AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 29, 1998

REGISTRATION NO. 333-52505

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2 TO

FORM S-1

REGISTRATION STATEMENT UNDER THE
SECURITIES ACT OF 1933

REPUBLIC SERVICES, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	4953	65-0716904
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

110 S.E. SIXTH STREET
FORT LAUDERDALE, FLORIDA 33301
(954) 769-6000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

H. WAYNE HUIZENGA
CHIEF EXECUTIVE OFFICER
REPUBLIC SERVICES, INC.
110 S.E. SIXTH STREET
FORT LAUDERDALE, FLORIDA 33301
(954) 769-6000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

JONATHAN L. AWNER, ESQ.	VALERIE FORD JACOB, ESQ.
AKERMAN, SENTERFITT & EIDSON, P.A.	FRIED, FRANK, HARRIS, SHRIVER & JACOBSON
ONE S.E. THIRD AVENUE	ONE NEW YORK PLAZA
MIAMI, FLORIDA 33131	NEW YORK, NEW YORK 10004
(305) 374-5600	(212) 859-8000

APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

THIS REGISTRATION STATEMENT CONTAINS TWO SEPARATE PROSPECTUSES. THE FIRST PROSPECTUS RELATES TO A PUBLIC OFFERING OF SHARES OF CLASS A COMMON STOCK OF REPUBLIC SERVICES, INC. IN THE UNITED STATES AND CANADA (THE "U.S. OFFERING"). THE SECOND PROSPECTUS RELATES TO A CONCURRENT OFFERING OF CLASS A COMMON STOCK OUTSIDE THE UNITED STATES AND CANADA (THE "INTERNATIONAL OFFERING"). THE PROSPECTUSES FOR THE U.S. OFFERING AND THE INTERNATIONAL OFFERING WILL BE IDENTICAL IN ALL RESPECTS, OTHER THAN THE FRONT COVER PAGE, "UNDERWRITING" SECTION AND THE BACK COVER PAGE RELATING TO THE INTERNATIONAL OFFERING. SUCH ALTERNATE PAGES APPEAR IN THIS REGISTRATION STATEMENT IMMEDIATELY FOLLOWING THE COMPLETE PROSPECTUS FOR THE U.S. OFFERING.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED JUNE 29, 1998

PROSPECTUS

51,000,000 SHARES

REPUBLIC SERVICES, INC. (LOGO)

CLASS A COMMON STOCK

All of the 51,000,000 shares of Class A Common Stock offered hereby are being sold by Republic Services, Inc. (the "Company"). Of the 51,000,000 shares of Class A Common Stock offered hereby, 40,800,000 shares are being offered for sale initially in the United States and Canada by the U.S. Underwriters and 10,200,000 shares are being offered for sale initially in a concurrent offering outside the United States and Canada by the International Managers. The initial public offering price and the underwriting discount per share will be identical for both Offerings. See "Underwriting."

Prior to the Offerings, there has been no public market for the Class A Common Stock. It is currently estimated that the initial public offering price will be between $24.00 and $27.00 per share. For a discussion relating to factors to be considered in determining the initial public offering price, see "Underwriting."

The Class A Common Stock has been approved for listing on the New York Stock Exchange under the symbol "RSG," subject to official notice of issuance.

The Company is currently a wholly owned subsidiary of Republic Industries, Inc. ("Parent"). Upon completion of the Offerings, the Company will have two classes of authorized common stock consisting of Class A Common Stock, which is being offered hereby, and Class B Common Stock. See "Description of Capital Stock." Holders of Class A Common Stock will be entitled to one vote per share and holders of Class B Common Stock will be entitled to five votes per share on all matters submitted to a vote of stockholders. All of the outstanding shares of Class B Common Stock will be owned by Parent. Upon completion of the Offerings, Parent will own approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), which will represent approximately 91.2% of the combined voting power of all of the outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). Parent has announced its intention, subject to satisfaction of certain conditions, to divest its ownership interest in the Company in 1999 by means of a tax-free distribution to its stockholders. See "Risk Factors," "Background of the Offerings" and "Certain Transactions."

SEE "RISK FACTORS" BEGINNING ON PAGE 11 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE CLASS A COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Share.....	$	$	$
Total(3).....	$	$	$

(1) The Company has agreed to indemnify the several Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) Before deducting expenses payable by the Company estimated at $5,500,000.
(3) The Company has granted the U.S. Underwriters and the International Managers options to purchase up to an additional 6,120,000 shares and 1,530,000 shares of Class A Common Stock, respectively, in each case exercisable within 30 days after the date hereof, solely to cover over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be $, $ and $, respectively. See "Underwriting."

The shares of Class A Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of Class A Common Stock will be made in New York, New York on or about , 1998.

MERRILL LYNCH & CO.

DEUTSCHE BANK SECURITIES

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION

The date of this Prospectus is , 1998.

REPUBLIC SERVICES, INC.

(Map of Continental United States highlighting the markets in which the Company does business appears here)

Landfill
Transfer Station
Collection

Certain persons participating in the Offerings may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A Common Stock. Such transactions may include stabilizing, the purchase of Class A Common Stock to cover syndicate short positions and the imposition of penalty bids. For a description of these activities, see "Underwriting."

(Photo of fleet of solid waste collection vehicles)

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial data and notes thereto appearing elsewhere in this Prospectus. Unless otherwise indicated, all information contained in this Prospectus assumes that the Underwriters' over-allotment options are not exercised. See "Underwriting." Except where the context otherwise requires, references to the terms "Republic Services, Inc." and the "Company" include the historical operating results and activities of, and assets and liabilities of, the solid waste services businesses and operations of Parent which comprise Republic Services, Inc. and its subsidiaries as of the date hereof. Except where the context otherwise requires, references to the term "Parent" mean Republic Industries, Inc. and its subsidiaries other than the Company.

This Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in such forward-looking statements. Factors that might cause differences include, but are not limited to, those discussed in "Risk Factors."

THE COMPANY

Republic Services, Inc. is a leading provider of non-hazardous solid waste collection and disposal services in the United States. Based on revenue for the year ended December 31, 1997, the Company is the fourth largest company in the domestic non-hazardous solid waste management industry. The Company provides solid waste collection services for commercial, industrial, municipal and residential customers through 96 collection companies in 24 states. The Company also owns or operates 54 transfer stations and 42 solid waste landfills.

