪ No audit required</li> </ul>
Other	<ul style="list-style-type: none"> <li>▪ Two year survival on representations and warranties</li> <li>▪ To enter into agreements regarding national accounts</li> <li>▪ Will be responsible for stay-on bonuses but not severance</li> <li>▪ Otherwise, responses same as in Preliminary Indication of Commitment</li> </ul>

## Bundled Assets Bid Summary Waste Industries

Category	Response
Preliminary Purchase Price Range	<ul style="list-style-type: none"><li>▪ \$300 - \$325 million</li></ul>
Assets to Sell Within Two Years	<ul style="list-style-type: none"><li>▪ Will retain ownership of key assets in the ten markets for at least two years</li></ul>
Access to Disposal Facility	<ul style="list-style-type: none"><li>▪ Interested in entering into disposal agreements<ul style="list-style-type: none"><li>▪ Minimum of two years with option to extend</li><li>▪ Most favored nation clause, etc.</li></ul></li></ul>
Timing	<ul style="list-style-type: none"><li>▪ Able to complete diligence within the timetable contemplated in the Process Letter</li></ul>
Financing	<ul style="list-style-type: none"><li>▪ Equity from principal shareholders (Macquarie and Goldman) and debt financing from third-party providers<ul style="list-style-type: none"><li>▪ Unspecified capacity in current credit facility</li></ul></li><li>▪ Did not bid on any individual assets</li><li>▪ Assume \$25mm of accrued C/C/PC liabilities</li><li>▪ Republic to refrain from soliciting transferred customers for two years</li><li>▪ No audit requirement</li><li>▪ Customary integration of existing employees and adoption of severance and personnel costs</li><li>▪ Two-month transitional service agreements</li></ul>
Other	



## Bundled Assets Bid Summary Veolia

Category	Response
Preliminary Purchase Price	<ul style="list-style-type: none"><li>▪ \$200 million</li></ul>
Assets to Sell Within Two Years	<ul style="list-style-type: none"><li>▪ No plans to close or sell assets, however within the two year period may consider selling Cape Girardeau, Denver, Lubbock or Los Angeles</li></ul>
Access to Disposal Facility	<ul style="list-style-type: none"><li>▪ Require mutually agreed upon service agreements: disposal service agreements at NW Indiana, Houston Blue Ridge and Cape Girardeau; trans-load agreement at Lexington</li></ul>
Timing	<ul style="list-style-type: none"><li>▪ Completing diligence and finalizing APA within 45 days of data room opening</li></ul>
Financing	<ul style="list-style-type: none"><li>▪ Cash on-hand and parent company's existing credit facility</li></ul>
Other	<ul style="list-style-type: none"><li>▪ Did not bid on any individual assets</li><li>▪ Highlighted Chiquita Canyon 2014 permit expansion in valuation considerations</li><li>▪ Requests 5-year non-solicitation agreements</li><li>▪ Approved by CEO of parent company (Michael Gourvenec)</li><li>▪ Reimbursement of up to \$750,000 in expenses in the event Republic terminates negotiations</li></ul>





## Bundled Assets Bid Summary Preliminary Timetable

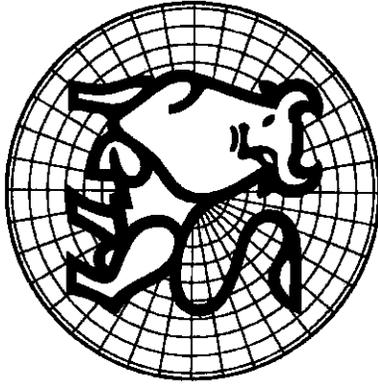
December						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

- | Date(s)                  | Item/Event   |
|--------------------------|--|
| On or before December 31 | <ul style="list-style-type: none"> <li>▪ Invite Waste Connections and Waste Industries to Round 2 and communicate next steps in process</li> <li>▪ Open data rooms and provide form Asset Purchase Agreement (APA)</li> </ul>  |
| January                  | <ul style="list-style-type: none"> <li>▪ Bidders conduct due diligence</li> <li>▪ Bidders resubmit Valuation and Significant Deal Considerations                             <ul style="list-style-type: none"> <li>▪ Reaffirm or revise purchase price</li> <li>▪ Submit APA comments / mark-ups</li> <li>▪ Confirm intention to sell / swap markets, if any</li> </ul> </li> <li>▪ After receiving APA comments, and in consideration of other due diligence issues raised by bidders, determine whether to proceed with one or two bidders</li> </ul> |
| February 1-February 16   | <ul style="list-style-type: none"> <li>▪ Bidder(s) complete due diligence</li> <li>▪ Negotiate APA(s)</li> </ul>   |
| February 16              | <ul style="list-style-type: none"> <li>▪ Execute APA</li> </ul>  |
| February 16+             | <ul style="list-style-type: none"> <li>▪ Close transaction</li> </ul>  |

*Note: Shaded dates above represent US holidays.*



**Individual Asset Bid Summaries**



# Individual Asset Bid Summaries Process Overview

## Preliminary Timetable

Date(s)	Item/Event
December 29 - January 7	<ul style="list-style-type: none"> <li>▪ Conduct conference calls with bidders to discuss their respective proposals</li> </ul>
January 7 - January 9	<ul style="list-style-type: none"> <li>▪ Invite two to four bidders per market to Round 2 and communicate next steps in process</li> <li>▪ Open data rooms and provide form Asset Purchase Agreement (APA)</li> </ul>
January 7 - January 26	<ul style="list-style-type: none"> <li>▪ Bidders conduct due diligence</li> </ul>
January 26	<ul style="list-style-type: none"> <li>▪ Bidders resubmit Valuation and Significant Deal Considerations                             <ul style="list-style-type: none"> <li>• Reaffirm or revise purchase price</li> <li>• Submit marked-up APAs</li> <li>• Provide preliminary financing commitments</li> </ul> </li> <li>▪ Subsequently decide to proceed with one or two bidders</li> </ul>
January 28 - February 23	<ul style="list-style-type: none"> <li>▪ Bidder(s) complete due diligence</li> <li>▪ Negotiate APAs</li> </ul>
February 23	<ul style="list-style-type: none"> <li>▪ Execute APAs</li> </ul>
February 23+	<ul style="list-style-type: none"> <li>▪ Close transactions</li> </ul>

## Summary of Bids Submitted

Atlanta		Bay Area		Cleveland		Fort Worth		Philadelphia	
Bidder	Price	Bidder	Price	Bidder	Price	Bidder	Price	Bidder	Price
Advanced Disposal	\$14	Tunnel Hill	\$85	Rumpke	\$33	BFI Canada	\$10	Covanta Energy	\$24
Tac Transport	10	Waste Connections	80	Tunnel Hill	29	WCA Waste	8	Penn Ohio (Kimble)	21
Waste Pro USA	8	Norcal	34	Tac Transport	21	Waste Partners of Texas	8	Tunnel Hill	20
Bobcat Disposal	7			Penn Ohio (Kimble)	17			Interstate Waste	17
								ELS	15
								Tac Transport	15
								Cosman Disposal	14
								TransLoad America	14
								Disposal Corp America	13
								EnviroSolutions	12

Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.

## Individual Asset Bid Summaries Atlanta

### Process Overview

- The following assets are being divested
  - 13 commercial routes
  - Central Gwinnett Transfer Station
  - Smyrna Transfer Station

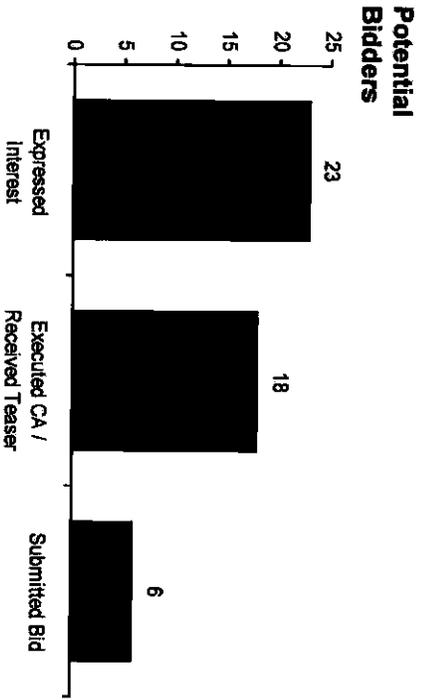
### Bids Submitted

Bidder	Price
Advanced Disposal Services	\$13.8
Tac Transport	10.2
Waste Pro USA	7.7
Bobcat Disposal	7.4
Transload America	6.3
Biogold Fuels	1.2

Shaded bidders will be contacted to discuss their proposals

### Received Teaser but did not Bid

- B&G Services / Heritage
- Hudson Baylor
- Laurel Mountain
- M&M Waste
- Nature's Calling
- Platinum
- Santek Environmental
- Suez
- Veolia
- Waste Connections
- Waste Industries
- Waste Services



Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.





## Individual Asset Bid Summaries Atlanta

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Advanced Disposal Services (Highstar Capital)	\$13.8	<ul style="list-style-type: none"> <li>▪ Funds sourced through existing credit facility, with letter enclosed which confirms relationship</li> <li>▪ Subcontractor agreement for national accounts</li> <li>▪ Requires Republic to agree not to solicit any Advanced employees or customers from nearby areas in Georgia for 5 years</li> <li>▪ Specifies legal, financial, engineering and environmental advisors</li> <li>▪ Will not offer "management" employment and will not assume bonus/severance/benefit plans</li> <li>▪ Phase II assessments, if deemed necessary</li> <li>▪ Interested in a disposal agreement</li> <li>▪ Financing available through debt (BB&amp;T) and cash</li> <li>▪ High level diligence list provided</li> <li>▪ Advisors specified</li> <li>▪ Transitional services up to 120 days</li> <li>▪ Financing provided from both free cash flow and existing credit lines (Comerica Bank)</li> <li>▪ Disposal agreement for volume from divested assets and Waste Pro's current volume</li> <li>▪ High level diligence list provided</li> </ul>
Tac Transport	\$10.2	
Waste Pro USA	\$7.7 (5.5x EBITDA)	



## Individual Asset Bid Summaries Atlanta (cont'd)

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Bobcat Disposal	\$7.4	<ul style="list-style-type: none"> <li>▪ Willing to increase offer if a "win/win" agreement is reached on disposal pricing (does not currently own/operate an Atlanta LF)</li> <li>▪ Debt financing to be provided by Hancock Bank (maximum \$8mm and under application review; letter enclosed)</li> <li>▪ High-level due diligence list provided</li> <li>▪ Requires 30-day transition period with "key personnel"</li> <li>▪ Advisors disclosed</li> </ul>
Transload America	\$5.6 - \$7.0 (4.0x - 5.0x EBITDA)	<ul style="list-style-type: none"> <li>▪ Financial partner is Plainfield Asset Mgmt                             <ul style="list-style-type: none"> <li>▪ Also working with a confidential strategic investor with "significant" capital</li> </ul> </li> <li>▪ No outside advisors and no diligence list provided</li> </ul>
Biogold Fuels	\$1.2	<ul style="list-style-type: none"> <li>▪ Bid based on a multiple of free cash flow</li> </ul>

## Individual Asset Bid Summaries Bay Area

### Process Overview

- The following asset is being divested
  - Potrero Hills Landfill

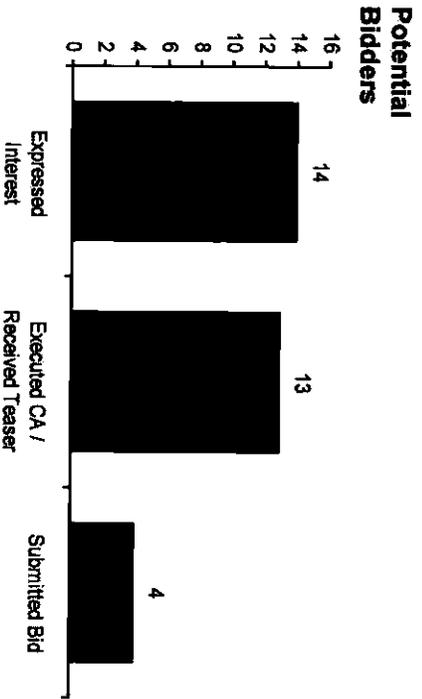
### Bids Submitted

Bidder	Price
▪ Tunnel Hill / Waste Solutions	\$85.0
▪ Waste Connections	80.0
▪ Norcal Waste	34.0
▪ Biogold Fuels	27.4

Shaded bidders will be contacted to discuss their proposals

### Received Teaser but did not Bid

- Alameda County
- Garaventa Group
- Good Earth Bio-Solutions
- Green Waste Recovery
- Hudson Baylor
- North Bay Corp
- Platinum
- Suez
- Veolia



Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.





## Individual Asset Bid Summaries Bay Area

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Tunnel Hill / Waste Solutions	\$85.0	<ul style="list-style-type: none"> <li>▪ Owns the Tunnel Hill Landfill in Ohio</li> <li>▪ Funds sourced through parent, American Infrastructure MLP Funds</li> <li>▪ Requests a review of the assets by accounting firm</li> <li>▪ Can complete due diligence within two weeks; may request 6-month transitional disposal agreement</li> <li>▪ Believe they can increase the volumes of special waste</li> <li>▪ High level diligence list provided</li> <li>▪ Bid contingent on WCN acquiring Bundled Assets</li> <li>▪ Value subject to diligence of Pro Forma EBITDA (see page 3)</li> <li>▪ Conditioned upon a disposal agreement with Solano Garbage (RSG Subsidiary) for 20 years</li> <li>▪ Timing generally consistent with process letter</li> <li>▪ Financing provided by internally generated funds and borrowing under an existing credit facility (subject to approval by the bank)</li> <li>▪ Assumes landfill expansion permits are obtained within 12 months (minimum 60mm cy)</li> <li>▪ Assumes \$12mm C/C/PC liabilities</li> <li>▪ Operational, legal and environmental advisors disclosed</li> <li>▪ Audited financials required</li> <li>▪ Will be responsible for employee severance, retention or similar personal costs</li> <li>▪ Detailed diligence list included</li> <li>▪ Bid based on a multiple of free cash flow</li> </ul>
Waste Connections	\$80.0	
Norcal Waste	\$34.0	
Biogold Fuels	\$27.4	

## Individual Asset Bid Summaries Cleveland

### Process Overview

- The following assets are being divested
  - Harvard Road Transfer Station
  - Oakland Marsh (Noble Road) Landfill

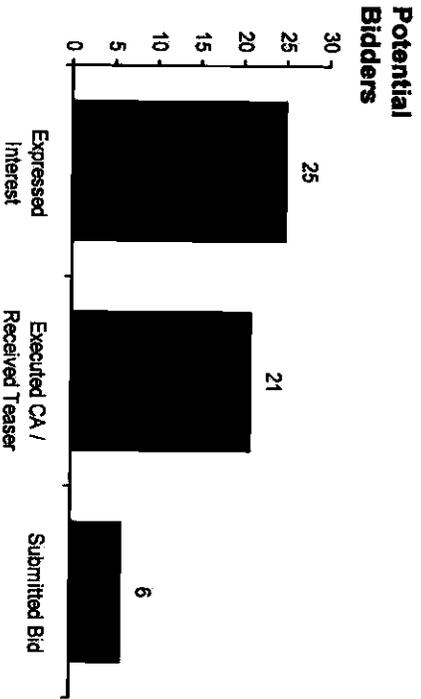
### Bids Submitted

Bidder	Price
■ Rumpke	\$32.5
■ Tunnel Hill /Waste Solutions	29.0
■ Tac Transport	20.6
■ Penn Ohio (Kimble)	17.0
■ Interstate Waste Services	12.5
■ Biogold Fuels	9.7

Shaded bidders will be contacted to discuss their proposals

### Received Teaser but did not Bid

- |                            |                        |
|----------------------------|------------------------|
| ■ Cosman Disposal Services | ■ Miles Waste Disposal |
| ■ Covanta Energy           | ■ Platinum             |
| ■ ELS Acquisition          | ■ Rectec               |
| ■ EnviroSolutions          | ■ Suez                 |
| ■ J.P. Mascaro & Sons      | ■ Transload            |
| ■ Laurel Mountain Partners | ■ Veolia               |
| ■ Metro Disposal           | ■ Wills Trucking       |
|                            | ■ Waste Connections    |



Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.





## Individual Asset Bid Summaries Cleveland

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Rumpke	\$32.5	<ul style="list-style-type: none"> <li>▪ Preliminary Timetable is "aggressive, but workable"</li> <li>▪ Funds sourced through existing credit facilities</li> <li>▪ Specifies financial and legal advisors</li> <li>▪ Due diligence list provided</li> </ul>
Tunnel Hill / Waste Solutions	\$29.0	<ul style="list-style-type: none"> <li>▪ Owns the Tunnel Hill Landfill in Ohio</li> <li>▪ Funds sourced through parent, American Infrastructure MLP Funds</li> <li>▪ Requests a review of the assets by accounting firm</li> <li>▪ Can complete due diligence within two weeks</li> <li>▪ Interested in a disposal agreement</li> <li>▪ Financing available through debt (BB&amp;T) and cash</li> <li>▪ High level diligence list provided</li> <li>▪ Advisors specified</li> <li>▪ Transitional services up to 120 days</li> <li>▪ Provided value ranges for each asset; \$4mm range for landfill</li> <li>▪ Debt financing to be provided by National City Bank; its current lender                             <ul style="list-style-type: none"> <li>▪ Letter enclosed which confirms relationship</li> </ul> </li> <li>▪ Specifies advisors</li> </ul>
Tac Transport	\$20.6	
Penn Ohio (Kimble)	\$14.0 - \$20.0	



## Individual Asset Bid Summaries Cleveland (cont'd)

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Interstate Waste Services (IWS) (Highstar Capital)	\$12.5	<ul style="list-style-type: none"> <li>▪ Fund via debt and equity                             <ul style="list-style-type: none"> <li>▪ Debt: Access to \$60mm through senior credit facility</li> <li>▪ Equity: Via Highstar Capital, the principal investor in IWS</li> </ul> </li> <li>▪ Requests Republic implement and fund an employee retention policy</li> <li>▪ Specifies legal, environmental and financial consultants</li> <li>▪ Bid based on a multiple of free cash flow</li> </ul>
Biogold Fuels	\$9.7	

## Individual Asset Bid Summaries Fort Worth

### Process Overview

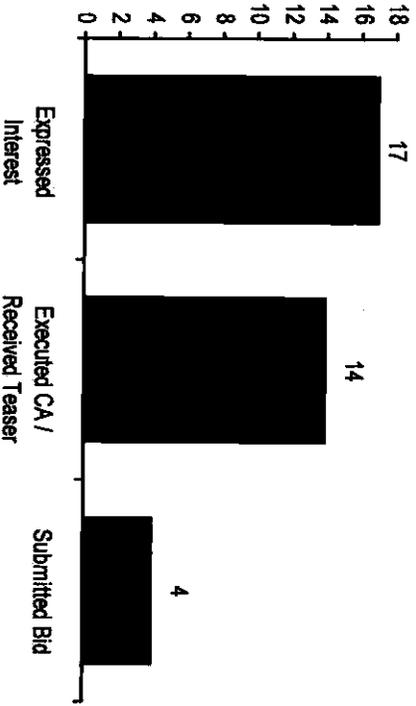
- The following assets are being divested
  - 5 commercial routes
  - Either of:
    - Turkey Creek Landfill; or
    - Fort Worth Southeast Landfill

### Bids Submitted

Bidder	Price
▪ BFI Canada	\$10.0
▪ WCA Waste	8.4
▪ Waste Partners of Texas	8.0
▪ Biogold Fuels	0.6

Shaded bidders will be contacted to discuss their proposals

### Potential Bidders



### Received Teaser but did not Bid

- Advanced Disposal Services
- Community Waste Disposal
- Platinum
- Suez
- S.T.A.R.
- Texas Disposal Systems
- Veolia
- Waste Connections
- Waste Industries
- Waste Services

Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.