The Company had revenue of $1,127.7 million and $953.3 million and operating income of $201.3 million and $105.6 million for the years ended December 31, 1997 and 1996, respectively. The $174.4 million (or 18.3%) increase in revenue and the $95.7 million (or 90.6%) increase in operating income are primarily attributable to the successful execution of the Company's growth and operating strategies described below. In 1997, the Company's revenue was generated primarily from its solid waste collection operations (73.8%), with the remainder comprised of revenue from landfill disposal services (12.4%) and other operations (13.8%).

Since 1995, the Company has acquired over 100 solid waste companies with an aggregate of over $1.0 billion in annual revenue. The Company believes that it is well positioned to continue to increase its revenue and operating income through acquisitions and internal growth. The Company's acquisition growth strategy is focused on the approximately $8.0 billion of revenue that was generated by over 5,000 privately-held solid waste companies in 1997. The Company believes that its ability to acquire many of these privately-held companies is enhanced by increasing competition in the solid waste industry, increasing capital requirements as a result of changes in solid waste regulatory requirements and the limited number of exit strategies for such companies' owners and principals. The Company's internal growth strategy is supported by its presence in high-growth markets throughout the Sunbelt, including Florida, Georgia, Nevada, Southern California and Texas, and other domestic markets that have experienced higher than average population growth during the past several years. The Company believes that its presence in such markets positions it to experience growth at rates that are generally higher than the industry's overall growth rate.

INDUSTRY OVERVIEW

Based on analyst reports and industry trade publications, the Company believes that the United States non-hazardous solid waste services industry generated revenue of approximately $35.0 billion in 1997, of which approximately 44% was generated by publicly-owned waste companies, 23% was generated by privately-held waste companies and 33% was generated by municipal and other local governmental authorities. The substantial majority of the publicly-owned companies' total revenue of approximately $15.4 billion was generated by only five companies, of which the Company was the fourth largest at year-end 1997. However, according to industry data, the domestic non-hazardous waste industry remains highly fragmented as the

privately-held companies' total revenue of approximately $8.0 billion was generated by more than 5,000 companies.

GROWTH STRATEGY

- - ACQUISITION GROWTH. As a result of the highly fragmented nature of the solid waste industry, the Company has been able to grow significantly through acquisitions. Since 1995, the Company has acquired over 100 solid waste companies with an aggregate of over $1.0 billion in annual revenue. The Company's acquisition growth strategy is to (i) acquire companies positioned for growth in existing and new markets, (ii) acquire well-managed companies and retain local management, (iii) expand its operations in existing markets by completing "tuck-in" acquisitions and (iv) acquire operations and facilities from municipalities that are privatizing.

  Acquire Companies Positioned for Growth. In making acquisitions, the Company principally targets high quality businesses that will allow it to be, or provide it favorable prospects of becoming, a leading provider of integrated solid waste services in markets with favorable demographic growth. The Company generally has acquired, and will continue to seek to acquire, solid waste collection, transfer and disposal companies that (i) have strong operating margins, (ii) are in growth markets, (iii) are among the largest or have a significant presence in their local markets and (iv) have long-term contracts or franchises with municipalities and other customers. Although the Company continuously reviews possible acquisition candidates and is in discussions from time to time with one or more of such candidates, it currently has not entered into any agreements with respect to any significant acquisitions.

  Acquire Well-Managed Companies. The Company also seeks to acquire businesses that have experienced management teams that are willing to work for the Company. The Company generally retains the local management of the larger acquired companies in order to capitalize on their local market knowledge, community relations and name recognition, and to instill their entrepreneurial drive at all levels of operations.

  Expand Operations Through "Tuck-In" Acquisitions. Once it gains a foothold in a particular market, the Company focuses on acquiring smaller companies that also operate in that market and surrounding markets. By acquiring smaller "tuck-in" companies that operate in markets already serviced by the Company, the Company not only is able to grow its revenue and increase its market share, but also is able to integrate operations and consolidate duplicative facilities and functions to maximize cost efficiencies and economies of scale.

  Acquire Privatizing Municipal Operations. The Company also seeks to acquire solid waste collection operations, transfer stations and landfills that are being privatized by municipalities and other governmental authorities.

- - INTERNAL GROWTH. The Company's internal growth strategy is to take advantage of the higher than average population growth in the markets in which the Company operates by obtaining long-term exclusive franchise agreements and expanding its well-managed sales and marketing activities.

  Obtain Long-Term Contracts. The Company seeks to obtain long-term exclusive franchise agreements for the collection of solid waste in the high-growth markets in which it operates. By obtaining such long-term agreements, the Company has the opportunity to grow its contracted revenue base at the same rate as the underlying population growth in such markets.

  Expand Sales and Marketing Activities. The Company's well-managed sales and marketing activities enable it to capitalize on its leading positions in many of the markets in which it operates. The Company currently has over 260 sales and marketing employees in the field, who are incentivized by a commission structure to generate high levels of revenue.

OPERATING STRATEGY

- - LEAD WITH EXPERIENCED EXECUTIVE MANAGEMENT TEAM. The Company believes that it has one of the most experienced executive management teams among publicly-traded companies in the solid waste industry.

H. Wayne Huizenga, the Company's Chairman and Chief Executive Officer, co-founded Waste Management, Inc. ("Waste Management") in 1971, and served in various executive positions with Waste Management until 1984, which had by then become the world's largest integrated solid waste services company. From 1987 until 1994, Mr. Huizenga served as Chairman and Chief Executive Officer of Blockbuster Entertainment Corporation ("Blockbuster"), leading its growth from 19 stores to the world's largest video rental company. In August 1995, he became Chairman and Chief Executive Officer of Parent and, in less than three years, Parent's Solid Waste Group acquired businesses with an aggregate of over $1.0 billion in annual revenue.

Harris W. Hudson, the Company's Vice Chairman, worked closely with Mr. Huizenga, from 1964 until 1982, at Waste Management and at the private waste hauling firms they operated prior to the formation of Waste Management. In 1983, Mr. Hudson founded Hudson Management Corporation ("Hudson Management"), a solid waste collection company in Florida, and served as its Chairman and Chief Executive Officer until it merged with Parent in August 1995. By that time, Hudson Management had grown to over $50.0 million in annual revenue, becoming one of Florida's largest privately-held solid waste collection companies based on revenue. Since August 1995, Mr. Hudson has served in various executive officer positions for Parent, including President and Vice Chairman.