## Individual Asset Bid Summaries Fort Worth

Bidder	Preliminary Purchase Price (\$ mm)	Comments
BFI Canada	\$10.0  (for Turkey Creek and routes)	<ul style="list-style-type: none"> <li>▪ Prefers to acquire Southeast Landfill subject to:                             <ul style="list-style-type: none"> <li>▪ An "un-appealable" Expansion permit</li> <li>▪ A settlement of the lawsuit between the Company and the City</li> <li>▪ Three proposals included in letter</li> </ul> </li> <li>▪ Alternatively, would purchase Turkey Creek Landfill for \$5mm                             <ul style="list-style-type: none"> <li>▪ If "flow control" is enacted in the future, Republic would be obligated to repurchase Turkey Creek</li> </ul> </li> <li>▪ Ascribed a value of \$5mm to routes</li> <li>▪ Chose Turkey Creek                             <ul style="list-style-type: none"> <li>▪ Assumes all intercompany waste will continue to go there</li> </ul> </li> <li>▪ Alternatively, would pay \$2mm and swap its Applerock landfill</li> <li>▪ Financing provided by existing revolving credit facility</li> <li>▪ Limited/high level diligence list provided                             <ul style="list-style-type: none"> <li>▪ Phase II required</li> </ul> </li> <li>▪ Financial, engineering and tax advisors disclosed</li> <li>▪ 180 day transitional services period expected</li> <li>▪ Chose Fort Worth Southeast (valuation TBD for landfill)</li> <li>▪ Has access to \$10mm in capital from Cotton Creek Capital and access to a Capital One credit facility of \$50mm                             <ul style="list-style-type: none"> <li>▪ Capital One letter enclosed</li> </ul> </li> <li>▪ Financial, legal, environmental and accounting advisors included</li> <li>▪ Chose Turkey Creek</li> <li>▪ Bid based on a multiple of free cash flow</li> </ul>
WCA Waste	\$8.4	
Waste Partners of Texas	\$8.0  (for hauling operations)	
Biogold Fuels	\$0.6	

## Individual Asset Bid Summaries Philadelphia

### Process Overview

- The following assets are being divested
  - Girard Point Transfer Station
  - 58<sup>th</sup> Street Transfer Station

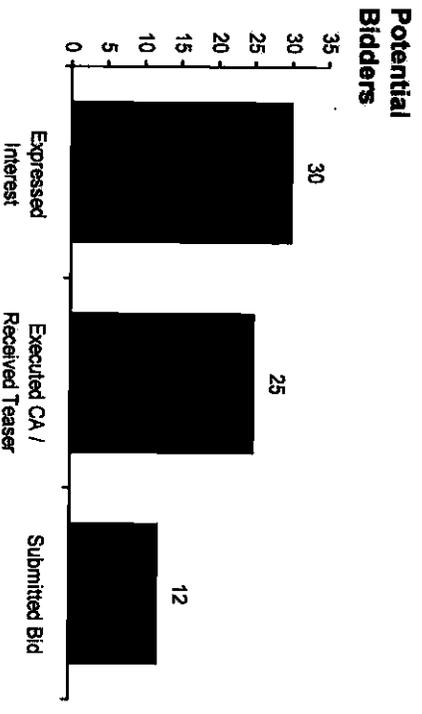
### Bids Submitted

Bidder	Price	Bidder	Price
■ Covanta Energy	\$24.0	■ Cosman Disposal Services	\$19.8
■ Penn Ohio	21.0	■ Transload America	13.9
■ Tunnel Hill / Waste Solutions	20.0	■ Disposal Corp. of America	18.2
■ Interstate Waste Services	17.0	■ EnviroSolutions	12.5
■ ELS	15.0	■ Accurate Recycling	12.0
■ Tac Transport	14.5	■ Biogold Fuels	6.4

Shaded bidders will be contacted to discuss their proposals

### Received Teaser but did not Bid

- |                       |                     |
|-----------------------|---------------------|
| ■ BFI Canada          | ■ Platinum          |
| ■ Clean Earth         | ■ Suez              |
| ■ Express Marine      | ■ Veolia            |
| ■ Gold Medal Disposal | ■ Waste Connections |
| ■ Hometown Waste      | ■ Waste Industries  |
| ■ Hudson Baylor       | ■ Waste Services    |
| ■ J.P. Mascaro & Sons |                     |



Note: "Price" reflects Preliminary Purchase Price or midpoint of Price Range. Dollars in millions.

## Individual Asset Bid Summaries Philadelphia

Bidder	Preliminary Purchase Price (\$ mm)	Comments
<p>Covanta Energy</p> <p>Penn Ohio (Kimble)</p>	<p>\$24.0</p> <p>\$18.0 - \$24.0</p>	<ul style="list-style-type: none"> <li>▪ Fund through cash on hand (\$169mm as of 9/30/2008) and existing credit facility of \$300mm (currently undrawn)</li> <li>▪ Have not yet received Board approval</li> <li>▪ Debt financing to be provided by National City Bank, their current lender (relationship letter enclosed)                             <ul style="list-style-type: none"> <li>▪ Financing subject to "considerable" due diligence</li> </ul> </li> <li>▪ Detailed diligence list provided</li> <li>▪ Funds sourced through parent, American Infrastructure MLP Funds</li> <li>▪ Requests a review of the assets by accounting firm</li> <li>▪ Can complete due diligence within two weeks</li> <li>▪ Fund via debt and equity                             <ul style="list-style-type: none"> <li>▪ Debt: Access to \$60mm through senior credit facility</li> <li>▪ Equity: Via Highstar Capital, the principal investor in IWS</li> </ul> </li> <li>▪ Requests Republic implement and fund an employee retention policy</li> <li>▪ Fund via debt and equity: Senior debt from existing lenders and equity from controlling shareholder, Centre Partners</li> <li>▪ Accounting, legal and environmental advisors disclosed</li> <li>▪ No diligence list provided</li> </ul>
<p>Tunnel Hill / Waste Solutions</p>	<p>\$20.0</p>	
<p>Interstate Waste Services (IWS) (Highstar Capital)</p>	<p>\$17.0</p>	
<p>ELS</p>	<p>\$15.0 (5.0x EBITDA)</p>	





## Individual Asset Bid Summaries Philadelphia (cont'd)

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Tac Transport	\$14.5	<ul style="list-style-type: none"> <li>▪ Interested in a disposal agreement</li> <li>▪ Financing available through debt (BB&amp;T) and cash</li> <li>▪ High level diligence list provided</li> <li>▪ Advisors specified</li> <li>▪ Transitional services up to 120 days</li> </ul>
Cosman Disposal Services	\$13.6	<ul style="list-style-type: none"> <li>▪ Financing to be provided by Comerica; a highly interested letter included for \$11mm</li> <li>▪ Intends to negotiate with Republic for a long-term disposal contract</li> <li>▪ Advisor names to be provided by year end</li> <li>▪ Audited financials required</li> <li>▪ Anticipates closing transaction by March 27</li> <li>▪ Transitional service requirements not to exceed 90 days</li> </ul>
Transload America	\$12.0 - \$15.0 (4.0x - 5.0x EBITDA)	<ul style="list-style-type: none"> <li>▪ Financial partner is Plainfield Asset Mgmt                             <ul style="list-style-type: none"> <li>▪ Also working with a confidential strategic investor with "significant" capital</li> </ul> </li> <li>▪ No outside advisors and no diligence list provided</li> </ul>
Disposal Corp. of America	\$11.3 - \$15.0	<ul style="list-style-type: none"> <li>▪ Fund through internal and external sources of financing, including private equity and senior lenders</li> <li>▪ Detailed diligence list provided</li> <li>▪ Financing provided by cash on hand and existing revolving line of credit</li> </ul>
EnviroSolutions	\$12.1	<ul style="list-style-type: none"> <li>▪ Regulatory, environmental and real estate advisors disclosed</li> <li>▪ Needs short-term transition services</li> <li>▪ Limited/high-level diligence list provided</li> </ul>



## Individual Asset Bid Summaries Philadelphia (cont'd)

Bidder	Preliminary Purchase Price (\$ mm)	Comments
Accurate Recycling	\$7.0 - \$17.0	<ul style="list-style-type: none"> <li>▪ Funded by cash from David Lasensky, and venture capital, if needed</li> <li>▪ Accounting, legal and environmental advisors disclosed</li> <li>▪ Three month transitional period</li> <li>▪ Needs more information on absorbing personnel costs</li> <li>▪ No diligence list provided</li> </ul>
Biogold Fuels	\$6.4	<ul style="list-style-type: none"> <li>▪ Bid based on a multiple of free cash flow</li> </ul>



## Individual Asset Bid Summaries Other Bids Received

Bidder	Asset(s)	Comments
<p>County Sanitation Districts of Los Angeles County</p>	<p>Los Angeles</p>	<ul style="list-style-type: none"> <li>▪ \$38mm offer to purchase Chiquita Canyon Landfill as currently permitted</li> <li>▪ Additional \$71.8mm offer for remaining horizontal and vertical expansion capability payable when all permits received</li> <li>▪ Financed via existing cash</li> <li>▪ Final bid would be contingent on adequacy of closure and post-closure funding, landfill gas rights and environmental liabilities</li> <li>▪ Not yet approved by Board of Directors (could happen as early as January 14)</li> <li>▪ "Insufficient time" to determine diligence needs, transitional needs and timeline</li> <li>▪ Not formally invited to submit bid                         <ul style="list-style-type: none"> <li>▪ Have not signed a confidentiality agreement</li> <li>▪ Did not receive Teaser materials</li> </ul> </li> <li>▪ Republic sent a letter on December 17th requesting WMI address antitrust concerns</li> </ul>
<p>Waste Management</p>	<p>Los Angeles Bay Area</p>	<ul style="list-style-type: none"> <li>▪ Bid 6.0x EBITDA for both assets                         <ul style="list-style-type: none"> <li>▪ Bay Area bid: a) 2.5x EBITDA at closing and b) 3.5x EBITDA upon receipt of landfill expansion approval beyond 2012                                 <ul style="list-style-type: none"> <li>▪ Republic would pay C/C/PC if no expansion</li> </ul> </li> <li>▪ Antitrust concerns addressed in letter</li> </ul> </li> </ul>

## Disclaimers

Merrill Lynch prohibits (a) employees from, directly or indirectly, offering a favorable research rating or specific price target, or offering to change such rating or price target, as consideration or inducement for the receipt of business or for compensation, and (b) Research Analysts from being compensated for involvement in investment banking transactions except to the extent that such participation is intended to benefit investor clients.

This proposal is confidential, for your private use only, and may not be shared with others (other than your advisors) without Merrill Lynch's written permission, except that you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the proposal and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure. For purposes of the preceding sentence, tax refers to U.S. federal and state tax. This proposal is for discussion purposes only. Merrill Lynch is not an expert on, and does not render opinions regarding, legal, accounting, regulatory or tax matters. You should consult with your advisors concerning these matters before undertaking the proposed transaction.



**AFFIDAVIT OF BRIAN BALES**

**Republic-Allied Merger: DOJ File No. 60-562111-0007**

**State of Florida**                    )  
  )  
**County of Broward**                )            **ss:**

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").
2. I am an officer of Republic and I have actual authority to make this affidavit on behalf of Republic.
3. On December 10, 2008, Marc Carano of Merill Lynch called Cherie Rice of WMI and outlined the process and timing for bidding on the Divestiture Assets. Later that day, Mr. Carano provided Ms. Rice with a Confidentiality Agreement by electronic mail ("e-mail"), a copy of which is attached hereto as Exhibit A.
4. On December 11, 2008, John Tsai of WMI Legal sent Akerman Senterfitt an e-mail enclosing a mark-up of the Confidentiality Agreement, a copy of which is attached hereto as Exhibit B.
5. Jahan Islami of Akerman Senterfitt had a phone call with Mr. Tsai on December 12, 2008 to discuss Mr. Tsai's proposed edits to the Confidentiality Agreement.
6. On December 14, 2008, Mr. Islami sent a copy of a revised Confidentiality Agreement, rejecting some of the edits proposed by WMI and accepting others, to Mr. Tsai by e-mail. A copy of that correspondence is attached hereto as Exhibit C.
7. Mr. Tsai returned the draft Confidentiality Agreement to Mr. Islami on December 15, 2008, with some additional edits and comments about the non-solicit and standstill provisions and inquired whether other prospective Acquirers received Confidentiality Agreements with similar provisions. A copy of that correspondence is attached hereto as Exhibit D.
8. Mr. Islami replied the next day, confirming that WMI received the same Confidentiality Agreement as other potential Acquirers of the bundled assets. Mr. Islami also enclosed further revisions to the Confidentiality Agreement that Mr. Tsai had requested and rejected other changes.
9. On or around December 17, 2008, Mr. Tsai contacted Tim M. Benter of Republic Legal to discuss the process to date. Mr. Tsai and Mr. Benter agreed to a modification of the standstill provision for up to one percent of the voting securities of Republic. Mr. Tsai also wanted a modification of the non-solicitation agreement to except advertising job postings in the ordinary course of business. As WMI had previously indicated a desire to bid on some particular

markets as opposed to the bundle markets, and the provisions of the Hold Separate Stipulation and Order require stability and viability of the Divestiture Assets, including employee retention at the division level, Mr. Benter could not reach agreement with Mr. Tsai. Mr. Benter received no further communication from Mr. Tsai.

10. On December 17, 2008, Mr. Ratigan of Merrill Lynch sent a letter to David Steiner, Chief Executive Officer of WMI. That letter outlined the requirements of WMI to: (1) assume sole responsibility for mitigating any concentration due to any purchase of Divestiture Assets; (2) address its view of the competitive issues and how it would be able to achieve antitrust approval for the purchase; and (3) to identify what assets would be closed or sold to receive antitrust approval of the transaction. A copy of that letter is attached hereto as Exhibit E.

11. There was no further contact with WMI until Republic received a proposal from Waste Management, Inc. ("WMI") to purchase the Chiquita Canyon and Potrero Hills Landfills on December 23, 2008. WMI's proposal purports to address the issues raised in Mr. Ratigan's December 17, 2008 letter. A copy of that letter is attached hereto as Exhibit F.

12. WMI submitted this offer without receiving any of the initial financial materials for the Divestiture Assets as it has not entered into a Confidentiality Agreement. Thus, WMI's proposal did not include an actual purchase price.

13. Because WMI has not demonstrated that it could receive antitrust approval to acquire the Chiquita Canyon or Potrero Hills Landfills, Republic will not engage WMI in further negotiations for the purchase of any Divestiture Assets.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 5, 2009.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**EXHIBIT A**



December \_\_\_\_, 2008

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_:

In order to allow you to evaluate the possible acquisition (the "Proposed Acquisition") of certain assets of the Company, we will deliver to you, upon your execution and delivery to us of this letter agreement, certain information about the properties and operations of the Company. For purposes of this letter agreement, the "Company" refers to Republic Services, Inc. and its subsidiaries and includes, without limitation, the assets and business recently acquired by Republic Services, Inc. which were formerly conducted in the name of Allied Waste Industries, Inc.

All information about the Company furnished by the Company or its Representatives (as defined below) to you or your Representatives (as defined below), whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, and any written memoranda, notes, analyses, reports, compilations, studies or other documents or information prepared by or for you or your Representatives that contain, reflect or are based upon, in whole or in part, any such information (collectively, the "Confidential Information"). Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives, (b) was available to you on a nonconfidential basis prior to its disclosure by the Company or its Representatives or (c) is or becomes available to you on a nonconfidential basis from a person other than the Company or its Representatives who is (i) not otherwise bound by a confidentiality agreement with the Company or any of its Representatives, or is otherwise not under an obligation to the Company or any of its Representatives not to transmit the information to you, or (ii) not otherwise known by you to be prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation. As used in this letter agreement, the term "Representative" means, as to any person, such person's affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, counsel and accountants) and controlling persons. As used in this letter agreement, the term "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

Except as required by applicable law, regulation or legal process (and in such case, only after compliance with the next paragraph immediately below), unless otherwise agreed to in writing by the Company, you agree for a period of three years from the date hereof (a) to keep all Confidential Information confidential and not to disclose or reveal in whole or in part, in any manner whatsoever, any Confidential Information to any person, other than your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know the Confidential Information for the purpose of evaluating the Proposed Acquisition, and to cause those persons to observe the terms of this letter agreement, (b) not to use Confidential Information for any purpose other than in connection with your evaluation of the Proposed Acquisition or the consummation of the Proposed Acquisition and (c) not to disclose to any person (other than those of your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know for the purpose of evaluating the Proposed Acquisition and whom you agree to cause to observe the terms of this letter agreement) any

information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives.

In the event that you or any of your Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information or any other information concerning the Company or the Proposed Acquisition, you agree that you will provide the Company with prompt notice of such request or requirement in order to enable it to seek an appropriate protective order or other remedy, to consult with you with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this letter agreement. You agree not to, and to cause your Representatives not to, oppose any action by the Company to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the applicable party waives compliance with the terms of this letter agreement, you will, and will cause your affiliates to, furnish only that portion of the Confidential Information and other information which you are advised by your counsel is legally required to be disclosed at that time. In any such event you will use your reasonable best efforts to ensure that all Confidential Information and other information that is so disclosed will be accorded confidential treatment.

Notwithstanding any other provision of this letter agreement, from the commencement of discussions with respect to the Proposed Acquisition, you and your Representatives may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Code and the Treasury Regulations promulgated thereunder) of the Proposed Acquisition and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws.

You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

You also agree that for a period of three years from the date of this letter agreement, neither you nor any of your Representatives will, without the prior written consent of the Company or its Board of Directors:

- (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or direct or indirect rights to acquire any voting securities of the Company, or of any successor to or person in control of the Company, or any assets of the Company or division thereof or of any such successor or controlling person;
- (b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company;
- (c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or any of its securities or assets; or
- (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in connection with any of the foregoing.

You will promptly advise the Company of any inquiry or proposal made to you with respect to any of the foregoing.

We confirm that you expressly reserve the right, at your sole and absolute discretion, not to express any interest in or make any offer or proposal in relation with the Proposed Acquisition and/or to terminate discussions and negotiations with the Company at any time. If you determine that you do not wish to proceed with the Proposed Acquisition, you will promptly advise us of that decision. In that case, or in the event that the Company, in its sole discretion, so requests or the Proposed Acquisition is not consummated by you, you will, upon the Company's request, promptly deliver to the Company or destroy all Confidential Information, including all copies, notes, memoranda reproductions, summaries, analyses or extracts thereof or based thereon in your possession or in the possession of any Representative of yours. In the case of your destruction of such Confidential Information, you shall promptly deliver to the Company a certification of such destruction executed by an authorized officer or member supervising such destruction.

You acknowledge that none of the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") or our other Representatives and none of the respective officers, directors, employees, agents or controlling persons of Merrill Lynch or such other Representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and you agree that none of such persons shall have any liability to you or any of your Representatives relating to or arising from your or their use of any Confidential Information or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Confidential Information and that you shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made to you in any final acquisition agreement relating to the Proposed Acquisition, subject to the terms and conditions of such agreement.

You agree that, without the prior written consent of the Company you will not for a period of three years from the date hereof directly or indirectly solicit for employment, employ or seek to cause or induce to terminate his or her employment any person who is employed by the Company and with whom you have had contact, or who is specifically identified to you, in connection with the Proposed Acquisition.

The Company agrees that you have no legal commitment or obligation to the Company to review the Confidential Information. Both you and the Company also agree that unless and until a final definitive agreement regarding the Proposed Acquisition has been executed by you and us, neither we nor any of our Representatives are under any legal obligation and shall have no liability to you of any nature whatsoever with respect to the Proposed Acquisition by virtue of this letter agreement or otherwise. For purposes of this letter agreement, the term "definitive agreement" does not include the non-binding provisions of an executed letter of intent or any other preliminary written agreement, nor does it include any oral acceptance of an offer or bid by you. You also acknowledge and agree that (i) we and our Representatives may conduct the process that may or may not result in the Proposed Acquisition in such manner as we, in our sole discretion, may determine (including, without limitation, negotiating and entering into a final acquisition agreement with any third party without notice to you) and (ii) we reserve the right to change (in our sole discretion, at any time and without notice to you) the procedures relating to our and your consideration of the Proposed Acquisition (including, without limitation, terminating all further discussions with you and requesting that you return all Confidential Information to us).

You acknowledge and agree that money damages may not be a sufficient remedy for any breach of this letter agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Company, you agree that the Company shall be entitled to equitable relief by way of injunction or otherwise if you or any of your Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state. If any provision of this letter shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this letter agreement but shall be confined in its operation to the provision (or any portion thereof) of this agreement directly involved in the controversy in which such judgment shall have been rendered. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement.

Any assignment of this letter agreement by you without our prior written consent shall be void.

This letter agreement contains the entire agreement between you and us concerning confidentiality of the Confidential Information and the Proposed Acquisition, and no modification of this letter agreement or waiver of the terms and conditions hereof shall be binding upon you or us, unless approved in writing by each of you and us.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

REPUBLIC SERVICES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and Agreed  
as of the date  
first written above:

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
title: \_\_\_\_\_

**EXHIBIT B**

## Uzzaman, Rubina

---

**From:** Gordo, Jose [jose.gordo@akerman.com]  
**Sent:** Thursday, December 11, 2008 11:03 AM  
**To:** Islami, Jahan  
**Subject:** FW: NDA with Republic  
**Attachments:** WMI\_RSG Confidentiality Agreement (Divestitures) ( M2757626)\_1.DOC

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**From:** Tsai, John S - Legal [mailto:JTsai@wm.com]  
**Sent:** Thursday, December 11, 2008 11:02 AM  
**To:** Gordo, Jose  
**Cc:** justin\_mcgrory@ml.com; Rice, Cherie  
**Subject:** NDA with Republic

Jose:

Here are my comments to the NDA that was sent to Cherie Rice, WMI's Treasurer, by Justin McGrory of Merrill Lynch. Please contact me as soon as you can, as we would like to resolve any NDA issues as soon as possible, so we can get a copy of Republic's divestiture package.