James H. Cosman, the Company's President and Chief Operating Officer, has served as President of Parent's Solid Waste Group since January 1997. Prior to joining Parent, Mr. Cosman was employed by Browning-Ferris Industries, Inc. ("Browning-Ferris"), a leading national integrated solid waste management company, for over 24 years. During that time, he served in various management positions, including Regional Vice President -- Northern Region.

The other officers with responsibility for operational affairs of the Company have an average of over 15 years of management experience in the solid waste industry.

Prior to the Distribution, Mr. Huizenga intends to resign as Chief Executive Officer of the Company as soon as the Company is able to appoint a successor, although Mr. Huizenga intends to remain as Chairman of the Board. It is currently anticipated that Messrs. Hudson and Cosman and such other officers will devote substantially all of their time to the management of the Company.

- - UTILIZE DECENTRALIZED MANAGEMENT STRUCTURE. The Company maintains a relatively small corporate headquarters staff, relying on a decentralized management structure to minimize administrative overhead costs and to manage its day-to-day operations more efficiently. The Company's four Regional Vice Presidents and 19 Area Presidents have extensive authority, responsibility and autonomy for operations within their geographic markets. Compensation for management within regions and areas is in large part based on the improvement in operating income produced in each manager's geographic area of responsibility. The Company also seeks to implement the best practices of its various regions and areas throughout its operations to improve operating margins.

- - INTERNALIZE WASTE DISPOSAL. The Company seeks to achieve a high rate of waste internalization by controlling waste streams from the point of collection through disposal. Through acquisitions and other market development activities, the Company creates market specific, vertically integrated operations typically consisting of one or more collection companies, transfer stations and landfills. During the quarter ended March 31, 1998, approximately 41% of the total volume of waste collected by the Company was disposed of at the Company's landfills. Because the Company does not have landfill facilities for all markets in which it provides collection services, the Company believes that through landfill and transfer station acquisitions and development it has the opportunity to increase its waste internalization rate.

- - CAPITALIZE ON ECONOMIES OF SCALE AND COST EFFICIENCIES. To improve operating margins, the Company's management is focused on achieving economies of scale and cost efficiencies. The consolidation, or "tuck-

in," of smaller acquired businesses into larger existing operations reduces costs by decreasing capital and expenses used in routing, personnel, equipment and vehicle maintenance, inventories and back-office administration. The Company has reduced its selling, general and administrative expenses from 17.1% of consolidated revenue in 1995 to 10.4% of consolidated revenue in 1997.

- - ACHIEVE HIGH LEVELS OF CUSTOMER SATISFACTION. The Company complements its operating strategy with a goal of maintaining high levels of customer satisfaction. The Company's personalized sales process of periodically contacting commercial, industrial and municipal customers is intended to maintain relationships and ensure service is being properly provided.

The Company is currently a wholly owned subsidiary of Parent. The Company is a Delaware corporation with its principal executive offices located at The Republic Tower, 110 S.E. Sixth Street, Fort Lauderdale, Florida 33301, and its telephone number at that address is (954) 769-6000.

BACKGROUND

Since 1995, Parent has acquired and developed numerous businesses in several industries, which currently are operated in three broad business segments, consisting of automotive retail, vehicle rental and solid waste services. In May 1998, Parent announced its intention to separate the Company, which constitutes the solid waste services businesses and operations of Parent, and the associated assets and liabilities of such solid waste businesses and operations, from Parent's other businesses and operations (the "Separation"). Parent also announced its intention to complete the Offerings (as defined below), and to complete the Separation by the distribution to Parent's stockholders in 1999, subject to certain conditions and consents, of all of Parent's remaining interest in the Company (the "Distribution"). See "Background of the Offerings -- Conditions to the Distribution." The Company and Parent have entered into or will, on or prior to the consummation of the Offerings, enter into certain agreements providing for the Separation and Distribution and governing various interim and ongoing relationships between the companies after completion of the Offerings and the Distribution, including an agreement between the Company and Parent providing for the purchase by the Company of certain services from Parent. See "Background of the Offerings" and "Certain Transactions."

The Company's authorized and outstanding capital stock currently consists of a single class of common stock, all of which is held by Parent. Prior to consummation of the Offerings (the "Offerings Closing Date"), the Company will amend and restate its Certificate of Incorporation, as amended to date (the "Certificate"), to authorize two classes of common stock consisting of Class A Common Stock, $.01 par value per share ("Class A Common Stock"), and Class B Common Stock, $.01 par value per share ("Class B Common Stock," which together with the Class A Common Stock is sometimes referred to herein as "Common Stock"). The Class A Common Stock and Class B Common Stock will be identical in all respects, except that holders of Class A Common Stock will be entitled to one vote per share while holders of Class B Common Stock will be entitled to five votes per share on all matters submitted to a vote of stockholders. Shares of Class B Common Stock may convert into shares of Class A Common Stock in certain circumstances. See "Description of Capital Stock." Prior to the Offerings Closing Date, all outstanding shares of common stock of the Company held by Parent will be converted into shares of Class B Common Stock, which will constitute 100% of the outstanding shares of Class B Common Stock.

In order to achieve part of the overall business purpose of the Distribution, which is to raise capital for Parent's future acquisitions of automotive retail operations and other corporate purposes in the most cost efficient manner, the Company declared and paid a $2.0 billion dividend in April 1998 in the form of a series of promissory notes payable by the Company to Parent (the "Company Notes"). The amount of the dividend was determined based on Parent's need for capital to fund future acquisitions and the Company's borrowing capacity. The Company Notes bear interest at a rate of LIBOR plus 30 basis points per annum and mature April 12, 1999. In addition, the Company has other obligations, consisting of amounts due to Parent (the "Affiliate Payable") which equaled approximately $114.8 million as of March 31, 1998, and certain intercompany borrowings payable to an affiliate of Parent, Republic Resources Company, Inc. ("Resources"), which equaled approximately $130.9 million as of March 31, 1998 net of an intercompany loan receivable from Resources due to the Company (the "Resources Note Receivable") in the amount of approximately

$83.1 million as of March 31, 1998. Excluding the Resources Note Receivable as an offset, amounts owed to Resources equaled approximately $214.0 million as of March 31, 1998 (the "Resources Note Payable"). Prior to the Offerings Closing Date, the Company will (a) prepay a portion of the Company Notes equal to the outstanding amount of the Company Notes less the net proceeds of the Offerings and less the net proceeds of the Underwriters' over-allotment options (assuming such options are exercised in full), by use of certain assets to be received from a dividend to be declared and paid by Resources to the Company (the "Resources Dividend") and by use of the Resources Note Receivable, and (b) repay in full the Affiliate Payable and the Resources Notes Payable through issuance by the Company of the number of shares of Class A Common Stock equal to the aggregate amount of the Affiliate Payable and the Resources Notes Payable divided by the initial public offering price per share. All of the net proceeds of the Offerings will immediately be used by the Company to prepay in part certain outstanding amounts of the Company Notes payable to Parent. All remaining outstanding amounts of the Company Notes will be prepaid in full within 31 days after the Offerings Closing Date through the issuance by the Company of shares of Class A Common Stock to Parent based on the initial public offering price per share, to the extent that the net proceeds, if any, from the exercise of the Underwriters' over-allotment options are not sufficient to prepay all such remaining amounts. The Company has granted Parent certain registration rights with respect to shares of Class A Common Stock and Class B Common Stock to be held by Parent and its wholly owned subsidiaries following the Offerings Closing Date. See "Certain Transactions -- Separation and Distribution Agreement -- Registration Rights."

THE OFFERINGS

The offering of 40,800,000 shares of the Class A Common Stock, par value $.01 per share, in the United States and Canada (the "U.S. Offering") and the offering of 10,200,000 shares of the Class A Common Stock outside the United States and Canada (the "International Offering") are collectively referred to herein as the "Offerings."

Class A Common Stock offered by the Company	51,000,000 shares
Common Stock to be outstanding after the Offerings:	
Class A Common Stock	73,953,775 shares(1)(2)
Class B Common Stock	101,046,225 shares(1)
Total	175,000,000 shares(1)(2)
Use of Proceeds	All of the net proceeds to be received by the Company from the Offerings will immediately be used to prepay in part certain outstanding amounts of the Company Notes payable to Parent. See "Use of Proceeds."
Voting Rights; Conversion	The holders of Class A Common Stock and Class B Common Stock have identical rights, including as to dividends and liquidation preferences, except that holders of Class A Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to five votes per share. Holders of Class A Common Stock and Class B Common Stock generally vote together as a single class, except as otherwise required by Delaware law. Under certain circumstances, Class B Common Stock converts into Class A Common Stock. See "Description of Capital Stock."
New York Stock Exchange ("NYSE") Symbol for Class A Common Stock	"RSG"

- ---

(1) Assumes that the aggregate amount of the outstanding Affiliate Payable and Resources Notes Payable at the Offerings Closing Date will be equal to approximately $400.0 million and that 15,686,275 shares of Class A Common Stock will be issued prior to the Offerings Closing Date to satisfy such outstanding amounts in full, based on an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus. Also assumes that the aggregate remaining outstanding amount of the Company Notes at the Offerings Closing Date, after the Resources Dividend and the application of the estimated net proceeds to the Company from the Offerings and assuming that the Underwriters' over-allotment options are not exercised, will be equal to $185.3 million and that 7,267,500 shares of Class A Common Stock will be issued within 31 days immediately following the Offerings Closing Date to satisfy such outstanding amount in full, based on an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of the Prospectus. To the extent the Company receives proceeds from the exercise of the Underwriters' over-allotment options to purchase up to 7,650,000 shares of Class A Common

Footnotes continued on following page

Stock, the Company will use the net proceeds from the exercise to prepay the balance of the Company Notes and the number of shares of Class A Common Stock issued to Parent will be reduced accordingly. If the Underwriters' over-allotment options are exercised in full, then the total number of shares of Class A Common Stock and of Common Stock outstanding after the Offerings will be 74,336,275 and 175,382,500, respectively. Also assumes that prior to the Offerings Closing Date the Company's common stock will be recapitalized into two classes of common stock, consisting of Class A Common Stock and Class B Common Stock, and that the 100 shares of common stock of the Company outstanding immediately prior to such recapitalization will be converted into 101,046,225 shares of Class B Common Stock.

(2) Does not include shares of Class A Common Stock that will be issuable upon the exercise of outstanding employee stock options, not all of which will be immediately exercisable, and which will be issued at the time of the Distribution under the Company's 1998 Stock Incentive Plan in substitution for certain Parent stock options held by employees of the Company. See "Management -- Stock Incentive Plan" and "Certain Transactions -- Employee Benefits Agreement." The Company intends to reserve 20.0 million shares of Class A Common Stock for issuance pursuant to options to be granted under such plan.

RISK FACTORS

Purchasers of Class A Common Stock in the Offerings should carefully consider the risk factors set forth under the caption "Risk Factors" and the other information included in this Prospectus prior to making an investment decision. See "Risk Factors."

SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA
(IN MILLIONS, EXCEPT RATIOS AND PER SHARE DATA)

Set forth below is summary historical and pro forma financial and operating data of the Company for the periods indicated. The pro forma statement of operations and balance sheet data give effect to the transactions and events described in "Unaudited Condensed Consolidated Pro Forma Financial Statements." The summary consolidated historical and pro forma financial data set forth below should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto included elsewhere in this Prospectus, "Unaudited Condensed Consolidated Pro Forma Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." See Notes 3, 7, 10, 11 and 13 of Notes to Consolidated Financial Statements for a discussion of business combinations, investment by Parent, restructuring and other charges, discontinued operations and subsequent events and their effect on comparability of year-to-year data. The summary historical and pro forma financial data set forth below is not necessarily indicative of the results of operations or financial position which would have resulted had the Separation and the Offerings occurred during the periods presented.