Thanks.

John S. Tsai  
Vice President, Legal - Corporate & Securities  
Waste Management  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
713-265-1275 (Work)  
713-287-2655 (Fax)  
jtsai@wm.com

<<WMI\_RSG Confidentiality Agreement (Divestitures) (M2757626)\_1.DOC>>

12/30/2008



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December 11, 2008

Waste Management, Inc.  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
Attention: Cherie C. Rice, Vice President, Finance and Treasurer.

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Dear Ms. Rice:

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In order to allow you to evaluate the possible acquisition (the "Proposed Acquisition") of certain assets of the Company, we will deliver to you, upon your execution and delivery to us of this letter agreement, certain information about the properties and operations of the Company. For purposes of this letter agreement, the "Company" refers to Republic Services, Inc. and its subsidiaries and includes, without limitation, the assets and business recently acquired by Republic Services, Inc. which were formerly conducted in the name of Allied Waste Industries, Inc.

"Confidential Information" as used herein shall mean all information about the Company furnished by the Company or its Representatives (as defined below) to you or your Representatives (as defined below), whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, and any written memoranda, notes, analyses, reports, compilations, studies or other documents or information prepared by or for you or your Representatives that contain, reflect or are based upon, in whole or in part, any such information. Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives in violation of this letter agreement, (b) was available to you on a nonconfidential basis prior to its disclosure by the Company or its Representatives or (c) is or becomes available to you on a nonconfidential basis from a person other than the Company or its Representatives who is (i) not otherwise bound by a confidentiality agreement with the Company or any of its Representatives, or is otherwise not under an obligation to the Company or any of its Representatives not to transmit the information to you, or (ii) not otherwise known by you to be prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation. As used in this letter agreement, the term "Representative" means, as to any person, such person's affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, counsel and accountants) and controlling persons. As used in this letter agreement, the term "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

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Deleted: (collectively, the "Confidential Information")

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Deleted: and (c) not to disclose to any person (other than those of your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know for the purpose of evaluating the Proposed Acquisition and whom you agree to cause to observe the terms of this letter agreement) any information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives.

Except as required by applicable law, regulation or legal process (and in such case, only after compliance with the next paragraph immediately below), unless otherwise agreed to in writing by the Company, you agree for a period of three years from the date hereof (a) to keep all Confidential Information confidential and not to disclose or reveal in whole or in part, in any manner whatsoever, any Confidential Information to any person, other than your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know the Confidential Information for the purpose of evaluating the Proposed Acquisition, and to cause those persons to observe the terms of this letter agreement, and (b) not to use Confidential Information for any purpose other than in connection with your evaluation of the Proposed Acquisition or the consummation of the Proposed Acquisition. The deleted language is inconsistent with the terms of the public nature of the divestitures and that they are being made pursuant to a public Consent Decree with US DOJ and the affected States. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives.

In the event that you or any of your Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information, you agree that you will provide the Company with prompt notice of such request or requirement in order to enable it to seek an appropriate protective order or other remedy, to consult with you with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this letter agreement. You agree not to, and to cause your Representatives not to, oppose any action by the Company to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the applicable party waives compliance with the terms of this letter agreement, you will, and will cause your affiliates to, furnish only that portion of the Confidential Information which you are advised by your counsel is legally required to be disclosed at that time. In any such event you will use your reasonable best efforts to ensure that all Confidential Information that is so disclosed will be accorded confidential treatment.

Deleted: or any other information concerning the Company or the Proposed Acquisition

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Notwithstanding any other provision of this letter agreement, from the commencement of discussions with respect to the Proposed Acquisition, you and your Representatives may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Code and the Treasury Regulations promulgated thereunder) of the Proposed Acquisition and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. [However, any such information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws.] [Can you please clarify this sentence, as it does not make sense. The previous sentence says the confidentiality provisions do not apply to tax treatment and structure information. This sentence that the confidentiality provisions do apply to the tax treatment and structure information.]

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You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

Deleted: You also agree that for a period of three years from the date of this letter agreement, neither you nor any of your Representatives will, without the prior written consent of the Company or its Board of Directors:¶  
(a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or direct or indirect rights to acquire any voting securities of the Company, or of any successor to or person in control of the Company, or any assets of the Company or division thereof or of any such successor or controlling person;¶  
(b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company;¶  
(c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or any of its securities or assets; or¶  
(d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in connection with any of the foregoing.

[This is inconsistent with the terms of the Consent Decree. RSG can't impose a 3-year standstill as a prerequisite to allowing a bidder to pursue a bona fide offer for the divestiture assets mandated by the Consent Decree.]

You will promptly advise the Company of any inquiry or proposal made to you with respect to any of the foregoing.

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We confirm that you expressly reserve the right, at your sole and absolute discretion, not to express any interest in or make any offer or proposal in relation with the Proposed Acquisition and/or to terminate discussions and negotiations with the Company at any time. If you determine that you do not wish to proceed with the Proposed Acquisition, you will promptly advise us of that decision. In that case, or in the event that the Company, in its sole discretion, so requests or the Proposed Acquisition is not consummated by you, you will, upon the Company's request, promptly deliver to the Company or destroy all Confidential Information, including all copies, notes, memoranda reproductions, summaries, analyses or extracts thereof or based thereon in your possession or in the possession of any Representative of yours. In the case of your destruction of such Confidential Information, you shall promptly deliver to the Company a certification of such destruction executed by an authorized officer or member supervising such destruction.

You acknowledge that none of the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") or our other Representatives and none of the respective officers, directors, employees, agents or controlling persons of Merrill Lynch or such other Representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and you agree that none of such persons shall have any liability to you or any of your Representatives relating to or arising from your or their use of any Confidential Information or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Confidential Information and that you shall be entitled to rely solely on such

representations and warranties regarding Confidential Information as may be made to you in any final acquisition agreement relating to the Proposed Acquisition, subject to the terms and conditions of such agreement.

~~[[This is inconsistent with the terms of the Consent Decree, which specifically states that Republic can not impose a non-solicit as to employees of the divested assets.]]~~

The Company agrees that you have no legal commitment or obligation to the Company to review the Confidential Information. Both you and the Company also agree that unless and until a final definitive agreement regarding the Proposed Acquisition has been executed by you and us, neither we nor any of our Representatives are under any legal obligation and shall have no liability to you of any nature whatsoever with respect to the Proposed Acquisition by virtue of this letter agreement or otherwise. For purposes of this letter agreement, the term "definitive agreement" does not include the non-binding provisions of an executed letter of intent or any other preliminary written agreement, nor does it include any oral acceptance of an offer or bid by you. You also acknowledge and agree that (i) we and our Representatives may conduct the process that may or may not result in the Proposed Acquisition in such manner as we, in our sole discretion, may determine (including, without limitation, negotiating and entering into a final acquisition agreement with any third party without notice to you) and (ii) we reserve the right to change (in our sole discretion, at any time and without notice to you) the procedures relating to our and your consideration of the Proposed Acquisition (including, without limitation, terminating all further discussions with you and requesting that you return all Confidential Information to us).

You acknowledge and agree that money damages may not be a sufficient remedy for any breach of this letter agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Company, you agree that the Company shall be entitled to equitable relief by way of injunction or otherwise if you or any of your Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state. If any provision of this letter shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this letter agreement but shall be confined in its operation to the provision (or any portion thereof) of this agreement directly involved in the controversy in which such judgment shall have been rendered. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement.

Any assignment of this letter agreement by you without our prior written consent shall be void.

This letter agreement contains the entire agreement between you and us concerning confidentiality of the Confidential Information and the Proposed Acquisition, and no modification of this letter agreement or waiver of the terms and conditions hereof shall be binding upon you or us, unless approved in writing by each of you and us.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

**Deleted:** You agree that, without the prior written consent of the Company you will not for a period of three years from the date hereof directly or indirectly solicit for employment, employ or seek to cause or induce to terminate his or her employment any person who is employed by the Company and with whom you have had contact, or who is specifically identified to you, in connection with the Proposed Acquisition.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

REPUBLIC SERVICES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and Agreed  
as of the date  
first written above:

Waste Management, Inc.

Deleted:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
title: \_\_\_\_\_

**EXHIBIT C**

## Uzzaman, Rubina

---

**From:** Islami, Jahan [jahan.islami@akerman.com]  
**Sent:** Sunday, December 14, 2008 4:13 PM  
**To:** JTsay@wm.com  
**Cc:** McGrory, Justin (IBK-NY); DerManuelian, Nareg (IBK-NY); Carano, Mark (IBK-NY); Benter, Tim; BalesB@repsrv.com; RodriguezR@repsrv.com; Gordo, Jose; Fogel, Ruben; Starling, Kenneth G.; Schwartz, Edward B.; Cairo, Deana L.  
**Subject:** Republic CA - WMI  
**Attachments:** Confidentiality Agreement (WMI) (M2758759).pdf; Comparison - Confidentiality Agreement (WMI) (M2758757).DOC

John,

Attached are a redline of the confidentiality agreement (showing changes made from the form you were sent) and a PDF execution copy. I revised the form agreement to accommodate many of your changes but, as you can see, we were not able to accept all of your changes. Regarding your comments that the standstill and non-solicit provisions are inconsistent with, and or in conflict with, the consent decree, please note that my revisions reflect input from DLA Piper on these provisions. As revised, we are confident that the CA is consistent with the terms of the consent decree. Please feel free to call me with any questions or comments.

Best regards,

---

Jahan S. Islami, Esq.  
Akerman Senterfitt  
One S.E. 3rd Avenue, 28th Floor  
Miami, Florida 33131  
Phone: (305) 374-5600  
Facsimile: (305) 349-4799  
Direct Dial: (305) 982-5686  
jahan.islami@akerman.com

12/30/2008



December 11, 2008

Waste Management, Inc.  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
Attention: Cherie C. Rice, Vice President, Finance and Treasurer

Dear Ms. Rice:

In order to allow you to evaluate the possible acquisition (the "Proposed Acquisition") of certain assets of the Company, we will deliver to you, upon your execution and delivery to us of this letter agreement, certain information about the properties and operations of the Company. For purposes of this letter agreement, the "Company" refers to Republic Services, Inc. and its subsidiaries and includes, without limitation, the assets and business recently acquired by Republic Services, Inc. which were formerly conducted in the name of Allied Waste Industries, Inc.

"Confidential Information" as used herein shall mean all information about the Company furnished by the Company or its Representatives (as defined below) to you or your Representatives (as defined below), whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, and any written memoranda, notes, analyses, reports, compilations, studies or other documents or information prepared by or for you or your Representatives that contain, reflect or are based upon, in whole or in part, any such information. Confidential Information shall also include any information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives. Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives in violation of this letter agreement, (b) was available to you on a nonconfidential basis prior to its disclosure by the Company or its Representatives or (c) is or becomes available to you on a nonconfidential basis from a person other than the Company or its Representatives who is (i) not otherwise bound by a confidentiality agreement with the Company or any of its Representatives, or is otherwise not under an obligation to the Company or any of its Representatives not to transmit the information to you, or (ii) not otherwise known by you to be prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation. As used in this letter agreement, the term "Representative" means, as to any person, such person's affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, counsel and accountants) and controlling persons. As used in this letter agreement, the term "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

Except as required by applicable law, regulation or legal process and except for any disclosure made to the Department of Justice or any state antitrust authority in connection with the Proposed Acquisition, unless otherwise agreed to in writing by the Company, you agree for a period of three years from the date hereof (a) to keep all Confidential Information confidential and not to disclose or reveal in whole or in part, in any manner whatsoever, any Confidential Information to any person, other than your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know the Confidential Information for

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- 2 -

the purpose of evaluating the Proposed Acquisition, and to cause those persons to observe the terms of this letter agreement and (b) not to use Confidential Information for any purpose other than in connection with your evaluation of the Proposed Acquisition or the consummation of the Proposed Acquisition.

In the event that you or any of your Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information except for disclosures made to the Department of Justice Antitrust Division or any state antitrust enforcement authority or as required by the Tunney Act, you agree that you will provide the Company with prompt notice of such request or requirement in order to enable it to seek an appropriate protective order or other remedy, to consult with you with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this letter agreement. You agree not to, and to cause your Representatives not to, oppose any action by the Company to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the applicable party waives compliance with the terms of this letter agreement, you will, and will cause your affiliates to, furnish only that portion of the Confidential Information which you are advised by your counsel is legally required to be disclosed at that time. In any such event you will use your reasonable best efforts to ensure that all Confidential Information that is so disclosed will be accorded confidential treatment.

Notwithstanding any other provision of this letter agreement, from the commencement of discussions with respect to the Proposed Acquisition, subject to compliance with applicable securities law, you and your Representatives may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Code and the Treasury Regulations promulgated thereunder) of the Proposed Acquisition and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure.

You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

You also agree that for a period of three years from the date of this letter agreement, neither you nor any of your Representatives will, without the prior written consent of the Company or its Board of Directors:

- (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or direct or indirect rights to acquire any voting securities of the Company, or of any successor to or person in control of the Company, or any assets of the Company or division thereof or of any such successor or controlling person;
- (b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company;
- (c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or any of its securities or assets other than the assets included within the Proposed Acquisition; or
- (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in connection with any of the foregoing.

You will promptly advise the Company of any inquiry or proposal made to you with respect to any of the foregoing.

We confirm that you expressly reserve the right, at your sole and absolute discretion, not to express any interest in or make any offer or proposal in relation with the Proposed Acquisition and/or to terminate discussions and negotiations with the Company at any time. If you determine that you do not wish to proceed with the Proposed Acquisition, you will promptly advise us of that decision. In that case, or in the event that the Company, in its sole

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- 3 -

discretion, so requests or the Proposed Acquisition is not consummated by you, you will, upon the Company's request, promptly deliver to the Company or destroy all Confidential Information, including all copies, notes, memoranda reproductions, summaries, analyses or extracts thereof or based thereon in your possession or in the possession of any Representative of yours. In the case of your destruction of such Confidential Information, you shall promptly deliver to the Company a certification of such destruction executed by an authorized officer or member supervising such destruction.

You acknowledge that none of the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") or our other Representatives and none of the respective officers, directors, employees, agents or controlling persons of Merrill Lynch or such other Representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and you agree that none of such persons shall have any liability to you or any of your Representatives relating to or arising from your or their use of any Confidential Information or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Confidential Information and that you shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made to you in any final acquisition agreement relating to the Proposed Acquisition, subject to the terms and conditions of such agreement.

You agree that, without the prior written consent of the Company you will not for a period of three years from the date hereof directly or indirectly solicit for employment, employ or seek to cause or induce to terminate his or her employment any person who is employed by the Company and with whom you have had contact, or who is specifically identified to you, in connection with the Proposed Acquisition, except as provided for and consistent with the terms of Section IV. C. of the Proposed Final Judgment in U.S. et. al v. Republic Services, Inc. and Allied Waste Industries, Inc. (Civil Action No.: 1:08-cv-02076-RWR) as filed on December 4, 2008, in the District Court for the District of Columbia.

The Company agrees that you have no legal commitment or obligation to the Company to review the Confidential Information. Both you and the Company also agree that unless and until a final definitive agreement regarding the Proposed Acquisition has been executed by you and us, neither we nor any of our Representatives are under any legal obligation and shall have no liability to you of any nature whatsoever with respect to the Proposed Acquisition by virtue of this letter agreement or otherwise. For purposes of this letter agreement, the term "definitive agreement" does not include the non-binding provisions of an executed letter of intent or any other preliminary written agreement, nor does it include any oral acceptance of an offer or bid by you. You also acknowledge and agree that (i) we and our Representatives may conduct the process that may or may not result in the Proposed Acquisition in such manner as we, in our sole discretion, may determine (including, without limitation, negotiating and entering into a final acquisition agreement with any third party without notice to you) and (ii) we reserve the right to change (in our sole discretion, at any time and without notice to you) the procedures relating to our and your consideration of the Proposed Acquisition (including, without limitation, terminating all further discussions with you and requesting that you return all Confidential Information to us).

You acknowledge and agree that money damages may not be a sufficient remedy for any breach of this letter agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Company, you agree that the Company shall be entitled to equitable relief by way of injunction or otherwise if you or any of your Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state. If any provision of this letter shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this letter agreement but shall be confined in its operation to the provision (or any portion thereof) of this agreement directly involved in the controversy in which such judgment shall have been rendered. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement.

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Any assignment of this letter agreement by you without our prior written consent shall be void.

This letter agreement contains the entire agreement between you and us concerning confidentiality of the Confidential Information and the Proposed Acquisition, and no modification of this letter agreement or waiver of the terms and conditions hereof shall be binding upon you or us, unless approved in writing by each of you and us.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

- 5 -

REPUBLIC SERVICES, INC.

By: \_\_\_\_\_  
Name:  
Title:

Accepted and Agreed  
as of the date  
first written above:

Waste Management, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
title: \_\_\_\_\_



December 11, 2008

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Waste Management, Inc.  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
Attention: Cherie C. Rice, Vice President, Finance and Treasurer

Dear \_\_\_\_\_ Ms. Rice:

In order to allow you to evaluate the possible acquisition (the "Proposed Acquisition") of certain assets of the Company, we will deliver to you, upon your execution and delivery to us of this letter agreement, certain information about the properties and operations of the Company. For purposes of this letter agreement, the "Company" refers to Republic Services, Inc. and its subsidiaries and includes, without limitation, the assets and business recently acquired by Republic Services, Inc. which were formerly conducted in the name of Allied Waste Industries, Inc.

All "Confidential Information" as used herein shall mean all information about the Company furnished by the Company or its Representatives (as defined below) to you or your Representatives (as defined below), whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, and any written memoranda, notes, analyses, reports, compilations, studies or other documents or information prepared by or for you or your Representatives that contain, reflect or are based upon, in whole or in part, any such information (collectively, the "Confidential Information"). Confidential Information shall also include any information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives. Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives in violation of this letter agreement, (b) was available to you on a nonconfidential basis prior to its disclosure by the Company or its Representatives or (c) is or becomes available to you on a nonconfidential basis from a person other than the Company or its Representatives who is (i) not otherwise bound by a confidentiality agreement with the Company or any of its Representatives, or is otherwise not under an obligation to the Company or any of its Representatives not to transmit the information to you, or (ii) not otherwise known by you to be prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation. As used in this letter agreement, the term "Representative" means, as to any person, such person's affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, counsel and accountants) and controlling persons. As used in this letter agreement, the term "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

Except as required by applicable law, regulation or legal process ~~(and in such case, only after compliance with the next paragraph immediately below)~~ and except for any disclosure made to the Department of Justice or any state

antitrust authority in connection with the Proposed Acquisition, unless otherwise agreed to in writing by the Company, you agree for a period of three years from the date hereof (a) to keep all Confidential Information confidential and not to disclose or reveal in whole or in part, in any manner whatsoever, any Confidential Information to any person, other than your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know the Confidential Information for the purpose of evaluating the Proposed Acquisition, and to cause those persons to observe the terms of this letter agreement; and (b) not to use Confidential Information for any purpose other than in connection with your evaluation of the Proposed Acquisition or the consummation of the Proposed Acquisition ~~and (c) not to disclose to any person (other than those of your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know for the purpose of evaluating the Proposed Acquisition and whom you agree to cause to observe the terms of this letter agreement) any information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives.~~

In the event that you or any of your Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information ~~or any other information concerning the Company or the Proposed Acquisition~~ except for disclosures made to the Department of Justice Antitrust Division or any state antitrust enforcement authority or as required by the Tunney Act, you agree that you will provide the Company with prompt notice of such request or requirement in order to enable it to seek an appropriate protective order or other remedy, to consult with you with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this letter agreement. You agree not to, and to cause your Representatives not to, oppose any action by the Company to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the applicable party waives compliance with the terms of this letter agreement, you will, and will cause your affiliates to, furnish only that portion of the Confidential Information ~~and other information~~ which you are advised by your counsel is legally required to be disclosed at that time. In any such event you will use your reasonable best efforts to ensure that all Confidential Information ~~and other information~~ that is so disclosed will be accorded confidential treatment.

Notwithstanding any other provision of this letter agreement, from the commencement of discussions with respect to the Proposed Acquisition, subject to compliance with applicable securities law, you and your Representatives may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Code and the Treasury Regulations promulgated thereunder) of the Proposed Acquisition and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure. ~~However, any such information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws.~~

You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

You also agree that for a period of three years from the date of this letter agreement, neither you nor any of your Representatives will, without the prior written consent of the Company or its Board of Directors:

- (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or direct or indirect rights to acquire any voting securities of the Company, or of any successor to or person in control of the Company, or any assets of the Company or division thereof or of any such successor or controlling person;

- (b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company;
- (c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or any of its securities or assets other than the assets included within the Proposed Acquisition; or
- (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in connection with any of the foregoing.