	THREE MONTHS ENDED MARCH 31,			YEAR ENDED DECEMBER 31,			
	PRO FORMA 1998	1998	1997	PRO FORMA 1997	1997	1996	1995
		(UNAUDITED)		(UNAUDITED)			
STATEMENT OF OPERATIONS DATA:							
Revenue	$ 300.8	$ 300.8	$ 263.2	$1,127.7	$1,127.7	$ 953.3	$ 805.0
Expenses:							
Cost of operations	209.7	209.7	190.3	809.1	809.1	703.6	570.1
Selling, general and administrative	32.1	32.1	31.9	117.3	117.3	135.3	137.7
Restructuring and other charges	--	--	--	--	--	8.8	3.3
Operating income	59.0	59.0	41.0	201.3	201.3	105.6	93.9
Interest expense	(0.6)	(5.4)	(7.6)	(5.7)	(25.9)	(29.7)	(19.1)
Interest and other income, net	0.8	0.8	3.0	6.7	6.7	13.9	6.2
Income from continuing operations before income taxes	59.2	54.4	36.4	202.3	182.1	89.8	81.0
Provision for income taxes	21.4	19.6	13.2	73.4	65.9	38.0	31.6
Income from continuing operations	37.8	34.8	23.2	128.9	116.2	51.8	49.4
Loss from discontinued operations	--	--	--	--	--	--	(24.8)
Net income	$ 37.8	$ 34.8	$ 23.2	$ 128.9	$ 116.2	$ 51.8	$ 24.6
Pro forma net income per share basic and diluted(a)	$ 0.22			$ 0.74			
Pro forma weighted average shares outstanding(b)	175.0			175.0			
OTHER OPERATING DATA:							
EBITDA(c)	$ 82.8	$ 82.8	$ 60.0	$ 287.4	$ 287.4	$ 180.9	$ 156.9
EBITDA margin(d)	27.5%	27.5%	22.8%	25.5%	25.5%	19.0%	19.5%
Depreciation and amortization	$ 23.8	$ 23.8	$ 19.0	$ 86.1	$ 86.1	$ 75.3	$ 63.0
Capital expenditures	29.0	29.0	35.2	165.3	165.3	146.9	147.9
Cash flows from operating activities	80.3	80.3	73.1	279.4	279.4	143.5	125.4
Cash flows from investing activities	(21.2)	(21.2)	(39.0)	(168.1)	(168.1)	(175.7)	(110.7)
Cash flows from financing activities	(59.1)	(59.1)	(12.5)	(135.5)	(135.5)	20.3	2.8

	PRO FORMA MARCH 31, 1998	MARCH 31, 1998(E)	DECEMBER 31, 1997	1996	1995
	(UNAUDITED)				(UNAUDITED)
BALANCE SHEET DATA:					
Total assets	$1,488.2	$1,488.2	$1,348.0	$1,090.3	$ 838.9
Due to affiliate	--	114.8	107.8	49.3	86.3
Notes payable to Resources	--	130.9	158.3	205.6	38.7
Total debt, net of current maturities	61.4	61.4	64.3	109.5	124.8
Total shareholders' equity	1,133.0	887.3	750.8	494.5	372.2

- ---

(a) Historical net income per share has not been presented because it would not be meaningful. Prior to the Offerings Closing Date, the Company had only 100 shares of common stock outstanding, all of which were owned by Parent. Unaudited pro forma net income per common share is calculated based on net

income divided by the number of shares of Class A Common Stock and Class B Common Stock to be outstanding after the Offerings Closing Date.

(b) Does not include outstanding options to purchase common stock of Parent held by employees of the Company which may be converted into stock options relating to the Company's Class A Common Stock at the Distribution Date. See "Certain Transactions -- Employee Benefits Agreement" for a description of the stock option substitution methodology.

(c) EBITDA represents operating income plus depreciation and amortization. While EBITDA data should not be construed as a substitute for operating income, net income or cash flows from operations in analyzing the Company's operating performance, financial position and cash flows, the Company has included EBITDA data (which is not a measure of financial performance under generally accepted accounting principles ("GAAP")) because it believes that such data is commonly used by certain investors to evaluate a company's performance in the solid waste industry. Due to the fact that not all companies calculate non-GAAP measures in the same manner, the EBITDA presentation herein may not be comparable to similarly titled measures reported by other companies.

(d) EBITDA margin represents EBITDA divided by revenue.

(e) The pro forma effect of the $2.0 billion dividend declared in April 1998 on the Company's March 31, 1998 financial position, assuming it occurred on March 31, 1998, would have been to issue Company Notes payable to Parent in the amount of $2.0 billion and to decrease shareholder's equity by $2.0 billion resulting in a shareholder's deficit of $1.1 billion.

RISK FACTORS

Prospective purchasers of the Class A Common Stock offered hereby should consider carefully all of the information set forth in this Prospectus, and, in particular, should evaluate the following risks in connection with an investment in the Class A Common Stock.

RISK OF NONCOMPLETION OF THE DISTRIBUTION; FAILURE TO OBTAIN FAVORABLE LETTER RULING

Parent has announced that, subject to certain conditions, following the Offerings, Parent intends to distribute to its stockholders in 1999 all of the Common Stock owned by Parent. See "Background of the Offerings -- Conditions to the Distribution" and "Certain Transactions -- Separation and Distribution Agreement." One of the conditions to the Distribution is that Parent obtains a private letter ruling from the Internal Revenue Service ("IRS") to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), in form and substance satisfactory to Parent (the "Letter Ruling"). Parent intends to apply for such a Letter Ruling and to promptly take all necessary steps to complete such a tax-free distribution within three months after satisfaction or waiver of all of the conditions to the Distribution, including obtaining the Letter Ruling. Parent does not plan to distribute its shares of Common Stock to Parent's stockholders without such a favorable Letter Ruling, including a ruling satisfactory to Parent that the general acquisition growth strategies of Parent and the Company would not cause the Distribution to be taxable and that such acquisition growth strategies would not be impeded by completing the Distribution. Due to recent changes in the tax law and other factors, there is no assurance that Parent will receive the Letter Ruling, or that it will receive it within the time frame contemplated, and, consequently, there is no assurance that the Distribution will occur or will occur within the time frame contemplated. The Distribution also is subject to the condition that no events or developments occur following the Offerings Closing Date that, in the sole judgment of the Board of Directors of Parent (the "Parent Board"), would or could result in the Distribution having a material adverse effect on Parent or Parent's stockholders. In addition, as a condition to the Distribution, Parent will be required to obtain certain consents from governmental authorities and other third parties. There can be no assurance that any of such conditions, or any other conditions to the Distribution, will be satisfied, or that the Distribution will occur in the time frame contemplated or at all. The failure of the Distribution to occur in the time frame contemplated or at all could materially adversely affect the Company and the market price of the Class A Common Stock. See "Background of the Offerings -- Separation and Distribution" and "Certain Transactions -- Tax Indemnification and Allocation Agreement."