You will promptly advise the Company of any inquiry or proposal made to you with respect to any of the foregoing.

We confirm that you expressly reserve the right, at your sole and absolute discretion, not to express any interest in or make any offer or proposal in relation with the Proposed Acquisition and/or to terminate discussions and negotiations with the Company at any time. If you determine that you do not wish to proceed with the Proposed Acquisition, you will promptly advise us of that decision. In that case, or in the event that the Company, in its sole discretion, so requests or the Proposed Acquisition is not consummated by you, you will, upon the Company's request, promptly deliver to the Company or destroy all Confidential Information, including all copies, notes, memoranda reproductions, summaries, analyses or extracts thereof or based thereon in your possession or in the possession of any Representative of yours. In the case of your destruction of such Confidential Information, you shall promptly deliver to the Company a certification of such destruction executed by an authorized officer or member supervising such destruction.

You acknowledge that none of the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") or our other Representatives and none of the respective officers, directors, employees, agents or controlling persons of Merrill Lynch or such other Representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and you agree that none of such persons shall have any liability to you or any of your Representatives relating to or arising from your or their use of any Confidential Information or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Confidential Information and that you shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made to you in any final acquisition agreement relating to the Proposed Acquisition, subject to the terms and conditions of such agreement.

You agree that, without the prior written consent of the Company you will not for a period of three years from the date hereof directly or indirectly solicit for employment, employ or seek to cause or induce to terminate his or her employment any person who is employed by the Company and with whom you have had contact, or who is specifically identified to you, in connection with the Proposed Acquisition, except as provided for and consistent with the terms of Section IV. C. of the Proposed Final Judgment in U.S. et. al v. Republic Services, Inc. and Allied Waste Industries, Inc. (Civil Action No.: 1:08-cv-02076-RWR) as filed on December 4, 2008, in the District Court for the District of Columbia.

The Company agrees that you have no legal commitment or obligation to the Company to review the Confidential Information. Both you and the Company also agree that unless and until a final definitive agreement regarding the Proposed Acquisition has been executed by you and us, neither we nor any of our Representatives are under any legal obligation and shall have no liability to you of any nature whatsoever with respect to the Proposed Acquisition by virtue of this letter agreement or otherwise. For purposes of this letter agreement, the term "definitive agreement" does not include the non-binding provisions of an executed letter of intent or any other preliminary written agreement, nor does it include any oral acceptance of an offer or bid by you. You also acknowledge and agree that (i) we and our Representatives may conduct the process that may or may not result in the Proposed Acquisition in such manner as we, in our sole discretion, may determine (including, without limitation, negotiating and entering into a final acquisition agreement with any third party without notice to you) and (ii) we reserve the right to change (in our sole discretion, at any time and without notice to you) the procedures relating to our and your consideration of the Proposed Acquisition (including, without limitation, terminating all further discussions with you and requesting that you return all Confidential Information to us).

You acknowledge and agree that money damages may not be a sufficient remedy for any breach of this letter agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Company, you agree that the Company shall be entitled to equitable relief by way of injunction or otherwise if you or any of your Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state. If any provision of this letter shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this letter agreement but shall be confined in its operation to the provision (or any portion thereof) of this agreement directly involved in the controversy in which such judgment shall have been rendered. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement.

Any assignment of this letter agreement by you without our prior written consent shall be void.

This letter agreement contains the entire agreement between you and us concerning confidentiality of the Confidential Information and the Proposed Acquisition, and no modification of this letter agreement or waiver of the terms and conditions hereof shall be binding upon you or us, unless approved in writing by each of you and us.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

REPUBLIC SERVICES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and Agreed  
as of the date  
first written above:

\_\_\_\_\_  
Waste Management, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
title: \_\_\_\_\_

**EXHIBIT D**

## Uzzaman, Rubina

---

**From:** Tsai, John S - Legal [JTsai@wm.com]  
**Sent:** Monday, December 15, 2008 11:26 AM  
**To:** Islami, Jahan  
**Cc:** Rice, Cherie  
**Subject:** RE: Republic CA - WMI  
**Importance:** High  
**Attachments:** WMI C001.pdf

Jahan:

Thanks for the revised agreement. I have a question and two changes. First, is the NDA that you sent to us the same NDA that was provided to all prospective buyers for the divestiture assets, and have they all agreed to the 3-year standstill and non-solicitation provision in the NDA?

As to my specific changes (noted in the attached):

- 1) I think the standstill provision should be limited to proxy solicitations or offers to acquire RSG's voting securities. It should not cover asset acquisitions between the parties, which has periodically occurred in the past and I expect will continue to occur in the future. Practically, all asset acquisitions would have to be mutual and I don't think it's realistic to get RSG's Board prior written consent for us to make an offer to buy the assets.
- 2) As to the non-solicitation provision, I had slight language change to limited it to those RSG employees to whom WMI has been introduced in connection with the Proposed Acquisition.

From what I understand Merrill Lynch is requiring initial bids by next Monday and per the consent decree we would like to be put on equal footing with all other prospective buyers from an access and timing standpoint so we can provide a bona fide offer to buy certain of the divestiture assets.

Thanks in advance for your prompt reply. If you have any questions, please let me know.

John S. Tsai  
Vice President, Legal - Corporate & Securities  
Waste Management  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
713-265-1275 (Work)  
713-287-2655 (Fax)  
jtsai@wm.com

-----Original Message-----

**From:** Islami, Jahan [mailto:jahan.islami@akerman.com]

12/30/2008

**Sent:** Sunday, December 14, 2008 3:13 PM

**To:** Tsai, John S - Legal

**Cc:** McGrory, Justin (IBK-NY); DerManuelian, Nareg (IBK-NY); Carano, Mark (IBK-NY); Benter, Tim; BalesB@repsrv.com; RodriguezR@repsrv.com; Gordo, Jose; Fogel, Ruben; kenneth.starling@dlapiper.com; Edward.Schwartz@dlapiper.com; Deana.Cairo@dlapiper.com

**Subject:** Republic CA - WMI

John,

Attached are a redline of the confidentiality agreement (showing changes made from the form you were sent) and a PDF execution copy. I revised the form agreement to accommodate many of your changes but, as you can see, we were not able to accept all of your changes. Regarding your comments that the standstill and non-solicit provisions are inconsistent with, and or in conflict with, the consent decree, please note that my revisions reflect input from DLA Piper on these provisions. As revised, we are confident that the CA is consistent with the terms of the consent decree. Please feel free to call me with any questions or comments.

Best regards,



[www.akerman.com](http://www.akerman.com) | Bio | V Card

**CONFIDENTIALITY NOTE:** The information contained in this transmission may be privileged and confidential information, and is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this transmission in error, please immediately reply to the sender that you have received this communication in error and then delete it. Thank you.

**CIRCULAR 230 NOTICE:** To comply with U.S. Treasury Department and IRS regulations, we are required to advise you that, unless expressly stated otherwise, any U.S. federal tax advice contained in this transmittal, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding penalties under the U.S. Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this e-mail or attachment.

---

Jahan S. Islami, Esq.  
Akerman Senterfitt  
One S.E. 3rd Avenue, 28th Floor  
Miami, Florida 33131  
Phone: (305) 374-5600  
Facsimile: (305) 349-4799  
Direct Dial: (305) 982-5686  
[jahan.islami@akerman.com](mailto:jahan.islami@akerman.com)

12/30/2008

WMI  
Comments  
12/15/08



December 11, 2008

Waste Management, Inc.  
1001 Fannin Street, Suite 4000  
Houston, Texas 77002  
Attention: Cherie C. Rice, Vice President, Finance and Treasurer

Dear Ms. Rice:

In order to allow you to evaluate the possible acquisition (the "Proposed Acquisition") of certain assets of the Company, we will deliver to you, upon your execution and delivery to us of this letter agreement, certain information about the properties and operations of the Company. For purposes of this letter agreement, the "Company" refers to Republic Services, Inc. and its subsidiaries and includes, without limitation, the assets and business recently acquired by Republic Services, Inc. which were formerly conducted in the name of Allied Waste Industries, Inc.

"Confidential Information" as used herein shall mean all information about the Company furnished by the Company or its Representatives (as defined below) to you or your Representatives (as defined below), whether furnished before or after the date hereof, whether oral or written, and regardless of the manner in which it is furnished, and any written memoranda, notes, analyses, reports, compilations, studies or other documents or information prepared by or for you or your Representatives that contain, reflect or are based upon, in whole or in part, any such information. Confidential Information shall also include any information about the Proposed Acquisition, or the terms or conditions or any other facts relating thereto, including, without limitation, the existence of the Proposed Acquisition, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to you or your Representatives. You will be responsible for any breach of the terms of this letter agreement by you or your Representatives. Confidential Information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by you or your Representatives in violation of this letter agreement, (b) was available to you on a nonconfidential basis prior to its disclosure by the Company or its Representatives or (c) is or becomes available to you on a nonconfidential basis from a person other than the Company or its Representatives who is (i) not otherwise bound by a confidentiality agreement with the Company or any of its Representatives, or is otherwise not under an obligation to the Company or any of its Representatives not to transmit the information to you, or (ii) not otherwise known by you to be prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation. As used in this letter agreement, the term "Representative" means, as to any person, such person's affiliates and its and their directors, officers, employees, agents, advisors (including, without limitation, financial advisors, counsel and accountants) and controlling persons. As used in this letter agreement, the term "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

Except as required by applicable law, regulation or legal process and except for any disclosure made to the Department of Justice or any state antitrust authority in connection with the Proposed Acquisition, unless otherwise agreed to in writing by the Company, you agree for a period of three years from the date hereof (a) to keep all Confidential Information confidential and not to disclose or reveal in whole or in part, in any manner whatsoever, any Confidential Information to any person, other than your Representatives who are actively and directly participating in your evaluation of the Proposed Acquisition and who need to know the Confidential Information for

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- 2 -

the purpose of evaluating the Proposed Acquisition, and to cause those persons to observe the terms of this letter agreement and (b) not to use Confidential Information for any purpose other than in connection with your evaluation of the Proposed Acquisition or the consummation of the Proposed Acquisition.

In the event that you or any of your Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information except for disclosures made to the Department of Justice Antitrust Division or any state antitrust enforcement authority or as required by the Tunney Act, you agree that you will provide the Company with prompt notice of such request or requirement in order to enable it to seek an appropriate protective order or other remedy, to consult with you with respect to taking steps to resist or narrow the scope of such request or legal process, or to waive compliance, in whole or in part, with the terms of this letter agreement. You agree not to, and to cause your Representatives not to, oppose any action by the Company to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the applicable party waives compliance with the terms of this letter agreement, you will, and will cause your affiliates to, furnish only that portion of the Confidential Information which you are advised by your counsel is legally required to be disclosed at that time. In any such event you will use your reasonable best efforts to ensure that all Confidential Information that is so disclosed will be accorded confidential treatment.

Notwithstanding any other provision of this letter agreement, from the commencement of discussions with respect to the Proposed Acquisition, subject to compliance with applicable securities law, you and your Representatives may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Code and the Treasury Regulations promulgated thereunder) of the Proposed Acquisition and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure.

You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters which are the subject of this letter agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

You also agree that for a period of three years from the date of this letter agreement, neither you nor any of your Representatives will, without the prior written consent of the Company or its Board of Directors:

- (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, ~~any~~ voting securities or direct or indirect rights to acquire any voting securities of the Company, or of any successor to or person in control of the Company, ~~or any assets of the Company or division thereof or of any such successor or controlling person;~~ more than 5% of the outstanding
- (b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company;
- (c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or any of its securities ~~or assets other than the assets included within the Proposed Acquisition;~~ or
- (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in connection with any of the foregoing.

You will promptly advise the Company of any inquiry or proposal made to you with respect to any of the foregoing.

We confirm that you expressly reserve the right, at your sole and absolute discretion, not to express any interest in or make any offer or proposal in relation with the Proposed Acquisition and/or to terminate discussions and negotiations with the Company at any time. If you determine that you do not wish to proceed with the Proposed Acquisition, you will promptly advise us of that decision. In that case, or in the event that the Company, in its sole

(M2757626;1)

- 3 -

discretion, so requests or the Proposed Acquisition is not consummated by you, you will, upon the Company's request, promptly deliver to the Company or destroy all Confidential Information, including all copies, notes, memoranda reproductions, summaries, analyses or extracts thereof or based thereon in your possession or in the possession of any Representative of yours. In the case of your destruction of such Confidential Information, you shall promptly deliver to the Company a certification of such destruction executed by an authorized officer or member supervising such destruction.

You acknowledge that none of the Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") or our other Representatives and none of the respective officers, directors, employees, agents or controlling persons of Merrill Lynch or such other Representatives makes any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and you agree that none of such persons shall have any liability to you or any of your Representatives relating to or arising from your or their use of any Confidential Information or for any errors therein or omissions therefrom. You also agree that you are not entitled to rely on the accuracy or completeness of any Confidential Information and that you shall be entitled to rely solely on such representations and warranties regarding Confidential Information as may be made to you in any final acquisition agreement relating to the Proposed Acquisition, subject to the terms and conditions of such agreement.

You agree that, without the prior written consent of the Company you will not for a period of three years from the date hereof directly or indirectly solicit for employment, employ or seek to cause or induce to terminate his or her employment any person who is employed by the Company and with whom you have had contact, or who is ~~specifically identified to you~~, in connection with the Proposed Acquisition, except as provided for and consistent with the terms of Section IV. C. of the Proposed Final Judgment in U.S. et. al v. Republic Services, Inc. and Allied Waste Industries, Inc. (Civil Action No.: 1:08-cv-02076-RWR) as filed on December 4, 2008, in the District Court for the District of Columbia.

The Company agrees that you have no legal commitment or obligation to the Company to review the Confidential Information. Both you and the Company also agree that unless and until a final definitive agreement regarding the Proposed Acquisition has been executed by you and us, neither we nor any of our Representatives are under any legal obligation and shall have no liability to you of any nature whatsoever with respect to the Proposed Acquisition by virtue of this letter agreement or otherwise. For purposes of this letter agreement, the term "definitive agreement" does not include the non-binding provisions of an executed letter of intent or any other preliminary written agreement, nor does it include any oral acceptance of an offer or bid by you. You also acknowledge and agree that (i) we and our Representatives may conduct the process that may or may not result in the Proposed Acquisition in such manner as we, in our sole discretion, may determine (including, without limitation, negotiating and entering into a final acquisition agreement with any third party without notice to you) and (ii) we reserve the right to change (in our sole discretion, at any time and without notice to you) the procedures relating to our and your consideration of the Proposed Acquisition (including, without limitation, terminating all further discussions with you and requesting that you return all Confidential Information to us).

You acknowledge and agree that money damages may not be a sufficient remedy for any breach of this letter agreement by you or your Representatives. Without prejudice to the rights and remedies otherwise available to the Company, you agree that the Company shall be entitled to equitable relief by way of injunction or otherwise if you or any of your Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state. If any provision of this letter shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of this letter agreement but shall be confined in its operation to the provision (or any portion thereof) of this agreement directly involved in the controversy in which such judgment shall have been rendered. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement.

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**EXHIBIT E**

Global Markets & Investment  
Banking Group



4 World Financial Center  
North Tower 30<sup>th</sup> Floor  
New York, New York 10080  
212 449 1000

December 17, 2008

**STRICTLY CONFIDENTIAL**

Waste Management, Inc.  
1001 Fannin, Suite 4000  
Houston, Texas 77002

Attention: David Steiner, Chief Executive Officer and Director

Dear Mr. Steiner:

On behalf of Republic Services, Inc. ("Republic" or the "Company"), we thank you for your interest in the commercial waste collection and disposal assets that the Company is required to sell (the "Assets") pursuant to its settlement with the Department of Justice (the "DoJ") in connection with the Company's merger with Allied Waste Industries, Inc.

The Assets include commercial waste collection routes, landfills or access to landfill disposal capacity, transfer stations and ancillary assets in 15 market areas. The DoJ has mandated that the Company market and sell assets in the following four market areas separately (together with the Potrero Hills Landfill, the "Individual Assets"):

Atlanta, GA; Cleveland, OH; Fort Worth, TX; and Philadelphia, PA.

In addition, the Attorney General for the State of California has mandated that the Company separately market the Potrero Hills Landfill located in Suisun, CA.

Assets in the following ten market areas will be marketed and sold together (the "Bundled Assets"):

Cape Girardeau, MO; Charlotte, NC; Denver, CO; Flint, MI; Greenville-Spartanburg, SC;  
Houston, TX; Lexington, KY; Los Angeles, CA; Lubbock, TX; and Northwest Indiana.

Pursuant to conversations with the Company or its advisors, you have indicated an interest in acquiring some of the Bundled Assets and one or more of the Individual Assets (collectively, the "Transaction"). Due to the relative market positions of both the Company and you in the aforementioned markets, the Company requests that you provide the following:

- 1) Please confirm that you will assume sole responsibility for mitigating any and all market concentration which the DoJ may mandate pursuant to its review of the Transaction;

- 2) For each of the market areas included in the Bundled Assets and all Individual Assets for which you have interest, please specifically address your ability to receive DOJ approval to acquire such assets; and
- 3) Please identify any assets which you plan to close (i.e., cease operations) or sell to a third-party in order to receive DOJ approval to acquire such assets.

Please send your response via fax or electronic mail (with a hard copy to follow by hand or via overnight courier) to both of the following:

Brian Bales  
Executive Vice President, Corporate Development  
Republic Services, Inc.  
110 SE 6th Street  
Fort Lauderdale, FL 33301  
Tel: (954) 769-3618, Fax: (954) 769-6406  
balesb@repsrv.com

Jim Ratigan  
Managing Director  
Merrill Lynch & Co.  
4 World Financial Center, 30th Floor  
New York, NY 10080  
Tel: (212) 449-8577, Fax: (212) 738-1074  
james\_ratigan@ml.com

Any questions regarding the above procedures should be directed to either Brian Bales or me.

Sincerely,

Jim Ratigan  
Managing Director  
Mergers & Acquisitions  
Merrill Lynch & Co.

**EXHIBIT F**

Joe Cassin  
Vice President of Business Development  
Western Group



Via Fax & Email

December 22, 2008

Republic Services, Inc.  
110 SE 6<sup>th</sup> Street  
Fort Lauderdale, FL 33301  
Brian Bales, Executive Vice President, Corporate Development

Merrill Lynch & Co.  
4 World Financial Center, 30<sup>th</sup> Floor  
New York, NY 10080  
Attention Jim Ratigan, Managing Director

Dear Brian and Jim:

In response to your December 17, 2008 letter to David Steiner at Waste Management, Inc., we are pleased to submit this non-binding Expression of Interest with respect to our proposed acquisition of either or both of Republic's Chiquita Canyon Sanitary Landfill and Potrero Hills Sanitary Landfill (collectively, the "**Acquired Operations**"). The information set forth below is designed to give you our current valuation thoughts around the Acquired Operations, as well as address the antitrust and regulatory approval issues raised in your letter should Republic determine that it would like to pursue acquisition discussions with Waste Management, Inc. or its designated subsidiaries ("WM") with respect to these proposed transactions.

1. **Chiquita Canyon.** For Chiquita Canyon, WM would pay six times (6x) its projected post-closing annual EBITDA (e.g., excluding any current Republic waste streams that will no longer be delivered to that landfill, but including any current WM waste streams delivered to that landfill) at closing. In addition, WM would consider assuming or releasing Republic and its Allied Waste subsidiary from its liability for the closure of zones 1a and 1b at WM's Azusa Land Reclamation.

2. **Potrero Hills.** For Potrero Hills, WM would pay six times (6x) its projected post-closing annual EBITDA (e.g., excluding any current Republic waste streams that will no longer be delivered to the landfill), payable as follows: (i) an amount equal to two and one-half times (2.5x) the projected post-closing annual EBITDA at closing, and (ii) an amount equal to three and one-half times (3.5x) the projected post-closing annual EBITDA upon receipt of all necessary approvals for the expansion of the landfill beyond 2012, as currently proposed by Republic. If the expansion is not approved, Republic shall pay the closure and post closure costs for the landfill.

*From everyday collection to environmental protection, Think Green® Think Waste Management.*

Republic Offer Letter  
December 22, 2008  
Page 2

3. **Antitrust Matters.** We acknowledge that the sale of each of Chiquita Canyon and Potrero Hills is subject to the approval of the U.S. Department of Justice (“DOJ”) and the Attorney General of the State of California. WM will assume all responsibility for obtaining such approvals prior to the consummation of such transactions. WM has no plan to close or sell either of these landfills or any other landfill or transfer stations in order to obtain DOJ or California State approval of the proposed transactions. We believe that we can obtain such approval based on our market analysis, as summarized below.

a. **Chiquita Canyon.** WM’s largest and only centrally located landfill in the Los Angeles area - Bradley Landfill - is closed, and no longer accepts municipal solid waste. Republic’s Sunshine Canyon Landfill is also centrally located and with recent permit expansions, it can now accept over 12,000 tons per day. Chiquita Canyon, which is permitted for 6,000 tons per day, is the next closest competitor, and it is well located to receive Los Angeles City and County waste. WM’s closest sites to Sunshine Canyon and Chiquita Canyon are its Simi Valley Landfill and Antelope Valley sites –(Palmdale and Lancaster Landfills), which have a difficult time competing with Sunshine and Chiquita due to their allotted capacity and location. The combined permitted capacity of the Palmdale and Lancaster Landfills is only 3,500 tons per day<sup>1</sup>, and there is a mountain range between these facilities and Chiquita Canyon. The mountain range effectively precludes the sites from competing with either Chiquita Canyon or Sunshine Canyon for waste. The Simi Valley Landfill is permitted for 3,000 tons per day and has been at capacity for several years. In addition, the landfill has a strong opposition group that has been opposed to the importation of Los Angeles County waste. WM’s most competitively effective landfill in the southern California market area is its El Sobrante Landfill in Riverside County. Its permit, however, reserves 40% of its capacity for waste generated in that county.

Government-owned facilities are the largest competitors for disposal of waste in the Los Angeles area. The Los Angeles Sanitary District owns and operates the Puente Hills Landfill, which is permitted to receive 13,500 tons per day, the Calabassas Sanitary Landfill at 3,500 tons per day and the Scholl Canyon Landfill at 1,800 tons per day. The Los Angeles Sanitary District will soon open the Mesquite Landfill, an enormous new facility that will accept rail-hauled waste generated within the greater LA basin. Orange County also owns large landfills that are permitted to accept 20,000 tons per day; these landfills also compete for Los Angeles metropolitan area waste. There are also a number of government-owned city landfills and at least two incinerators that serve the market area and reduce the amount of waste that is subject to competition.

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<sup>1</sup> Permit expansion applications are pending, but it is not currently known whether or when they will be approved.

Republic Offer Letter  
December 22, 2008  
Page 3

Accordingly, WM is currently a small and increasingly marginalized disposal competitor in the Los Angeles market area.

b. Potrero Hills. Local taxes or permit restrictions prevent most of the WM sites in the San Francisco Bay area from receiving or attracting waste from outside of their immediate area, and of the two WM sites that currently receive waste from the area served by Potrero Hills – (1) Tri-Cities, will be closing in mid-2009, and (2) Redwood, has long operated at capacity. WM is unable to compete for any new waste. An expansion permit is pending for Redwood, but that will merely extend the landfill's life; it will not change its daily 2,200 ton permit restriction.

WM also owns the Guadalupe and Kirby Canyon Landfills in San Jose County and the Altamont Landfill in Altamont County. San Jose County imposes a \$20 per ton tax on all waste disposed in the county. The Altamont Landfill permit restricts the facility from accepting waste from outside the county except for waste from the City of San Francisco, which is delivered pursuant to a WM contract with the City.

Due to its location, Potrero Hills primarily serves the north side of the Bay area. The other facilities that currently compete for waste from this area include WM's Redwood Landfill, Republic's Vasco Rd. landfill and two facilities owned by Norcal – (1) Hay Road in Solano County and (2) Austin Road in Wheatland County. In addition, permitting is well under way for a new site to be located in Cortina, which is just to the north of Sacramento. We understand that Sonoma County is also negotiating to reopen its mothballed landfill. The county has not included WM in those negotiations.

In short, the key competitors for additional waste that is generated north of San Francisco are Republic and Norcal, and new disposal entrants are underway. WM's acquisition of Potrero Hills will allow WM to become a more meaningful competitive factor in the market.

c. Timing and Regulatory Approval. Jim Weiss, our outside antitrust counsel, has been in discussions with DOJ with respect to our market analysis, and we believe that WM can conduct its due diligence, negotiate and execute definitive purchase agreements and obtain all required regulatory approvals to consummate the proposed transactions within the time frame set forth in Republic's and Allied Waste Industries, Inc.'s divestiture settlement with DOJ and the affected State Attorney Generals.

\*\*\*\*\*

This proposal is a non-binding Expression of Interest and is intended to outline the terms under which we would proceed toward further defining our proposal to purchase the Acquired Operations and the negotiation of a definitive binding purchase agreement to be executed by the

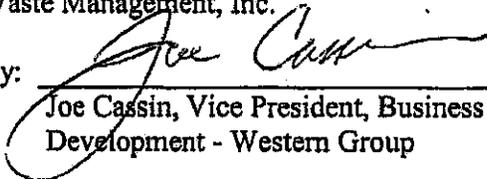
Republic Offer Letter  
December 22, 2008  
Page 4

parties. Accordingly, this proposal is not intended to be binding on either party, is subject to the execution and delivery of mutually acceptable binding definitive documentation, and neither party shall have any liability based upon this proposal, whether under contract, tort, law or equitable principles.

We hope that our foregoing proposal will represent a basis upon which we may proceed to the due diligence and negotiation phase for the possible purchase of the Acquired Operations. Any questions with respect to this proposal should be directed to me at (480) 624-8464 or [jcassin@wm.com](mailto:jcassin@wm.com).

Very truly yours,

Waste Management, Inc.

By: 

Joe Cassin, Vice President, Business  
Development - Western Group

cc: Cherie C. Rice

**AFFIDAVIT OF BRIAN BALES**

**Republic-Allied Merger: DOJ File No. 60-562111-0007**

State of Florida            )  
  )  
County of Broward        )        **ss:**

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").
2. I have actual authority to make this affidavit on behalf of Republic.
3. In making this affidavit, I adopt the definitions of terms as they are set forth in the Proposed Final Judgment in making this affidavit.
4. Republic has reviewed bids that were timely received from prospective Acquirers.
5. Based on consideration of the bids submitted by the prospective Acquirers and further discussion with them, Republic has narrowed the prospective Acquirers to advance to the second round of bidding, with the exception of bidders for the Philadelphia Assets. A profile of the second round bidders is attached hereto as Exhibit A.
6. Due to the large number of bidders and wide variation in the bids submitted in Philadelphia, we decided to ask the bidders to re-bid for those assets. We supplied additional and revised information for that market to all timely and credible bidders and we anticipate making selections for second-round bidders in Philadelphia by the end of the week of January 19, 2009.
7. Republic evaluated bids based upon the timely receipt of the prospective Acquirers response, the financial offer, the ability of the bidder to obtain financing, a bidder's expressions of intent to retain assets and to operate them as viable businesses for at least two years and the bidder's willingness to mitigate any market concentration concerns, if any. Additionally, bidders in individual markets were evaluated based upon their prior experience in solid waste collection and disposal operations, as well as presence and knowledge of solid waste operations in each specific market of the related divestitures.
8. Based upon the foregoing, the following prospective Acquirers have been selected to advance to the next round of consideration and will continue to be engaged in further discussion about their proposals:

a. **Bundled Assets:**

- (a) Waste Connections, Inc.
- (b) Waste Industries USA, Inc.

Both of these bidders have access to sufficient capital and are willing to mitigate market concentration concerns, if any. Veolia was not selected for this round because its offer was significantly lower than those of other bidders and it expressed a lack of interest in retaining the Cape Girardeau, Lubbock, Denver and Los Angeles assets for at least two years post-acquisition.

b. **Atlanta, GA:**

- (a) Advanced Disposal Services, Inc.
- (b) Bobcat Holdings, LLC
- (c) Waste Pro USA Inc.

Tac Transport, LLC was not selected to advance to the second round because the principals did not share the same level of interest in all of the Atlanta assets, its lack of experience in solid waste collection and transfer station operations, inexperience with the Atlanta market, and because we had concerns about its ability to obtain financing. In contrast, all bidders that are moving to the second round have experience in the Atlanta market.

Transload America, LLC, RR Resource Recovery, LLC and Biogold Fuels Corporation were not selected because their offer price was too low.

c. **Bay Area, CA:**

- (a) Tunnel Hill Partners
- (b) Waste Connections, Inc.
- (c) Norcal Waste Systems, Inc.

RR Resource Recovery, LLC and Biogold Fuels Corporation were not selected for the second round of bidding in the Bay Area for the same reason they were not selected in Atlanta – the offer price for the Bay Area assets was well below other bids.

d. **Cleveland, OH:**

- (a) RumpkeWaste, Inc.
- (b) Tunnel Hill Partners

Penn-Ohio Coal Co., Interstate Waste Services, Inc. and Biogold Fuels Corporation were not selected for the second round of bidding because their offer price was well below that of other bidders for the Cleveland assets. Tac Transport, LLC was also not selected because, in addition to concerns about their ability to obtain financing, Tac Transport has no experience in operating a landfill.

e. **Fort Worth, TX:**

- (a) IESI Corporation (BFI Canada)
- (b) WCA Waste Corporation
- (c) Waste Partners of Texas, LP

All bidders were selected to advance to the second round, with the exception of RR Resource Recovery, LLC and Biogold Fuels Corporation, whose initial offer price was below that of other bidders.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 16, 2009.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**AFFIDAVIT OF BRIAN BALES**

**Pursuant to Paragraph X(A). of the Proposed Final Judgment  
in Republic-Allied Merger: DOJ File No. 60-562111-0007**

**State of Arizona**                    )  
  )        **ss:**  
**County of Maricopa**                )

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").

2. I am an officer of Republic and I have actual authority to make this affidavit on behalf of Republic.

3. I adopt the definitions of terms as they are set forth in the Proposed Final Judgment ("PFJ") in making this affidavit.

4. Pursuant to Paragraph X(A). of the PFJ, Republic details the contacts it has had with parties in the last thirty (30) days about the Divestiture Assets and the dissemination of information to interested parties.

5. As described in my affidavit filed on January 16, 2009, Republic reviewed the bids received and selected bidders to advance to the second round of negotiations and diligence.

6. The one exception is the Philadelphia market, where Republic asked bidders on or around January 16, 2009 to re-bid due to the high number of bidders and wide variance in the bids received. Additionally, Republic provided to all bidders for the Philadelphia Divestiture Assets revised and supplemental information to correct an error in the data for the Girard Point Transfer Station. Re-bids were due on January 20, 2009, with the exception of a few bidders who have requested and received a brief extension.

7. Individuals who contact Republic or Merrill Lynch seeking to enter the process after the identification of bidders to advance to the second round of negotiations and diligence are being advised that new entrants to the process and new bids are no longer being accepted. I have communicated with approximately five individuals during the last thirty (30) days and informed them that Republic is not accepting new bids.

8. After Republic and Merrill Lynch received bids, representatives from Merrill Lynch and where possible, Raul Rodriguez of Republic, had conference calls with each bidder to review the bids, clarify any questions Republic had about the bids, and to answer any questions raised by the bidders about the process.

9. As required by Paragraph X(A). of the PFJ, other than new bidders who have contacted Republic directly requesting to enter the process described above in Paragraph 7, the following is a list of persons (including name, phone number and address, where available) who,

during the last thirty (30) calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any of the Divestiture Assets and the detail about each contact with that person:

- a. Name: David Lasensky (Accurate Recycling Corporation)  
Address: 508 East Baltimore Pike, Lansdowne, PA 19050  
Telephone: 610-637-7160

On December 22, 2008, Mr. Lasensky submitted a bid for the 58th St. Transfer Station and for the Girard Point Transfer Station. On January 7, 2009, Mr. McGrory called Mr. Lasensky to inform him that Accurate was not moving on to the second round of bidding. Mr. McGrory subsequently contacted Mr. Lasensky and provided him, along with other bidders, revised and additional information on the Philadelphia assets to correct an error in the original data, and invited Accurate to re-bid. On January 12, 2009, Jeff Krinsk, outside counsel for Accurate, sent a letter to Merrill Lynch, that among other things, requested additional details as to Republic's decision not to advance Accurate in the bidding process. On January 21, 2009, Edward Schwartz of DLA Piper LLP (US), counsel for Republic in connection with the divestiture process, sent Mr. Krinsk a responsive letter outlining Republic's discretion in selecting Acquirers and reiterating that Accurate was being granted an opportunity to re-bid due to an administrative error.

- b. Name: Charlie Appleby (Advanced Disposal Services)  
Address: 7915 Baymeadows Way, Suite 300, Jacksonville, FL 32205  
Telephone Number: 904-737-7900

On December 22, 2008, Mr. Appleby submitted a bid for the Atlanta Divestiture Assets. On January 5, 2009, Messrs. McGrory and Rodriguez had a conference call with Mr. Appleby to review his bid. On January 9, 2009, Mr. DerManuelian informed Mr. Appleby that Advanced Disposal Services advanced to the second round of bidding.

- c. Name: Louie Pelligrini (Alameda County)  
Address: 339 Bonair Siding Road, Stanford, CA 94305  
Telephone Number: 650-321-4236

On December 22, 2008, Mr. DerManuelian received an email from Mr. Pelligrini that they would not submit a bid with respect to the Bay Area Divestiture Assets.

- d. Name: Gary Archer (Archer Ficklin)  
Telephone Number: 707-678-1092

On January 7, 2009, Mr. DerManuelian received an inquiry from Mr. Archer. Mr. DerManuelian informed him that the bidding process was well underway and new bids were not being accepted.

- e. Name: Jeff Peckham (IESI -- BFI Canada)  
Address: 2301 Eagle Parkway, Suite 200, Fort Worth, TX 76177  
Telephone Number: 817-632-4005

On December 23, 2008, IESI submitted a bid for the Fort Worth assets. Between approximately December 31, 2008 and January 5, 2009, Mickey Flood of IESI contacted me several times by telephone to inquire about the status of IESI's bid. On each of those occasions, I told him that there were multiple contingencies in IESI's bid that would need to be removed to advance in the bidding process. On January 6, 2009, Jeff Peckham re-submitted IESI's bid, clarifying the values ascribed to the Turkey Creek liabilities and stated IESI elected not to bid on the Southeast Landfill. On January 7, 2009, Messrs. McGrory and Raul Rodriguez of Republic had a conference call with Mr. Peckham to review his bid. On January 9, 2009, Mr. DerManuelian informed Mr. Peckham that IESI advanced to the second round of bidding.

- f. Name: Brett Tate (B & G Services, LLC/Heritage Inc. JV)  
Address: P.O. Box 1822, Alexandria, VA 22314  
Telephone Number: 301-651-3780

On December 23, 2008, Mr. McGrory spoke with Ms. Camelia Mazard, an attorney for B&G, who asked if her client could just purchase the transfer stations and not the hauling routes. McGrory responded that these Divestiture Assets were being sold as one package, and that although the deadline for bid submissions had lapsed, B&G could submit a bid on December 23, 2008. Republic did not receive any bid from B&G.

- g. Name: Steve Racoosin (Biogold Fuels Corporation)  
Address: 1800 Century Park East, Suite 600, Los Angeles, CA 90067  
Telephone Number: 951-500-9469

On December 22, 2008, Biogold Fuels Corporation submitted bids on each of the Atlanta, Cleveland, Fort Worth, Philadelphia, and Bay Area Divestiture Assets. On January 8, 2009, Mr. McGrory left a message for Mr. Ron Moss. On January 12, 2009, Mr. McGrory informed Biogold that they would not proceed to the second round after consideration of several factors.

- h. Name: Bill Dietrich (Bobcat Disposal)  
Address: 7247 Delainey Court, Sarasota, FL 34240  
Telephone Number: 941-704-6103

On January 5, 2009, representatives of Republic had a conference call with Mr. Dietrich to review his bid. After receiving clarification on this conference call, Mr. Dietrich resubmitted his bid for the Atlanta

Divestiture Assets on January 8, 2009. On January 9, 2009, Mr. DerManuelian informed Mr. Deitrich that Bobcat Disposal's bid had passed to the second round of bidding.

- i. Name: Sam Santa Rosa (Buffalo Field Corp.)  
Telephone Number: 716-278-2000 x124

On January 14, 2009, Mr. Rea received an inquiry from Mr. Rosa about the Divestiture Assets. Mr. Rea informed Mr. Rosa that the process was underway and new bids were not being accepted.

- j. Name: Andy Benager (Cardinal Sanitation)  
Telephone Number: 770-318-1099

On January 6, 2009, Mr. DerManuelian received an inquiry from Mr. Benager about the Divestiture Assets. Mr. DerManuelian left Mr. Benager a return message informing him that the process was underway and new bids were not being accepted.

- k. Name: Bill Stoutan (Chase Disposal)  
Telephone Number: 610-637-6790

On January 6, 2009, Mr. DerManuelian received an inquiry from Mr. Stoutan about the Divestiture Assets. Mr. DerManuelian left Mr. Stoutan a return message informing him that the process was closed.

- l. Name: Dan O'Malley (Coniglio, Lazdowski, and O'Malley)  
Address: 1800 Sutter Street, Suite 250, Concord, CA 94520  
Telephone Number: 925-330-1087

On January 14, 2009, the Confidentiality Agreement was returned and executed by Salvatore Coniglio, Gary Lazdowski, and William O'Malley, as attorney. On January 15, 2009, Mr. McGrory left Mr. O'Malley a voicemail to inquire about the status of his clients' potential offer. On January 16, 2009, Mr. McGrory spoke with Mr. O'Malley and informed him that Republic is evaluating whether his client is a viable bidder for the Bay Area Divestiture Assets.

- m. Name: Jeff Cosman (Cosman Disposal Services)  
Address: 511 Maple Lane, Sewickley, PA 15143  
Telephone Number: 904-687-5244

On December 22, 2008, Cosman submitted a bid for the Philadelphia Divestiture Assets. On December 30, 2008, representatives of Republic had a conference call with Mr. Cosman to review his bid. On January 16, 2009, Mr. Rea left a voicemail for Mr. Cosman regarding a re-bidding.

- n. Name: Stephen R. Maguin (County Sanitation Districts of Los Angeles County)  
Address: P.O. Box 4998, Whittier, CA 90607  
Telephone Number: 562-699-7411 ext. 1503

On December 22, 2008, Mr. Maguin submitted a bid for Chiquita Canyon Landfill and submitted an offer for remaining horizontal and vertical expansion capacity. The County Sanitation Districts' bid did not include an offer for any of the other assets in the Bundled Assets and Mr. Maguin was aware that these assets were being sold as part of a bundle, so no further communication took place between Republic or Merrill Lynch with Mr. Maguin about the bid.

- o. Name: Deepak Gupta (Covanta Energy)  
Address: 40 Lane Road, Fairfield, NJ 07007  
Telephone Number: 973-580-7264

On December 22, 2008, Covanta submitted a bid for the Philadelphia Divestiture Assets. On December 30, 2008, representatives of Republic had a conference call with Mr. Gupta to review his bid. On January 16, 2009, Mr. Rea left a voicemail for Mr. Gupta regarding a re-bidding and subsequently spoke to him on that same day, at which point Mr. Gupta indicated that he was aware of the re-bid date and had received the revised information.

- p. Name: James Jones (Disposal Corporation of America, Inc.)  
Address: 3433 Moore Street, Philadelphia, PA 19145  
Telephone Number: 215-463-2526

On December 22, 2008, Disposal Corporation of America, Inc. submitted a bid for the Philadelphia Divestiture Assets. On December 30, 2008, representatives of Republic had a conference call with Mr. Jones to review his bid. On January 16, 2009, Mr. Rea spoke with Mr. Howard Russell, the financial advisor for Disposal America, and he confirmed receipt of the revised information and the re-bid deadline.

- q. Name: Jared Lovett (Eagle Environmental Transport)  
Telephone Number: 678-283-0932

On January 6, 2009, Mr. DerManuelian received an inquiry from Mr. Lovett about the Divestiture Assets. Mr. DerManuelian left Mr. Lovett a return message informing him that the process was closed and bids were not being accepted.

- r. Name: Michael Mastrangelo (ELS Acquisition LLC)  
Address: 15 Polhemus Lane, Bridgewater, NJ 08807  
Telephone Number: 732-271-2800 x101

On December 22, 2008, ELS submitted a bid for the Philadelphia Divestiture Assets and did not submit a bid for the Cleveland Divestiture Assets. On December 29, 2008, representatives of Republic had a conference call with Mr. Mastrangelo to review his bid. On January 16, 2009, Mr. Rea called Darren Rizzo to confirm receipt of additional Philadelphia information and confirm his knowledge of the re-bidding deadline.

- s. Name: Rod Proto (Envirosolutions -- ESI)  
Address: 11220 Assett Loop, Suite 201, Manassas, VA 20109  
Telephone Number: 832-485-7102

On December 22, 2008, ESI submitted a bid for the Philadelphia Divestiture Assets. On December 29, 2008, representatives of Republic had a conference call with Mr. Proto to review his bid. On January 16, 2009, Mr. Rea spoke to Mr. Kirk Nimitz to confirm his receipt of additional Philadelphia information and to confirm his knowledge of the re-bidding deadline.