CONTROL OF THE COMPANY

Prior to the Offerings Closing Date, the Company has been a wholly owned subsidiary of Parent. On the Offerings Closing Date, Parent will own approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), which will represent approximately 91.2% of the combined voting power of all of the outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). As a result, Parent will be able to control virtually all matters requiring approval of the stockholders of the Company, including the election of all of the Company's directors. The Company's Board of Directors (the "Board") currently consists of two members, both of whom serve concurrently as members of the Parent Board. Parent currently intends to maintain ownership of at least 80% of the combined voting power of the Class A Common Stock and Class B Common Stock until the Distribution can be completed. There can be no assurance that Parent will complete the Distribution of the Common Stock held by it to Parent's stockholders. If the Distribution is not effected, Parent could maintain a controlling interest in the Company indefinitely, which may materially adversely affect the Company and the market price of the Class A Common Stock. In addition, for so long as Parent maintains a significant interest in the Company, the market price of the Class A Common Stock may be adversely affected by events relating to Parent which are unrelated to the Company.

POTENTIAL ADVERSE EFFECT FROM DISPARATE VOTING RIGHTS

The holders of Class A Common Stock and Class B Common Stock have identical rights except that holders of Class A Common Stock are entitled to one vote per share while holders of Class B Common Stock are entitled to five votes per share on all matters submitted to a vote of the stockholders. The differential in the voting rights could adversely affect the value of the Class A Common Stock to the extent that investors or any potential future purchaser of the Company views the superior voting rights of the Class B Common Stock to have value. The existence of two separate classes of Common Stock could result in less liquidity for either class of Common Stock than if there were only one class of Common Stock.

DEPENDENCE OF THE COMPANY ON PARENT FOR CERTAIN SERVICES

The Company historically has been dependent upon Parent for various services including accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. Prior to the Offerings Closing Date, the Company and Parent intend to enter into an agreement under which Parent will continue to provide these services to the Company in exchange for fees payable by the Company to Parent, for an initial term expiring one year following the Offerings Closing Date. After the initial term of such agreement, the Company will need to extend the term of such agreement, engage others to perform such services or perform such services internally. No assurance can be given that Parent will continue to provide the Company with such services after the initial term of the agreement, or that the cost of such services will not be significantly higher if the Company purchases such services from unaffiliated providers or employs staff to handle such functions internally. See "Certain Transactions -- Services Agreement."

INTERCOMPANY AGREEMENTS NOT SUBJECT TO ARM'S LENGTH NEGOTIATIONS

Prior to the Offerings Closing Date, Parent and the Company intend to enter into certain intercompany agreements, including agreements pursuant to which Parent will provide various services to the Company that are material to the conduct of the Company's business. Because the Company is a wholly owned subsidiary of Parent, none of these agreements will result from arm's-length negotiations and, therefore, there is no assurance that the terms and conditions of such agreements will be as favorable to the Company as could be obtained by the Company from unaffiliated third parties. See "Certain Transactions."

CONFLICTS OF INTEREST

After the Offerings Closing Date, three of the executive officers of Parent will be executive officers of the Company and all of the members of the Board will be members of the Parent Board. In addition, certain executive officers and directors of the Company hold shares of common stock, par value $.01 per share, of Parent ("Parent Common Stock"), and options and warrants to acquire shares of Parent Common Stock. Accordingly, there is a potential that such individuals may have conflicts of interest with respect to certain decisions which may arise in the ordinary course of the business of Parent or the Company, including with respect to relationships between Parent and the Company under intercompany agreements and whether to complete the Distribution. See "Certain Transactions." No formal procedures have been established to resolve any conflicts that may confront the Company and such other persons, and the Company intends to resolve such conflicts on a case-by-case basis.

LIMITED ABILITY TO ISSUE COMMON STOCK PRIOR TO DISTRIBUTION

In order for the Distribution to be tax-free to Parent and Parent's stockholders, among various other requirements, Parent must distribute to Parent's stockholders on the date of the Distribution (the "Distribution Date") (a) stock of the Company possessing at least 80% of the total combined voting power of all classes of voting stock of the Company, and (b) 80% of the total number of shares of each class of non-voting stock of the Company (the "Required Distribution Percentage"). If Parent were not able to distribute to its stockholders shares of stock of the Company constituting the Required Distribution Percentage, the Distribution would not be tax-free and would not occur. Accordingly, the Company will agree in the Separation and Distribution Agreement (as defined below) not to issue additional shares of Common Stock,

or any other class of stock including preferred stock, without the consent of Parent if such issuance would, or could, dilute or otherwise reduce Parent's ownership of Common Stock, or any other such class of stock, below the Required Distribution Percentage or otherwise prevent the Distribution from receiving tax-free status. The Separation and Distribution Agreement will terminate if the Distribution does not occur on or prior to December 31, 1999, unless extended by Parent and the Company. Prior to the Distribution Date, these restrictions may impede the ability of the Company to issue equity securities, including Common Stock, to raise necessary equity capital or to complete acquisitions using equity securities, including Common Stock, as acquisition currency and thereby prevent the Company from realizing its business and growth strategies prior to the Distribution Date. See "Certain Transactions -- Separation and Distribution Agreement."

TAX INDEMNIFICATION OBLIGATION

As a condition to Parent effecting the Distribution, the Company will be required to indemnify Parent for any tax liability suffered by Parent arising out of actions by the Company after the Distribution that would cause the Distribution to lose its qualification as a tax-free distribution for federal income tax purposes under Section 355 of the Code. For example, the Company may be required to refrain from taking certain actions after the Distribution, such as issuing an additional amount of its capital stock in a single transaction or series of transactions related to the Distribution which, when combined with the Class A Common Stock issued in the Offerings and any shares of Common Stock sold by Parent prior to the Distribution, could cause a 50% or greater change in the vote or value of the outstanding capital stock of the Company. In the event that the Company is required to indemnify and reimburse Parent for any tax liability incurred by Parent arising out of the Distribution, such indemnification and reimbursement would have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. See "Certain Transactions -- Tax Indemnification and Allocation Agreement."