- t. Name: Talyon Sortor (Fairfield-Suisum Sewer District)  
Address: 1010 Chadbourne Road, Fairfield, CA 94534  
Telephone Number: 707-428-9151

On January 13, 2009, Mr. DerManuelian spoke with Mr. Sortor who indicated an interest in the Bay Area Divestiture Assets and he acknowledged that Fairfield-Suisum is behind in the process. Mr. Sortor was sent a teaser package on January 15, 2009.

- u. Name: Bob Ginnata (Interail Waste)  
Telephone Number: 573-334-9437

On January 6, 2009, Mr. DerManuelian received an inquiry from Mr. Ginnata regarding Cape Girardeau. Mr. DerManuelian left Mr. Ginnata a return message informing him that the process was closed. On January 9, 2009, Mr. DerManuelian received a follow-up message from Mr. Ginnata noting that he is interested in Cape Girardeau if it is subsequently sold.

- v. Name: Lynn Johnston (Interstate Waste Services)  
Address: 500 N. Franklin Turnpike, Suite 212, Ramsey, NJ 07446  
Telephone Number: 201-258-1269

On December 22, 2008, Interstate submitted bids for both the Philadelphia and Cleveland Divestiture Assets. On January 16, 2009, Mr. Rea left a voicemail for Mr. Johnston regarding re-bidding for Philadelphia. On January 16, 2009, Mr. McGrory spoke with Mr. Johnston and informed him that the bid for the Cleveland Divestiture Assets was considered, but

Republic decided to move forward with other parties after considering several factors.

- w. Name: Jeremy Diel (J&L Partnership)  
Telephone Number: 619-890-9575

On January 7, 2009, Mr. Rea received an inquiry from Mr. Diel. Mr. Rea called him back to inform him that the process was underway and that new bids were not being accepted.

- x. Name: Dennis McVeigh (J.P. Mascaro & Sons)  
Address: 2650 Audobon Road, Audobon, PA 19403  
Telephone Number: 800-222-1818

On January 7, 2009, Mr. Rea received an email from Mr. McVeigh expressing interest in the Philadelphia Divestiture Assets. Mr. Rea called Mr. McVeigh back and informed him that the process was underway and that bids were no longer being accepted. Mr. McVeigh confirmed that he was aware of the bid date and did not submit a bid.

- y. Name: AJ McCallister  
Telephone Number: 212-993-1551

On January 8, 2009, Mr. Rea received an inquiry from Mr. McCallister regarding the Philadelphia Divestiture Assets. Mr. Rea informed him that the process was underway and new bids were not being accepted.

- z. Name: Tim Nichols  
Telephone Number: 216-739-2220 x415

On January 14, 2009, Mr. Rea received an inquiry from Mr. Nichols regarding the Cleveland Divestiture Assets. Mr. Rea informed him that the process was underway and new bids were not being accepted.

- aa. Name: Mike Sangiacomo (Norcal Waste Systems)  
Address: 160 Pacific Avenue, Suite 200, San Francisco, CA 94111  
Telephone Number: 415-875-1150

On December 22, 2008, Norcal submitted a bid for the Bay Area Divestiture Assets. On January 5, 2009, representatives of Republic had a conference call with Mr. Sangiacomo to review his bid for the Bay Area Divestiture Assets. On January 8, 2009, Mr. Sangiacomo resubmitted Norcal's bid. On January 9, 2009, Mr. DerManuelian informed Mr. Sangiacomo that Norcal's bid had passed to the second round.

- bb. Name: Keith Kimble (Penn Ohio Coal Co.)  
Address: 3596 State Route 39 NW, Dover, OH 44622  
Telephone Number: (330) 343-1226

On December 22, 2008, Penn Ohio submitted a bid for the Philadelphia and Cleveland Divestiture Assets. On December 29, 2008, representatives of Republic had a conference call with Mr. Kimble to review his Philadelphia bid. On January 8, 2009, Penn Ohio increased its bid for the Cleveland Divestiture Assets. On January 14, 2009, Mr. McGrory called Mr. Kimble and left a voicemail informing him that Penn Ohio would not move on to the next round in Cleveland. On January 16, 2009, Mr. Rea spoke with Mr. Kimble to confirm receipt of Philadelphia information and understanding of the re-bid date, as well as to confirm that Penn Ohio would not be moving on with respect to the Cleveland Divestiture Assets.

- cc. Name: Pete Senior (Pete & Pete Container)  
Telephone Number: 216-453-0939

On January 7, 2009, Mr. Rea received an inquiry from Mr. Senior regarding the Cleveland Divestiture Assets. Mr. Rea informed him that the process was underway and new bids were not being accepted.

- dd. Name: Jordan Roker (Platinum Equity)  
Address: 360 North Crescent Drive, Beverly Hills, CA 90210  
Telephone Number: 310-282-9259

On December 22, 2008, Mr. McGrory spoke with Mr. Danny Berberian, who declined to bid on any Divestiture Assets.

- ee. Name: Anthony Grutadaurio (Red Oak Sanitation)  
Telephone Number: 678-409-5867

On January 16, 2009, Mr. DerManuelian received an inquiry from Mr. Grutadaurio regarding the Atlanta Divestiture Assets. Mr. DerManuelian informed him that Republic was not accepting any new bidders.

- ff. Name: Henry Johnson (Resource Recovery LLC)  
Address: 3870 South Crenshaw Blvd., Suite 211, Los Angeles, CA 90008

On December 18, 2008, Mr. Johnson made an initial call to Mr. Carano regarding the Atlanta, Fort Worth and Bay Area Divestiture Assets. Mr. Carano sent Mr. Johnson a Confidentiality Agreement on December 18, 2008 and it was returned executed on December 23, 2008. On December 20, 2008, Resource Recovery submitted a bid for the Atlanta, Fort Worth and Bay Area Divestiture Assets. On January 8, 2009, representatives of Republic had a conference call with Mr. Johnson to review his bid. On January 16, 2009, Mr. McGrory left a voicemail for Mr. Johnson informing him that Resource Recovery's bids for the Divestiture Assets was considered, but that Republic decided to move forward with other parties based on its consideration of several factors.

gg. Name: Phil Wehrman (Rumpke Consolidated Companies, Inc.)  
Address: 10795 Hughes Road, Cincinnati, OH 45251  
Telephone Number: 513-741-5275

On December 22, 2008, Mr. Wehrman submitted a bid for the Cleveland Divestiture Assets. On January 7, 2009, representatives of Republic had a conference call with Mr. Wehrman to review his bid. On January 9, 2009, Mr. Rea called Mr. Wehrman to inform him that Rumpke was selected to proceed to the next round of bidding.

hh. Name: Ron Adolph (Tac Transport, LLC)  
Address: 900 Second Street, NE, Suite 117, Washington, DC 20002  
Telephone Number: 202-497-6200

On December 23, 2008, Tac Transport submitted bids for the Cleveland, Atlanta, and Bay Area Divestiture Assets. On December 30, 2008, representatives of Republic had a conference call with Mr. Adolph to review his bid for the Philadelphia Divestiture Assets. On January 6, 2009, representatives of Republic had a conference call with Mr. Adolph to review his bid for the Atlanta and Cleveland Divestiture Assets. On January 12, 2009, Mr. McGrory informed Mr. Adolph that Tac did not advance in Cleveland and Atlanta, at which point Mr. Adolph informed him that he was very interested in Cleveland (and might submit a re-bid) but not very interested in Atlanta or Philadelphia. Mr. McGrory informed him that he would pass along a re-bid to Republic but that the company was moving forward with other bidders in the Cleveland market. On January 16, 2009, Mr. Rea left Mr. Adolph a voicemail regarding re-bidding in Philadelphia.

ii. Name: Rob Lubin (Transload America)  
Address: 76 South Orange Avenue, Suite 208, South Orange, NJ 07079  
Telephone Number: 973-762-6169

On December 22, 2008, Transload submitted bids for the Philadelphia and Atlanta Divestiture Assets. On December 30, 2008, representatives of Republic had a conference call with Mr. Lubin to review his Philadelphia bid. On January 16, 2009, Mr. Rea left a voicemail for Mr. Lubin to confirm his receipt of additional Philadelphia materials and to reiterate the re-bidding deadline. On January 16, 2009, Mr. McGrory left a voicemail for Mr. Lubin informing him that the bid for the Cleveland Divestiture Assets was considered but that Republic decided to move forward with other parties after considering several factors.

jj. Name: Veolia Environment  
Address: 700 East Butterfield Road, Suite 201, Lombard, IL 60148  
Telephone Number: 414-479-7800

On December 22, 2008, Veolia submitted a bid for the Bundled Assets. On December 29, 2008, Veolia was informed that it was not moving on to the second round of bidding.

kk. Name: Waste Connections  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone Number: 916-608-8200

On December 22, 2008, Waste Connections ("WCN") submitted a bid for the Bundled Assets and for the Bay Area Divestiture Assets. On December 30, 2008, representatives of Republic and Waste Connections had a conference call to review the bids and Waste Connection was informed it was being advanced to the second round of bidding. On January 7, 2009, Waste Connections provided revisions to a standard Asset Purchase Agreement ("APA"). On January 13, 2009, Republic provided a summary of key issues raised by WCN's revisions to the draft APA. On January 14, 2009, Akerman Senterfitt and Republic had a telephone conference about the APA with Waste Connections and outside counsel for Waste Connections. On January 16, 2009, Republic provided to WCN a revised summary of key issues, and on January 20, 2009, Akerman Senterfitt and Republic had a telephone conference about the revised summary of key issues with Waste Connections and outside counsel for Waste Connections.

ll. Name: Ven Poole (Waste Industries/Macquarie/Goldman)  
Address: 3301 Benson Drive, Suite 601, Raleigh, NC 27609  
Telephone Number: 919-877-7533

On December 22, 2008, Waste Industries submitted a bid for the Bundled Assets. On December 30, 2008, multiple representatives at Merrill Lynch, Raul Rodriguez of Republic, and representatives of Waste Industries had a conference call to review the bid. Waste Industries was informed on that conference call that it had advanced to the second round of bidding. On January 20, 2009, Ven Poole contacted me to inquire about the progress of our negotiations.

mm. Name: Cherrie Rice (Waste Management, Inc.)  
Address: 1001 Fannin Street, Suite 4000, Houston, TX 77002  
Telephone Number: 713-512-6548

On December 23, 2008, Waste Management, Inc. ("WMI") submitted a bid for Potrero Landfill and Chiquita Canyon Landfill. On January 6, 2009, Edward Schwartz of DLA Piper spoke with Jim Weiss of Preston Gates, counsel to WMI, to convey Republic's position with respect to WMI's potential interest in bidding for certain Divestiture Assets. Mr. Schwartz communicated that DLA Piper had been advised by the DOJ that it did not consider WMI to constitute a viable, prospective Acquirer as to

any of the assets in which WMI had expressed an interest and that, accordingly, Republic did not intend to treat WMI as a prospective Acquirer for those assets.

- nn. Name: Mark Duncan (Waste Partners of Texas)  
Address: 3324 Roy Orr Boulevard, Grand Prairie, TX 75050  
Telephone Number: 817-994-7924

On December 22, 2008, Mr. Duncan informed Mr. DerManuelian that Waste Partners would assume the Fort Worth Southeast Landfill and negotiate valuation upon further review. On January 7, 2009, representatives of Republic had a conference call with Mr. Duncan to review his bid. On January 9, 2009, Mr. DerManuelian informed Mr. Duncan that Waste Partners' bid had passed to the second round of bidding.

- oo. Name: John Jennings (Waste Pro USA)  
Address: 2101 West State Road 434, Suite 315, Longwood, FL 32779  
Telephone Number: 407-869-8800

On December 22, 2008, Waste Pro submitted a bid for the Atlanta Divestiture Assets. On January 6, 2009, representatives of Republic had a conference call with Mr. Jennings to review his bid. On January 7, 2009, Waste Pro submitted a revised bid. On January 9, 2009, Mr. DerManuelian informed Mr. Jennings that Waste Pro's bid had passed to the second round of bidding.

- pp. Name: Bill Gay (Tunnel Hill Partners/Waste Solutions Group)  
Address: 111 Brook Street – Third Floor, Scarsdale, NY 10583  
Telephone Number: 914-713-0203

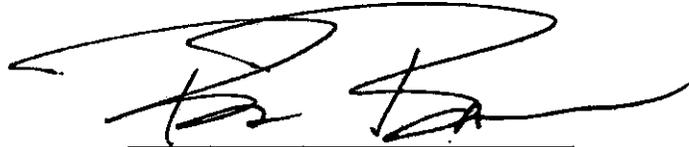
On December 22, 2008, Tunnel Hill Partners submitted a bid on each of the Philadelphia, Cleveland and Bay Area Divestiture Assets. On December 29, 2008, representatives of Republic had a conference call with Mr. Gay to review his bid on the Philadelphia Divestiture Assets. On January 6, 2009, representatives of Republic had a conference call with Mr. Gay to review his bid on the Cleveland and Bay Area Divestiture Assets. On January 9, 2009, Mr. Rea called Mr. Gay to inform Tunnel Hill Partners that they advanced to the second round for the Cleveland and Bay Area Divestiture Assets. On January 16, 2009, Mr. Rea called Mr. Gay to confirm receipt of the additional Philadelphia information and confirm the re-bid deadline.

- qq. Name: Charles Casalnova (WCA Waste)  
Address: One Riverway, Suite 1400, Houston, TX 77056  
Telephone Number: 713-292-2400

On December 19, 2008, Mr. Casalnova submitted his bid for the Fort Worth Divestiture Assets. On January 7, 2009, representatives of Republic had a conference call with Mr. Casalnova to review his bid. On January 9, 2009, Mr. DerManuelian informed Mr. Casalnova that WCA's bid passed to the second round.

10. Second round bids for Atlanta, Cleveland and Fort Worth Divestiture Assets are currently due on January 30, 2009. Second round bids for the Bay Area Divestiture Assets are due on February 6, 2009. Republic is and will continue to provide due diligence materials and engage Waste Connections and Waste Industries in negotiations on the Bundled Assets.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 21, 2009.

A handwritten signature in black ink, appearing to read 'B. Bales', written over a horizontal line.

Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**AFFIDAVIT OF BRIAN BALES**

**Republic-Allied Merger: DOJ File No. 60-562111-0007**

State of Arizona            )  
  )        ss:  
County of Maricopa        )

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").
2. I have actual authority to make this affidavit on behalf of Republic.
3. In making this affidavit, I adopt the definitions of terms as they are set forth in the Proposed Final Judgment.
4. Republic has reviewed the re-bids that were timely received from prospective Acquirers for the Philadelphia Divestiture Assets.
5. After consideration of the bids submitted, Republic has decided to advance the following bidders to the second round:
  - a. Covanta Energy Corporation ("Covanta")
  - b. Environmental Logistics Services, LLC ("ELS")
  - c. Interstate Waste Services ("IWS")
  - d. AIMLP ("Tunnel Hill Partners")
6. Covanta was selected to advance to the next round for several reasons. In addition to having offered a fair purchase price, there are potential synergies between the Philadelphia divestiture assets and Covanta's waste to energy facility, Delaware Valley Resource Recovery, located in Chester, Pennsylvania. In addition, Covanta has sufficient cash on hand and access to credit to purchase the Divestiture Assets and to continue to compete successfully in the Philadelphia area.
7. ELS was also selected to advance to the second round because it offered a fair price. Additionally, ELS has experience with operating transfer stations and landfills and has access to funding for the acquisition and future investment through a combination of debt and equity, with the access to equity coming from its controlling shareholder, Centre Partners.
8. IWS was selected because it offered a fair price for the Divestiture Assets. It is also experienced in operating transfer stations and landfills and has sufficient access to financing.
9. Tunnel Hill Partners was selected for the second round because it offered a fair price for the Divestiture Assets and would be able to purchase the Divestiture Assets through

equity financing from its parent company, American Infrastructure MLP. Tunnel Hill Partners also has experience operating transfer stations and landfills.

10. Of the remaining bidders, there were five additional bids timely received by Republic that did not advance to the second round. There are a variety of reasons these bidders were not selected. In addition to offering bids that were substantially lower than those of other bidders, several bidders had contingencies to obtaining financing that posed a hurdle to closing any acquisition with those bidders.

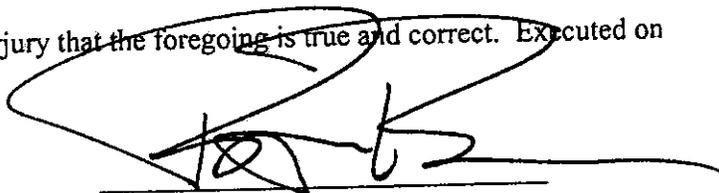
11. There have also been additional communications with Accurate Recycling ("Accurate"), who ultimately did not submit a re-bid. As set forth in the Paragraph X(A) affidavit filed on January 22, 2009, Accurate's outside counsel, Jeffrey R. Krinsk, sent a letter to Merrill Lynch on January 12, 2009, that among other things, complained about the nature and volume of information about the Philadelphia assets made available to potential bidders prior to the first round of bidding, and requested additional details about Republic's decision not to advance Accurate to the second round of bidding. (This was prior to Republic's decision to seek re-bids for the Philadelphia Divestiture Assets.) A copy of that letter is attached hereto as Exhibit A. On January 21, 2009, Edward Schwartz of DLA Piper LLP (US) sent Mr. Krinsk a responsive letter, a copy of which is attached hereto as Exhibit B.

12. On January 23, 2009, Mr. Krinsk replied by letter to Merrill Lynch and Mr. Schwartz. A copy of that letter is attached hereto as Exhibit C. Mr. Schwartz responded to Mr. Krinsk by letter dated January 27, 2009, a copy of which is attached hereto as Exhibit D.

13. Accurate and the other ten bidders invited to re-bid were granted access to the same information about the Philadelphia Divestiture Assets prior to re-bidding. All others invited to re-bid, except for Accurate and Tac Transport, submitted a complete bid based on the information they received. Tac Transport elected not to re-bid of its own accord.

14. The four bidders identified in Paragraph 5 above have been provided a draft purchase agreement and access to due diligence materials in the data room. The final purchase price and any comments on the purchase agreement are due from these four bidders on February 6, 2009.

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 27, 2009.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.



**FINKELSTEIN & KRINSK LLP**

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January 12, 2009

Mr. Jim Ratigan  
Managing Director  
Merrill Lynch & Co.  
4 World Financial Center, 30<sup>th</sup> Floor  
New York, NY 10080

Via Facsimile 212.738.1074 and U.S. Mail

Dear Mr. Ratigan:

We represent Accurate Recycling Corporation ("Accurate") relative to its interest in acquiring the Girard Point Transfer Station and the Philadelphia Recycling and Transfer Station from Republic Services, Inc. ("Republic") in accordance with the obligation of Allied Waste Industries Inc. and Republic to undertake the prompt and certain divestiture of, *inter alia*, these properties for the purpose of enhancing competition as required by the Department of Justice ("DOJ").

Merrill Lynch & Co. ("Merrill Lynch") previously provided a so-called "Asset Overview" to Accurate containing preliminary pro-forma revenue and EBITA for these Philadelphia based assets along with the procedure for providing expressions of interest.

In accordance with that procedure and notwithstanding the fragmentary and unreliable data provided by Merrill Lynch to Accurate, a written expression of continued interest was forwarded by Accurate conveying a willingness to proceed with the acquisition subject to gaining additional information and satisfactory due diligence by accessing the data room assembled by Merrill Lynch & Co. for this purpose.

It is my understanding that while Accurate was acknowledged as a credible and competent competitor having a scale of operations attractive to Justice Department oversight, it was nonetheless excluded from future participation in the acquisition process. This decision was not memorialized in writing or explained in any meaningful way.

JAN. 12. 2009 5:16PM

FINKELSTEIN&KRINSK

NO. 6441 P. 2

**FINKELSTEIN & KRINSK LLP**  
ATTORNEYS AT LAW

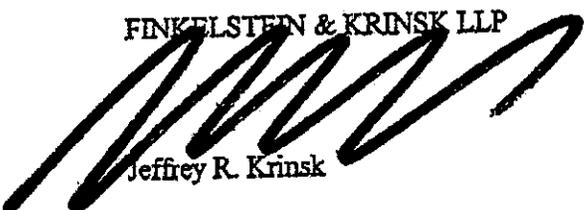
Mr. Jim Ratigan  
Managing Director  
January 12, 2009  
Page 2

Rather than speculate on the reasoning underpinning this action, Accurate (and CEO David Lasensky) would appreciate an explanation and analysis of the status of competitive offers. At that time it can evaluate the bona-fides of what we learn and determine an appropriate course of action. We proceed on the assumption that this inquiry is welcomed and that the "visibility" and "transparency" it implies are the preferred way of proceeding in the current business environment.

We appreciate your attention, given the alleged time constraints we request your immediate response.