LIMITED RELEVANCE OF HISTORICAL FINANCIAL INFORMATION

The financial information included herein may not necessarily reflect the results of operations, financial position and cash flows of the Company in the future or what the results of operations, financial position and cash flows would have been had the Company been a separate, stand-alone entity during the periods presented. The historical financial information included herein does not reflect many significant changes that will occur in the funding and operations of the Company as a result of the Separation, the Offerings, and the Distribution. See "Certain Transactions," "Unaudited Condensed Consolidated Pro Forma Financial Statements," including the discussion of the assumptions reflected therein, and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

FUTURE CAPITAL REQUIREMENTS; ABSENCE OF PARENT FUNDING

The Company's working capital requirements and cash flow provided by operating activities can vary from quarter to quarter, depending on the timing of capital expenditures, acquisitions and other factors. The Company is not currently operated as a stand-alone company. In the past, the Company's needs for working capital and general corporate purposes, including acquisitions, have been satisfied pursuant to Parent's corporate-wide cash management policies. However, immediately after the Offerings Closing Date, Parent will not be required to provide funds to finance the Company's operations or acquisitions. The Company expects that it will incur long-term debt as well as short-term debt, and that it may not be able to obtain financing with interest rates or repayment terms as favorable as those historically enjoyed by Parent, with the result that the Company's cost of capital may be higher than that reflected in its historical financial statements. The Company has obtained a commitment from Bank of America National Trust and Savings Association, The Chase Manhattan Bank, The First National Bank of Chicago and NationsBank, N.A., for an aggregate of $525.0 million toward $1.0 billion of revolving credit facilities, and is in the process of assembling a syndicate of lenders to commit to the balance of such facilities. The closing of such revolving credit facilities is expected to occur after the Offerings Closing Date, but there can be no assurance that such financing will occur. If such financing does not occur, there can be no assurance that the Company will be able to obtain other debt financing on terms as favorable to the Company as currently proposed or as its existing indebtedness. Parent's bank credit facilities restrict the ability of Parent and its subsidiaries to incur

indebtedness, incur liens, consummate certain asset sales, make certain investments, or enter into certain transactions with affiliates, subject in each case to exceptions, and require Parent to maintain certain consolidated financial ratios. While the Company remains a subsidiary of Parent, these restrictive covenants and financial ratios could adversely affect the Company and the market price of the Class A Common Stock. Parent has amended its credit facilities to permit the Company to incur unsecured indebtedness in excess of $1.0 billion. If the Company is unable to obtain financing in the amounts desired and on acceptable terms, the Company may be required to reduce significantly the scope of its presently anticipated acquisition growth strategy, which could have a material adverse effect on the Company's growth prospects and the market price of the Class A Common Stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

COMPETITIVE ENVIRONMENT

The Company's business operates in a highly competitive environment. In addition, the solid waste industry is changing as a result of rapid consolidation. The future success of the Company will be affected by such changes, the nature of which cannot be forecast with certainty. There can be no assurance that such developments will not create additional competitive pressures on the Company's business. Certain of the Company's competitors have significantly larger operations, and may have significantly greater financial resources, than the Company. In addition to national and regional firms and numerous local companies, the Company may compete with those municipalities that maintain waste collection or disposal operations. These municipalities may have a financial advantage relative to the Company due to the availability of tax revenue and tax-exempt financing. In each market in which it owns or operates a landfill, the Company competes for solid waste volume on the basis of disposal fees (commonly known as "tipping fees"), geographical location and quality of operations. The Company's ability to obtain solid waste volume may be limited by the fact that some major collection companies also own or operate landfills to which they send their waste. The Company competes for collection accounts primarily on the basis of price and the quality of its services. From time to time, competitors may reduce the price of their services in an effort to expand market share or to win a competitively bid municipal contract. See "Business -- Competition."

DEPENDENCE ON ACQUISITIONS FOR GROWTH

The Company's ability to execute its growth strategy depends in large part on its ability to identify and acquire desirable acquisition candidates. In addition, the implementation of its growth strategy will depend on the Company's ability to successfully integrate the acquired companies' operations and to increase the market share of such businesses. The consolidation of operations of acquired companies with those of the Company, the integration of systems, procedures, personnel and facilities, the relocation of staff, and the achievement of anticipated cost savings, economies of scale and other business efficiencies present significant challenges to management, particularly if several acquisitions proceed at the same time. There can be no assurance that the Company will be able to continue to identify desirable acquisition candidates, that any identified candidates will be acquired, that acquired companies will be effectively integrated to fully realize expected cost savings, economies of scale and business efficiencies, or that any such acquisitions will prove to be profitable or accretive to the Company's earnings. The acquisition of companies requires the expenditure of significant amounts of capital, and the intense competition among companies, particularly publicly-owned competitors of the Company, pursuing the same acquisition candidates may further increase such capital requirements. In addition, the inability of the Company to account for acquisitions under the pooling of interests method of accounting for a period ending two years following the Distribution may impede its ability to complete certain transactions. Furthermore, in order not to adversely impact the tax-free status of the Distribution following the Distribution, the Company may be required to refrain from issuing additional shares of its capital stock in a single transaction or series of transactions related to the Distribution which, when combined with the Class A Common Stock issued in the Offerings and any shares of Common Stock sold by Parent prior to the Distribution, could cause a 50% or greater change in the vote or value of the outstanding capital stock of the Company. In the event that acquisition candidates are not identifiable or to the extent that acquisitions are prohibitively costly or dilutive to projected earnings, the Company may be forced to alter its growth strategy.

As the Company continues to pursue its acquisition strategy in the future, its financial condition, results of operations and prospects and the market price of the Class A Common Stock may fluctuate significantly.

UNDISCLOSED LIABILITIES OF ACQUIRED BUSINESSES

There may be liabilities that the Company fails or is unable to discover in the course of performing due diligence investigations on each company or business it seeks to acquire, including liabilities arising from non-compliance with certain federal, state or local environmental laws by prior owners and for which the Company, as a successor owner, may be responsible. The Company generally seeks to minimize its exposure to such liabilities by obtaining indemnification from each seller of the acquired companies, which indemnification obligation may be supported by deferring payment of a portion of the purchase price. However, there can be no assurance that such indemnifications, even if obtainable, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities arising from the acquisitions.

MANAGEMENT OF GROWTH

The Company's growth has placed, and execution of its growth strategy is expected to continue to place, significant demands on its financial, operational and management resources. In order to meet expected growth and to operate independently of Parent as a stand-alone company, the Company will need to add administrative and other personnel, and make additional investments in operations and systems. There can be no assurance that the Company will be able to find and train qualified personnel, or do so on a timely basis, or expand its operations and systems to the extent and in the time required.

DEPENDENCE ON KEY PERSONNEL

The Company's future success depends to a significant extent on certain key executive officers. None of the Company's executive officers have employment agreements and the Company does not maintain key man life insurance policies on any of its executive officers. In addition, as a result of the Separation, the Company will need to employ additional personnel for certain functions that were previously performed by employees of Parent. Moveover, certain executive officers of the Company intend to resign their positions with the Company prior to the Distribution and new executives will need to be hired by the Company to replace them. The loss of the services of key employees (whether such loss is through resignation or other causes) or the inability to attract additional qualified personnel could have a material adverse effect on the Company's financial condition, results of operations and prospects and the market price of the Class A Common Stock. See "Management."