Sincerely,

FINKELSTEIN & KRINSK LLP



Jeffrey R. Krinsk

JRK:cpc  
cc: Mr. David Lasensky





DLA Piper LLP (US)  
500 8th Street, NW  
Washington, DC 20004  
www.dlapiper.com

Edward B. Schwartz  
edward.schwartz@dlapiper.com  
T 202.799.4516  
F 202.799.5516

January 21, 2009

**BY FACSIMILE**

Jeffrey R. Krinsk  
Finkelstein & Krinsk  
The Koll Center  
501 West Broadway, Suite 1250  
San Diego, California 92101-3579

**Re: Republic Services, Inc. Divestiture of Assets in Philadelphia**

Dear Mr. Krinsk:

Your January 12, 2009 letter to Jim Ratigan of Merrill Lynch & Co. ("Merrill Lynch") sent on behalf of your client Accurate Recycling Corporation ("Accurate") regarding its interest in purchasing certain waste disposal assets located in the Philadelphia area in connection with Republic Services, Inc.'s ("Republic") divestiture of those assets has been referred to me for response on behalf of Republic and Merrill Lynch. We represent Republic in connection with the divestiture process.

First, we disagree with your characterization of the information provided to you by Merrill Lynch as "fragmentary and unreliable." Nevertheless, a data error relating to the Philadelphia data has been identified, which has been addressed as described below.

Second, your letter asserts that Republic violated some (unidentified) legal duty by winnowing the list of bidders for the Philadelphia assets and, in doing so, dropping Accurate from further consideration. We disagree. Republic eliminated Accurate from the bidding process because its bid was not as favorable as those submitted by other bidders, and Republic acted fully within its rights in doing so. That having been said, for several reasons, including the data error mentioned above, Accurate has been contacted by Merrill Lynch, provided updated data and invited to submit a revised bid for the Philadelphia assets bid by Thursday, January 22, 2009.

If you have any other questions or comments about the process, please refer them to me. Accurate may, of course, continue to deal directly with Merrill Lynch as it has been doing.



Jeffrey R. Krinsk  
January 21, 2009  
Page Two

Sincerely,

**DLA Piper LLP (US)**

A handwritten signature in black ink, appearing to read 'E. B. Schwartz'.

**Edward B. Schwartz  
Partner**

**Admitted to practice in the District of Columbia and  
New York**

cc: **Jim Ratigan  
Merrill Lynch**



FINKELSTEIN & KRINSK LLP  
501 WEST BROADWAY, SUITE 1250  
SAN DIEGO, CA 92101-3579

TEL: 619/238-1333

FAX: 619/238-5425

**FAX TRANSMITTAL**

January 23, 2009  
3 PAGE(S)

**TO :** JIM RATIGAN ..... MERRILL LYNCH & CO. .... 212.738.1074  
 EDWARD SCHWARTZ ..... DLA PIPER. .... 202.799.5516

**FROM:** JEFFREY R. KRINSK, ESQ. .... FINKELSTEIN & KRINSK ..... 619.238.1333

**RE :** ACCURATE RECYCLING CORP.

**MEMO**

THIS TRANSMISSION MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND/OR CONFIDENTIAL. IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS TRANSMISSION, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TRANSMISSION IN ERROR, PLEASE CONTACT US IMMEDIATELY BY TELEPHONE.

**FINKELSTEIN & KRINSK LLP**

ATTORNEYS AT LAW

THE KOLL CENTER

501 WEST BROADWAY, SUITE 1250

SAN DIEGO, CALIFORNIA 92101-3579

TELEPHONE (619) 238-1333

FACSIMILE (619) 238-5425

January 23, 2009

Edward Schwartz, Esq.  
DLA Piper  
500 8<sup>th</sup> Street, NW  
Washington, D.C. 20004

Via Facsimile 202.799.5516 and U.S. Mail

Re: Accurate / Republic

Dear Mr. Schwartz:

Thank you for your January 21, 2009 letter relating to Accurate Recycling's ("Accurate") interest in acquiring the Girard Point and Philadelphia Recycling Transfer Station (the "Transfer Stations").

My characterization of the information provided by Merrill Lynch as being "fragmentary and unreliable" was not a criticism but a recognition that four sheets of secondary data is insufficient to establish authoritative quantitative reliability or satisfy suitable due diligence. The offer from Accurate for the Transfer Stations reflected that uncertainty.

The remainder of your letter expresses uncertainty about the identity of any legal duty that my earlier letter (January 12, 2009) purportedly stated had been violated by Republic in its sales process. I reviewed my letter and see no such accusation.

While not choosing to traffic in accusations, it would not be difficult to particularize legal deficiencies in the divestiture protocol. The "Hold Separate Stipulation and Order" signed by your client requires that it abide by and comply with all the terms and provisions of the proposed Final Judgment. The proposed Final Judgment requires that Republic provide "all information and documents relating to the [Transfer Stations]." This requirement was ignored. We received the above-referenced data and some additional information only after Accurate's initial offer was rejected and its participation terminated. If a "data room" exists as initially indicated by Merrill Lynch, it was not made available. We also fail to understand Republic's insistence that the two Transfer Stations be only sold in tandem pursuant to a single bid. As each Transfer Station serves a different relevant area within Philadelphia, this requirement limits competition for these assets and discourages the pool of aggressive operators the Justice Department would hope to attract.

FINKELSTEIN & KRINSK LLP  
ATTORNEYS AT LAW

Mr. Edward Schwartz  
January 24, 2008  
Page 2

In addition, despite Republic being obligated by its agreement to provide any information and documents relating to the Transfer Stations, Accurate has not been provided with the materials identifying the steps taken by Republic to preserve, maintain and operate the Transfer Stations as independent and economically viable businesses having separate management and sales operations. This information was required to be provided to the United States weeks ago. Accurate was also not provided the books, records and the sales, marketing and pricing information for the Transfer Stations as segregated operations having independent decision making though this also was mandated by the Stipulation and Order prepared by the Justice Department. Where is it? Before a final offer, Accurate would also need to talk to the independent management assigned responsibility for operating the Transfer Stations, as required by the Stipulation and Order, but that opportunity has not been forthcoming. When can that opportunity materialize?

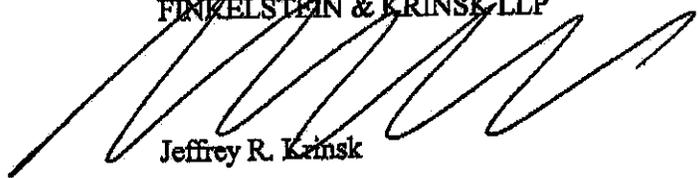
Finally, "all information and documents . . ." relating to the Transfer Stations is not ambiguous. It includes all communications, offers, and proposals relating to disposition of the Transfer Stations. The Justice Department did not qualify the above in a manner allowing the veil of secrecy encountered, the absence of visibility to the (Philadelphia) divestiture process, or the vesting of unlimited discretion in Republic to decide which companies receive preferential treatment and which of the obligations it assumed would be disregarded. The Justice Department choose to go in the opposite direction knowing that full disclosure and complete visibility best served the public interest of unquestionable honesty and enhanced competition.

Your client apparently disagrees and could not locate a single legal duty in the Stipulation and Order it signed.

Please let me know Republic's intentions relative to the above information needed by Accurate to assess its alternatives and, as needed, seek clarification from Messrs. Stern and Donahue.

Sincerely,

FINKELSTEIN & KRINSK LLP



Jeffrey R. Krinsk

JRK:cpc

cc: Mr. Jim Ratigan (Via facsimile 212.738.1074) and U.S. Mail  
Mr. David Lasensky (Via E-Mail only)





DLA Piper LLP (us)  
500 6th Street, NW  
Washington, DC 20004  
www.dlapiper.com

Edward B. Schwartz  
edward.schwartz@dlapiper.com  
T 202.799.4516  
F 202.799.5516

January 27, 2009  
BY FACSIMILE

Jeffrey R. Krinsk  
Finkelstein & Krinsk  
The Koll Center  
501 West Broadway, Suite 1250  
San Diego, California 92101-3579

**Re: Republic Services, Inc. Divestiture of Assets in Philadelphia**

Dear Mr. Krinsk:

I have received your letter dated January 23 in further regard to the interest of your client, Accurate Recycling ("Accurate"), in purchasing the Philadelphia assets being divested by Republic Services, Inc. ("Republic"), and respond as follows.

We do not agree that Republic has in any way violated its obligations under either the Hold Separate Stipulation and Order or the Proposed Final Judgment filed in *Untied States et al. v. Republic Services Inc. and Allied Waste Industries, Inc.*, Civ. No. 08-2076. To the contrary, we are confident that Republic has to date fulfilled all of its obligations under those documents. Moreover, please be assured that Republic intends to continue to fulfill those obligations as it moves toward finalizing the list of qualified and attractive bidders by, among other things, providing to such bidders all diligence materials that they may reasonably require prior to their submission of final bids.

Sincerely,

**DLA Piper LLP (US)**

A handwritten signature in black ink that reads 'Edward B. Schwartz' with a stylized flourish at the end.

Edward B. Schwartz  
Partner

Admitted to practice in the District of  
Columbia and New York

EBS:mb

cc: Jim Ratigan  
Merrill Lynch

**AFFIDAVIT OF BRIAN BALES**

**Republic-Allied Merger: DOJ File No. 60-562111-0007**

State of Arizona                    )  
  )     ss:  
County of Maricopa                )

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").
2. I have actual authority to make this affidavit on behalf of Republic.
3. In making this affidavit, I adopt the definitions of terms as they are set forth in the Proposed Final Judgment ("PFJ").
4. In compliance with the PFJ, Paragraph IV(A), Republic marketed as a "bundle" the Divestiture Assets (the "Bundle Assets") for the following areas:
  - a. Los Angeles, California
  - b. Denver, Colorado
  - c. Northwest Indiana
  - d. Lexington, Kentucky
  - e. Flint, Michigan
  - f. Cape Girardeau, Missouri
  - g. Charlotte, North Carolina
  - h. Greenville-Spartanburg, South Carolina
  - i. Houston, Texas
  - j. Lubbock, Texas.

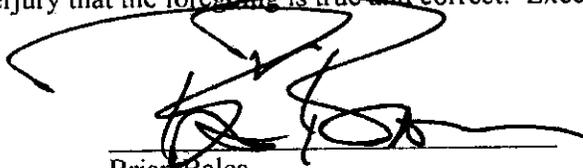
5. On December 22, 2008, Waste Connections Inc. ("WCN") submitted a non-binding offer for the Bundle Assets and the Bay Area Divestiture Assets. In its offer letter, WCN stated that it planned to "sell or swap during the two-year period following the closing of the Transaction" the divestiture assets located in Cape Girardeau, Missouri; Lexington, Kentucky and Northwest Indiana.

6. Since that time, the Litigation Section II staff of the Department of Justice, Antitrust Division, has advised Republic's outside counsel, DLA Piper LLP (US), that the Division would not approve WCN as a buyer of the divestiture assets located in Cape Girardeau, Missouri; Lexington, Kentucky and Northwest Indiana.

7. Consequently, Republic has decided to market those Divestiture Assets separately from the other Bundle Assets.

8. Republic is setting up separate data rooms for each of the three areas and reviewing contacts from potential Acquirers who expressed interest in these areas, and will begin contacting them this week.

I declare under penalty of perjury that the foregoing is true and correct. Executed on February 3, 2009.

A handwritten signature in black ink, appearing to read "Brian Bales", written over a horizontal line. The signature is stylized and somewhat cursive.

Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**AFFIDAVIT OF BRIAN BALES**

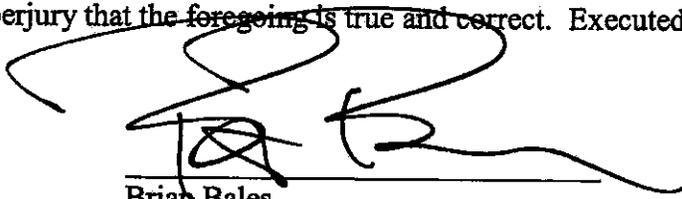
**Republic-Allied Merger: DOJ File No. 60-562111-0007**

State of Arizona                    )  
  )  
County of Maricopa                )            **ss:**

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Vice President of Corporate Development for Republic Services, Inc. ("Republic").
2. I have actual authority to make this affidavit on behalf of Republic.
3. In making this affidavit, I adopt the definitions of terms as they are set forth in the Proposed Final Judgment ("PFJ").
4. As reflected in my affidavit dated February 3, 2009 and for the reasons stated therein, Republic has decided to market separately the divestiture assets located in Cape Girardeau, Lexington, and Northwest Indiana, and has instructed Merrill Lynch to do so on an expedited basis.
5. On behalf of Republic, Merrill Lynch has contacted a number of parties that previously expressed interest in some of the Divestiture Assets and several new parties to gauge possible interest. A list of the prospective Acquirers of the assets who have been contacted is attached hereto as Exhibit A.
6. Republic, with Merrill Lynch's assistance, will continue to move expeditiously to market and sell these assets.

I declare under penalty of perjury that the foregoing is true and correct. Executed on February 6, 2009.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**Exhibit A**

**Republic Services Divestiture Process***Potential Interested Parties - Cape Girardeau, Lexington and NW Indiana*

Potential Interested Party	Primary Contact	Market(s)	Status
Enviroclean Waste Management	Chuck Filpatrick	Cape Girardeau	CA to be sent Thursday
Freedom Waste	Joe Buchanan	Cape Girardeau	Sent CA
IESI	Mickey Flood	Cape Girardeau	Interested (Executed CA in December)
Interall Waste	Bob Janola	Cape Girardeau	Sent CA
Labrie Group	Carl Penzold	Cape Girardeau	Sent CA
Perry Ridge	Patrick Mazza	Cape Girardeau	Sent CA
Robert Wade (represents local investor group)	Robert Wade	Cape Girardeau	Sent CA
Sonny's Solid Waste	Raymond Glau	Cape Girardeau	Left message
WCA Waste	Chuck Casalinova	Cape Girardeau	Left message
Veolia	Richard Burke	Cape Girardeau, Lexington, NW Indiana	Left message
Central Kentucky Landfill	Todd Skaggs	Lexington	Left message
Envirosolutions	Rod Proto	Lexington	Not interested
Rumpke	Bill Rumpke	Lexington	Interested (Executed CA in December)
Laurel Mountain Partners	Don Rea	Lexington, NW Indiana	Interested (Executed CA in December)
Premier Performance Management Services	Rob Smith	Lexington, NW Indiana	Left message
AZO Services	Mike Lampen	NW Indiana	Sent CA
Groote Industries	Lee Bramsma	NW Indiana	Sent CA
Homewood Disposal	Tom Yonker	NW Indiana	Left message
Independent Recycling Services	Frank Ward Jr.	NW Indiana	Left message
Lake County Solid Waste Mgmt. District, (IN)	Jeff Langton	NW Indiana	Left message
Land and Lakes	Jim Cowhey Jr.	NW Indiana	Left message
Landfill Management	Dan Batts	NW Indiana	Left message
Premier Waste	Pete Lindemulder Jr.	NW Indiana	Sent CA
Total Disposal	Mark Hiskes	NW Indiana	Left message

**AFFIDAVIT OF BRIAN BALES**

**Pursuant to Paragraph X(A). of the Proposed Final Judgment  
in Republic-Allied Merger. DOJ File No. 60-562111-0007**

State of Arizona                    )  
  )        **ss.**  
County of Maricopa                )

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Executive Vice President for Business Development for Republic Services, Inc. ("Republic").

2. I am an officer of Republic and I have actual authority to make this affidavit on behalf of Republic.

3. I adopt the definitions of terms as they are set forth in the Proposed Final Judgment ("PFJ") in making this affidavit.

4. Pursuant to Paragraph X(A). of the PFJ, I summarize below the contacts that Republic has had in the last thirty (30) days with any party regarding the sale and possible purchase of any of the Divestiture Assets.

5. **Bundled Assets.** On February 6, 2009, Republic and Waste Connections, Inc. executed an Asset Purchase Agreement for the purchase of Divestiture Assets in Los Angeles, California; Denver, Colorado; Houston, Texas; Lubbock, Texas; Greenville/ Spartanburg, South Carolina; Charlotte, North Carolina and Flint Michigan. The parties are targeting April 1, 2009 for the initial closing for the sale of Divestiture Assets in one or more of these areas.

6. **Atlanta, Georgia.** A contract between Republic and Advanced Disposal Services, Inc. for the sale of the Divestiture Assets in Atlanta, Georgia was executed as of February 20, 2009. Numerous communications related to that contract have been primarily with:

- a. Name: Charley Appleby (Advanced Disposal Services)  
Address: 7915 Baymeadows Way, Suite 300, Jacksonville, FL 32256  
Telephone: (904) 737-7900

In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Atlanta Divestiture Assets:

- a. Name: John Jennings (Waste Pro USA)  
Address: P.O. Box 917209, Longwood, FL 32791  
Telephone: (407) 869-8800

On February 26, 2009, Justin McGrory of Merrill Lynch informed Mr. Jennings that Republic was moving forward with another bidder for the Assets in Atlanta,

Georgia. Mr. McGrory informed Mr. Jennings that he will be contacted if the contemplated transaction with the other bidder does not happen.

7. **Bay Area, California (Potrero Hills Landfill).** Republic has had numerous communications during the last thirty (30) days with representatives of Norcal Waste Systems, Inc. and Waste Connections, Inc. regarding the sale and possible purchase of the Potrero Hills Landfill. Those communications have been primarily with:

- a. Name: Mike Sangiacomo and Art Cimento (Norcal Waste Systems)  
Address: 160 Pacific Avenue, Suite 200, San Francisco, CA 94111  
Telephone: (415) 875-1150; (415) 875-1265
- b. Name: Rick Wojahn and Ron Mittelstaedt (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of Potrero Hills Landfill:

- a. Name: Bryce Howard (The Ratto Group and Greenwaste Recovery)  
Address: P.O. Box 1916, Santa Rosa, CA 95402  
Telephone: (415) 342-2597

On March 4, 2009, Mr. Howard submitted the Ratto Group/Greenwaste Recovery's bid for Potrero Hills Landfill. On March 5, 2009, Mr. McGrory informed Mr. Howard that the Ratto Group/Greenwaste Recovery would not be taken further in the bidding process. On March 9, 2009, Mr. Howard sent a revised bid for Potrero Hills Landfill to Mr. McGrory.

8. **Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana.** A contract between Republic and IESI Corporation for the sale of the Divestiture Assets in Cape Girardeau, Missouri was executed as of March 5, 2009 (the contract also covered the sale of the Divestiture Assets in Fort Worth, Texas. *See* ¶ 9, below). Numerous communications related to that contract have been primarily with:

- a. Name: Thomas Cowee, Mickey Flood, & Jeff Peckham (IESI (BFI Canada))  
Address: 2301 Eagle Parkway, Suite 200, Fort Worth, TX 76177  
Telephone: (817) 632-4005

First-round bids from prospective Acquirers of Assets in Lexington, Kentucky and Northwest Indiana below were due on February 20, 2009. On March 2, 2009, prospective Acquirers who submitted bids were informed whether or not they had been selected to move on to the second round of bidding. Second-round bids for Divestiture Assets in Lexington, Kentucky are due on March 17, 2009 from the following persons, primarily with whom numerous communications have been held related to these Assets:

- a. Name: Richard Burke (Veolia Environment)  
Address: 125 South 84th St., Suite 200, Milwaukee, WI 53214  
Telephone: (414) 479-7800
- b. Name: Rick Wojahn and Ron Mittelstaedt (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200
- c. Name: Ven Poole (Waste Industries)  
Address: 3301 Benson Dr., Suite 601, Raleigh, NC 27609  
Telephone: (919) 877-7533

Second-round bids for Divestiture Assets in Northwest Indiana are due on March 17, 2009 from the following persons, primarily with whom numerous communications have been held related to these Assets:

- a. Name: Lee Brandsma (Groot Industries, Inc.)  
Address: 2500 Landmeier Rd., Elk Grove Village, IL 60007  
Telephone: (773) 242-1977
- b. Name: Richard Burke (Veolia Environment)  
Address: 125 South 84th St., Suite 200, Milwaukee, WI 53214  
Telephone: (414) 479-7800
- c. Name: Rick Wojahn and Ron Mittelstaedt (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana Divestiture Assets:

- a. Name: Charley Appleby (Advanced Disposal Services)  
Address: 7915 Baymeadows Way, Suite 300, Jacksonville, FL 32256  
Telephone: (904) 737-7900

On February 20, 2009, Nareg DerManuelian of Merrill Lynch sent Mr. Appleby materials regarding the Divestiture Assets in Lexington, Kentucky. Advanced Disposal subsequently notified Republic that it would not be pursuing the Lexington, Kentucky Divestiture Assets.

- b. Name: Dan Batts and Mike Lampen (Best Way of Indiana)  
Address: 5300 Miller Rd., Kalamazoo, MI 49048  
Telephone: (269) 207-4824; (269) 744-2668

On February 11, 2009, Barret Rea of Merrill Lynch spoke with Mr. Batts to confirm that Mr. Batts is working together with Mr. Lampen regarding Best Way's interest in the Divestiture Assets in Northwest Indiana.

- c. Name: Todd Skaggs (Central Kentucky Landfill)  
Address: 493 Double Culvert Rd., Georgetown, KY 40324  
Telephone: (606) 923-8633

On March 2, 2009, Mr. DerManuelian called Mr. Skaggs to confirm that Central Kentucky Landfill will not pass to Round 2 bidding for the Lexington, Kentucky Assets.

- d. Name: Doug Sobey (DBM Waste Partners)  
Address: P.O. Box 542, Moran, WY 83013  
Telephone: (307) 543-2103

On February 24, 2009, Mr. Sobey sent an email to Mr. DerManuelian confirming that DBM would drop out of the bidding process for Assets in Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana.

- e. Name: Tom Yonker (Homewood Disposal)  
Address: 1501 W. 175th St., Homewood, IL 60430  
Telephone: (708) 798-1004

On February 18, 2009, Mr. Yonker called Mr. Rea to communicate that Homewood Disposal was no longer interested in the Northwest Indiana Assets.

- f. Name: Trey Lee (Kamylon Capital)  
Address: 70 Walnut St., Wellesley Hills, MA 02481  
Telephone: (781) 263-7373

On February 20, 2009, Mr. DerManuelian spoke with Mr. Lee of Kamylon Capital, a \$1 billion private equity fund, regarding its experience in analyzing waste assets, in connection with its interest in the Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana Assets.

- g. Name: Jim Cowhey, Jr. (Land and Lakes)  
Address: 123 North Northwest Hwy., Park Ridge, IL 60068  
Telephone: (847) 825-5000

On February 11, 2009, Mr. Rea left a follow-up message with Mr. Cowhey, Jr.'s assistant regarding Land and Lakes' potential interest in the Northwest Indiana Assets.

- h. Name: Carl Pezold (Labrie Group)  
Address: 3100 Charbonier Rd., Florissant, MO 63031  
Telephone: (314) 412-4020

On February 11, 2009, Mr. DerManuelian spoke with Mr. Pezold by telephone, who confirmed that Labrie Group was no longer interested in the Cape Girardeau Assets.

- i. Name: Don Rea (Laurel Mountain Partners)  
Address: 625 Liberty Ave., Ste. 3100, Pittsburgh, PA 15222  
Telephone: (412) 562-1700

On February 11, 2009, Mr. DerManuelian sent teaser packages to Don Rea regarding the Assets in Lexington, Kentucky and Northwest Indiana.

- j. Name: Robert Wade (Pacific Rim Enterprises)  
Address: 1537 Independence, Cape Girardeau, MO 63701  
Telephone: (573) 579-4236

On February 12, 2009, Mr. DerManuelian sent a teaser package to Mr. Wade regarding the Divestiture Assets in Cape Girardeau, Missouri. On February 19, 2009, Mr. Wade submitted a bid for the Cape Girardeau, Missouri Divestiture Assets. On March 2, 2009, Mr. DerManuelian called Mr. Wade to inform him that he would not pass to Round 2 of the bidding process for the Divestiture Assets in Cape Girardeau, Missouri.

- k. Name: Terry Patrick (Patrick Resources)  
Address: 16910 Dallas Pkwy. Suite 114, Dallas, TX 75248  
Telephone: (972) 742-3363

On February 12, 2009, Mr. DerManuelian spoke with Mr. Patrick via telephone, who confirmed that Patrick Resources is interested in the Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana Assets.

- l. Name: David Perrotti (David Perrotti)  
Address: 40 Nod Rd., Clinton, CT 06413  
Telephone: (203) 245-8840

On March 2, 2009, Mr. DerManuelian called Mr. Perrotti to inform him that he would not pass to Round 2 of the bidding process for the Assets in Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana.

- m. Name: Patrick Mazza (Perry Ridge)  
Address: 290 S. Main Place #101, Carol Stream, IL 60188  
Telephone: (630) 933-9200

On March 2, 2009, Mr. DerManuelian called Mr. Mazza to inform him that he would not pass to Round 2 of the bidding process for the Assets in Cape Girardeau, Missouri.

- n. Name: Pete Lindermulder III (Premier Waste)  
Address: 10823 S. Langley Ave., Chicago, IL 60628  
Telephone: (773) 491-8061

On March 2, 2009, Mr. DerManuelian called Mr. Lindermulder to inform him that he would not pass to Round 2 of the bidding process for the Assets in Northwest Indiana.

- o. Name: Robert A. Smith (Premier Performance Management Services)  
Address: 10300 Sage Creek Dr., Galena, OH 43021  
Telephone: (614) 778-9495

On March 2, 2009, Mr. DerManuelian called Mr. Smith to inform him that he would not pass to Round 2 of the bidding process for the Assets in Northwest Indiana and Lexington, Kentucky.

- p. Name: Greg Gibson (Retec Corp.)  
Address: 3200 E. Haythorne Ave., Terre Haute, IN 47805  
Telephone: (812) 466-1233

On February 11, 2009, Mr. DerManuelian sent teasers to Mr. Gibson regarding the Assets in Cape Girardeau, Missouri; Lexington, Kentucky; and Northwest Indiana.

- q. Name: Phil Wehrman & Bill Rumpke (Rumpke Consolidated Companies)  
Address: 10795 Hughes Rd., Cincinnati, OH 45251  
Telephone: (513) 741-5275

Mr. McGrory and Mr. Rea engaged in numerous communications with Mr. Wehrman and Mr. Rumpke regarding Rumpke Consolidated Companies' interest in the Lexington, Kentucky Divestiture Assets. At Republic's request, Mr. McGrory subsequently notified Rumpke that the Department of Justice most likely would not approve its purchase of the Lexington, Kentucky Divestiture Assets.

- r. Name: Chuck Fitzpatrick (SI Waste Systems)  
Address: 716 Skyline Dr., Marion, IL 62959  
Telephone: (618) 926-9990

On March 2, 2009, Mr. DerManuelian called Mr. Fitzpatrick to inform him that he would not pass to Round 2 of the bidding process for the Assets in Cape Girardeau, Missouri.

- s. Name: Jeff Thompson (Thompson Environmental Solutions)  
Address: 5859 Ogden Avenue, Cicero, IL 60804  
Telephone: (708) 269-5868

On February 27, 2009, Mr. Rea spoke with Mr. Thompson by telephone and sent him materials related to the Assets in Northwest Indiana.

- t. Name: Mark Hiskes (Total Disposal)  
Address: 100 Blaine St., Gary, IN 46406  
Telephone: (219) 944-1800

On March 2, 2009, Mr. DerManuelian called Mr. Hiskes to inform him that he would not pass to Round 2 of the bidding process for the Assets in Northwest Indiana.

9. **Fort Worth, Texas.** A contract between Republic and IESI Corporation for the sale of the Divestiture Assets in Forth Worth, Texas was executed as of March 5, 2009. Communications related to that contract have been primarily with:

- a. Name: Thomas Cowee, Mickey Flood, & Jeff Peckham (IESI (BFI Canada))  
Address: 2301 Eagle Parkway, Suite 200, Fort Worth, TX 76177  
Telephone: (817) 632-4005

In addition, Republic also had numerous communications during the last thirty (30) days with representatives of Waste Partners of Texas. Those communications have been primarily with:

- a. Name: Mark Duncan (Waste Partners of TX)  
Address: 3324 Roy Orr Blvd., Grand Prairie, TX 75050  
Telephone: (817) 994-7924

10. **Cleveland, OH.** Republic has had numerous communications during the last thirty (30) days with representatives of Groot Industries, Inc., Penn Ohio Coal Co., Rumpke Consolidated Companies, Inc., Tunnel Hill Partners/Waste Solutions Group, and Waste Connections, Inc. Those communications have been primarily with:

- a. Name: Lee Brandsma (Groot Industries, Inc.)  
Address: 2500 Landmeier Rd., Elk Grove Village, IL 60007  
Telephone: (773) 242-1977
- b. Name: Keith B. Kimble (Penn Ohio Coal Co.)  
Address: 3596 State Route 39 NW, Dover, OH 44622  
Telephone: (330) 343-1226
- c. Name: Phil Wehrman & Bill Rumpke (Rumpke Consolidated Companies)  
Address: 10795 Hughes Rd., Cincinnati, OH 45251  
Telephone: (513) 741-5275

- d. Name: Bill Gay (Tunnel Hill/Waste Solutions)  
Address: 2500 Township Rd 205 (Rt. 2), New Lexington, OH 43764  
Telephone: (914) 713-0203
- e. Name: Rick Wojahn and Ron Mittelstaedt (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

On March 9, 2009, Mr. Rea sent emails to all of the prospective bidders for the Cleveland, Ohio Divestiture Assets notifying them that proposals would be due on March 17, 2009. In addition, the email advised that Republic, while not obligated to do so, would consider the possible sale of its Mansfield Hauling business along with the sale of the Cleveland, Ohio Divestiture Assets.

11. **Philadelphia, Pennsylvania.** A contract between Republic and Covanta Energy Corporation for the sale of the Divestiture Assets in Philadelphia, Pennsylvania was executed as of February 27, 2009. Communications related to that contract have been primarily with:

- a. Name: Deepak Gupta (Covanta Energy)  
Address: 40 Lane Road, Fairfield, NJ 07007  
Telephone: (973) 882-7334

In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Philadelphia, Pennsylvania Divestiture Assets:

- a. Name: W. Chase Stout (Philadelphia Waste Ventures LLC or "Chase Disposal")  
Address: 1021 East Avenue, Penlyn, PA 19422  
Telephone: (610) 637-6790

On February 17, 2009, Mr. McGrory called Eric Bell of Chase Disposal to inform him that Republic would not advance Chase Disposal to the next round of the Philadelphia assets sale process since Chase Disposal's offer price was not competitive. On February 20, 2009, Chase Disposal submitted a new proposal, increasing their offer from \$10 million to \$17 million. Also on February 20, 2009, Mr. McGrory sent an email to Mr. Stout confirming receipt of Chase Disposal's revised proposal and left a message for Brooke Hayes at Milestone Partners. On February 23, 2009, Mr. McGrory spoke with Mr. Hayes via telephone, who confirmed that Milestone Partners had been interested in co-investing with Chase Disposal at a \$10 million purchase price but might not be supportive at the increased \$17 million offer. On February 23, 2009, Mr. McGrory called Mr. Stout via telephone to inform him that the \$17 million bid was competitive but that Republic would need to be comfortable that Chase Disposal would be able to raise \$17 million before reconsidering their bid. Mr. Stout told Mr. McGrory that he was waiting for documents that supported Chase Disposal's ability to raise \$17 million and that he would provide such documents by February 25, 2009. No such documents were received. On March 2, 2009, Mr. McGrory left a message for Mr. Stout to inform him that another party had

signed a contract with Republic for the Philadelphia Assets. On March 2, 2009, Mr. Stout returned Mr. McGrory's call to confirm receipt of the message.

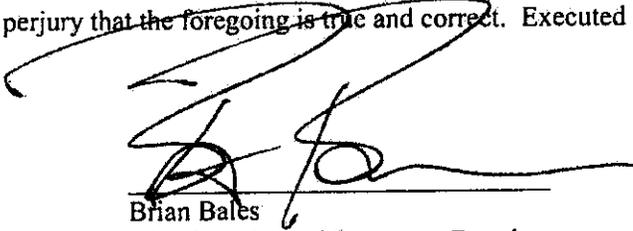
- b. Name: Michael Mastrangelo and Darren Rizzo (ELS)  
Address: 15 Polhemus Lane, Bridgewater, NJ 08807  
Telephone: (732) 271-2800

On March 2, 2009, Mr. McGrory called Mr. Rizzo to inform him that Republic would not pass ELS to Round 2 of the bidding process for the purchase of the Divestiture Assets in Philadelphia, Pennsylvania

- c. Name: Lynn Johnston (Interstate Waste Services)  
Address: 500 N. Franklin Turnpike, Suite 212, Ramsey, NJ 07446  
Telephone: (201) 258-1269

On March 2, 2009, Mr. McGrory and Mr. Rea of Merrill Lynch called Mr. Johnston to inform him that another party had signed a contract with Republic for the purchase of Divestiture Assets in Philadelphia, Pennsylvania.

I declare under penalty of perjury that the foregoing is true and correct. Executed on  
March ~~12~~<sup>13</sup>, 2009.



Brian Bales  
Vice President of Corporate Development  
Republic Services, Inc.

**AFFIDAVIT OF BRIAN BALES**

**Pursuant to Paragraph X(A) of the Proposed Final Judgment  
in Republic-Allied Merger. DOJ File No. 60-562111-0007**

State of Arizona                    )  
  )  
County of Maricopa                )            **ss.**

I, Brian Bales, hereby do swear and affirm as follows:

1. I am the Executive Vice President for Business Development for Republic Services, Inc. ("Republic").
2. I am an officer of Republic and I have actual authority to make this affidavit on behalf of Republic.
3. I adopt the definitions of terms as they are set forth in the Proposed Final Judgment ("PFJ") in making this affidavit.
4. Pursuant to Paragraph X(A) of the PFJ, I summarize below the contacts that Republic has had in the last thirty (30) days with any party regarding the sale and possible purchase of any of the Divestiture Assets.
5. **Bundled Assets.** As set forth in my March 13, 2009 affidavit, Republic and Waste Connections, Inc. executed an Asset Purchase Agreement for the purchase of Divestiture Assets in Los Angeles, California; Denver, Colorado; Houston, Texas; Lubbock, Texas; Greenville/ Spartanburg, South Carolina; Charlotte, North Carolina and Flint Michigan on February 6, 2009. On April 1, 2009, the parties completed initial closing for the sale of Divestiture Assets in all of the above areas except for Lubbock, Texas and Charlotte, North Carolina.
6. **Atlanta, Georgia.** A contract between Republic and Advanced Disposal Services, Inc. for the sale of the Divestiture Assets in Atlanta, Georgia was executed as of February 20, 2009. On March 1, 2009, the parties completed initial closing for the sale of the Atlanta, Georgia Divestiture Assets. There have been no contacts with other prospective Acquirers since my affidavit dated March 13, 2009.
7. **Bay Area, California (Potrero Hills Landfill).** A contract by and among Republic, Waste Connections, Inc., Bay Landfills, Inc., and Potrero Hills Landfill, Inc. for the purchase of all issued and outstanding stock in Potrero Hills Landfill, Inc. was executed as of March 19, 2009. Republic had numerous communications during the last thirty (30) days with representatives of Norcal Waste Systems, Inc. and Waste Connections, Inc. regarding the sale and possible purchase of the Potrero Hills Landfill. Those communications have been with:
  - a. Name: Mike Sangiacomo and Art Cimento (Norcal Waste Systems)  
Address: 160 Pacific Avenue, Suite 200, San Francisco, CA 94111  
Telephone: (415) 875-1150; (415) 875-1265

- b. Name: Rick Wojahn (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

8. **Cape Girardeau, Missouri and Fort Worth, Texas.** A contract between Republic and IBSI Corporation for the sale of the Divestiture Assets in Cape Girardeau, Missouri and Fort Worth, Texas was executed as of March 5, 2009. There have been no additional contacts with other prospective Acquirers since my March 13, 2009 affidavit.

9. **Lexington, Kentucky.** Second-round bids for Divestiture Assets in Lexington, Kentucky were due on March 17, 2009. Republic had numerous communications related to these Assets with Central Kentucky Landfill, Veolia Environmental Services, Waste Industries, and Waste Connections during the last thirty (30) days, all of whom submitted a bid. Those communications have been with:

- a. Name: W. Todd Skaggs (Central Kentucky Landfill)  
Address: 493 Double Culvert Rd., Georgetown, KY 40324  
Telephone: (606) 923-8633
- b. Name: Richard Burke and Jeff Adix (Veolia Environmental Services)  
Address: 125 South 84th St., Suite 200, Milwaukee, WI 53214  
Telephone: (414) 479-7800
- c. Name: Ven Poole (Waste Industries)  
Address: 3301 Benson Dr., Suite 601, Raleigh, NC 27609  
Telephone: (919) 877-7533
- d. Name: Rick Wojahn (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

Republic has narrowed the prospective Acquirers of the Lexington Divestiture Assets to Veolia Environmental Services and Waste Industries. In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Lexington Divestiture Assets:

- a. Name: Trey Lee (Kamylon Capital)  
Address: 70 Walnut St., Wellesley Hills, MA 02481  
Telephone: (781) 263-7373

On March 16, 2009, Mr. Lee called Justin McGrory of Merrill Lynch to inform him that the Lexington, Kentucky and Northwest Indiana Divestiture Assets were smaller than Kamylon Capital's target acquisition size and that Kamylon Capital therefore would not be bidding on the Lexington or Northwest Indiana Divestiture Assets.

10. **Northwest Indiana.** Second-round bids for Divestiture Assets in Northwest Indiana were due on March 17, 2009. Republic had numerous communications related to these Assets with Thompson Environmental Solutions, Veolia Environmental Services, and Waste Connections during the last thirty (30) days. Those communications have been with:

- a. Name: Jeff Thompson (Thompson Environmental Solutions)  
Address: 5859 Ogen Avenue, Cicero, IL 60804  
Telephone: (708) 269-5868
- b. Name: Richard Burke and Jeff Adix (Veolia Environmental Services)  
Address: 125 South 84th St., Suite 200, Milwaukee, WI 53214  
Telephone: (414) 479-7800
- c. Name: Rick Wojahn (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

Republic has narrowed the prospective Acquirers of the Northwest Indiana Divestiture Assets to Veolia Environmental Services and Waste Connections, Inc.

11. **Cleveland, OH.** Republic had numerous communications during the last thirty (30) days with representatives of Groot Industries, Inc., Penn Ohio Coal Co., Rumpke Consolidated Companies, Inc., Tunnel Hill Partners/Waste Solutions Group, and Waste Connections, Inc. Those communications have been with:

- a. Name: Lee Brandsma (Groot Industries, Inc.)  
Address: 2500 Landmeier Rd., Elk Grove Village, IL 60007  
Telephone: (773) 242-1977
- b. Name: Keith B. Kimble (Penn Ohio Coal Co.)  
Address: 3596 State Route 39 NW, Dover, OH 44622  
Telephone: (330) 343-1226
- c. Name: Phil Wehrman & Bill Rumpke (Rumpke Consolidated Companies)  
Address: 10795 Hughes Rd., Cincinnati, OH 45251  
Telephone: (513) 741-5275
- d. Name: Bill Gay (Tunnel Hill/Waste Solutions)  
Address: 2500 Township Rd 205 (Rt. 2), New Lexington, OH 43764  
Telephone: (914) 713-0203
- e. Name: Rick Wojahn (Waste Connections)  
Address: 35 Iron Point Circle, Suite 200, Folsom, CA 95630  
Telephone: (916) 608-8200

Republic has narrowed the prospective Acquirers of the Cleveland Divestiture Assets to Waste Connections, Inc. and Rumpke Consolidated Companies, Inc.

12. **Philadelphia, Pennsylvania.** A contract between Republic and Covanta Energy Corporation for the sale of the Divestiture Assets in Philadelphia, Pennsylvania was executed as of February 27, 2009. In addition, Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Philadelphia, Pennsylvania Divestiture Assets:

- a. Name: W. Chase Stout (Chase Disposal)  
Address: 1021 East Avenue, Penlyn, PA 19422  
Telephone: (610) 637-6790

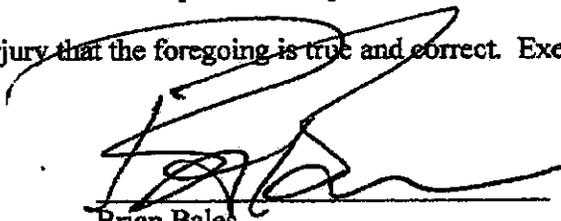
On March 20, 2009, Mr. McGrory spoke with Mr. Stout to inform him that another party had executed a contract for the sale of the Pennsylvania Divestiture Assets.

13. **Additional Contacts and Communications.** Republic also had the following contacts and communications during the last thirty (30) days regarding the sale and possible purchase of the Divestiture Assets:

- a. Name: Andres Solano (Fanalca, S.A.)  
Location: Colombia  
Email: asolano@fanalca.com.co

On April 2, 2009, Gaston Abello of Merrill Lynch forwarded a letter from Mr. Solano to Mr. McGrory expressing Fanalca, S.A.'s interest in the Republic Divestiture Assets as well as a brochure providing information on Fanalca, S.A. On April 2, 2009, Mr. McGrory responded via email to inform Mr. Solano that, for all assets to be divested, Republic has either completed the sale of such assets, signed a purchase agreement, or completed the initial rounds of the respective sale process.

I declare under penalty of perjury that the foregoing is true and correct. Executed on April 20, 2009.



Brian Bales

Executive Vice President of Business Development  
Republic Services, Inc.