ENVIRONMENTAL REGULATION

It may be necessary to expend considerable time, effort and capital to keep the Company's existing and acquired facilities in compliance with applicable federal, state and local requirements which regulate health, safety, environment, zoning and land use. In addition, certain of the Company's waste operations that traverse state boundaries could be adversely affected if the federal government or the state or locality in which such operations are located limits or prohibits, imposes discriminatory fees on or otherwise seeks to discourage the transportation or disposal of solid waste. If environmental laws become more stringent, the Company's environmental capital expenditures and costs for environmental compliance may increase in the future. In addition, due to the possibility of unanticipated events, including regulatory developments, the amounts and timing of future environmental expenditures could vary substantially from those currently anticipated. By virtue of the nature of its operations, the Company has in the past and may in the future be named as a potentially responsible party in connection with the investigation or remediation of environmental conditions. There can be no assurance that the resolution of such matters will not have a material adverse effect on the financial condition, results of operations and prospects of the Company. The Company currently provides for accrued environmental and landfill costs which include landfill site closure and post-closure costs. At December 31, 1997, assuming that all available landfill capacity is used, approximately $280.0 million of such costs are expected to be expensed over the remaining lives of these facilities. There can be no assurance that the Company's reserves for environmental and landfill costs will be adequate to cover requirements under

existing or new environmental regulations, future changes or interpretations of existing regulations or the identification of adverse environmental conditions previously unknown to the Company. See "Business -- Regulation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Environmental and Landfill Matters."

RISKS OF LEGAL PROCEEDINGS

The Company generally is and will continue to be involved in various administrative and legal proceedings in the ordinary course of business. No assurance can be given with respect to the outcome of these proceedings or the effect such outcomes may have on the Company, or that the Company's insurance coverages or reserves with respect thereto are adequate. Citizen's groups have become increasingly active in challenging the grant or renewal of permits and licenses for landfills and other waste facilities, and responding to such challenges has further increased the costs and extended the time associated with establishing new facilities or expanding existing facilities. A significant judgment against the Company, the loss of significant permits or licenses, or the imposition of a significant fine could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Except for routine litigation incidental to the business of the Company, there are no pending material legal proceedings to which the Company is a party or to which any of its property is subject. However, unfavorable resolution of any proceedings to which the Company is a party could affect the consolidated results of operations, or cash flows for the quarterly period in which they are resolved.

SEASONALITY

The Company's operations can be adversely affected by periods of inclement weather which could delay the collection and disposal of waste, reduce the volume of waste generated or delay the construction or expansion of the Company's landfill sites and other facilities.

SHARES ELIGIBLE FOR FUTURE SALE

Subject to applicable law and to the contractual restriction with the Underwriters described below, Parent may sell any and all of the shares of Common Stock it owns after completion of the Offerings. The Separation and Distribution Agreement will provide that Parent will have the right in certain circumstances to require the Company to use its best efforts to register for resale shares of Common Stock held by Parent and its wholly owned subsidiaries. See "Certain Transactions -- Separation and Distribution Agreement." Parent intends to exercise its right to cause the Company to register for resale, subject to the 180-day lock-up period described below, shares of Class A Common Stock held by Parent and its wholly owned subsidiaries in order to sell such shares for cash prior to the Distribution. In addition, prior to the Distribution, Parent may acquire additional solid waste companies and contribute them to the Company in exchange for additional shares of Common Stock and, subject to the Company's lock-up described below, Parent may otherwise make investments in the Company prior to the Distribution. The planned Distribution would involve the distribution of an aggregate of approximately 101.0 million shares of Class B Common Stock and approximately 23.0 million shares of Class A Common Stock to the stockholders of Parent in 1999 (assuming that no shares of Common Stock are disposed of or acquired by Parent between the Offerings Closing Date and the Distribution Date). Shares of Class B Common Stock may convert into shares of Class A Common Stock in certain circumstances. See "Description of Capital Stock." Substantially all of the shares of Common Stock to be distributed to Parent's stockholders in the Distribution will be eligible for immediate resale in the public market. The Company is unable to predict whether substantial amounts of Common Stock will be sold in the open market in anticipation of, or following, the Distribution. Any sales of substantial amounts of Common Stock in the public market, or the perception that such sales might occur, whether as a result of the Distribution or otherwise, could materially adversely affect the market price of the Class A Common Stock. The Company and Parent have agreed, for a period of 90 days and 180 days, respectively, after the date of this Prospectus, not to offer or sell any shares of Common Stock, subject to certain exceptions (including the Distribution), without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") on behalf of the Underwriters; provided that the Company may at any time and from time to time (i) issue shares of Class A Common Stock to third parties as consideration for the Company's acquisition from such

third parties of non-hazardous solid waste businesses, (ii) grant options to purchase shares of Common Stock under the Company's 1998 Stock Incentive Plan and (iii) issue shares of Common Stock to Parent in connection with the prepayment of the Affiliate Payable, the Resources Notes Payable and the remaining amounts outstanding of the Company Notes and as consideration for the Company's acquisition from Parent of a non-hazardous solid waste business, in each case without the prior consent of Merrill Lynch. See "Shares Eligible for Future Sale." Following the Offerings Closing Date, the Company may issue shares of Class A Common Stock in connection with acquisitions, subject to the Company's agreement with Parent not to issue any shares of capital stock that would reduce Parent's ownership below the Required Distribution Percentage. See "Certain Transactions -- The Separation and Distribution Agreement -- The Distribution." In addition, the Company may also from time to time file registration statements covering the issuance and/or resale of shares of Class A Common Stock which may be issued in potential future acquisitions.

IMMEDIATE AND SUBSTANTIAL DILUTION

At an assumed initial public offering price of $25.50 per share, purchasers of shares of Class A Common Stock in the Offerings will incur immediate and substantial dilution of $21.69 per share in the net tangible book value of their purchased shares of Class A Common Stock. See "Dilution." Investors may also experience additional dilution as a result of shares of Common Stock being issued in connection with future business acquisitions and as a result of the issuance and exercise of employee stock options. See "Management -- Stock Incentive Plan," "Certain Transactions -- Employee Benefit Agreement" and "Shares Eligible for Future Sale."

NO DIVIDENDS

Following the Offerings Closing Date, the Company intends to retain all earnings for the foreseeable future for use in the operation and expansion of its business. Consequently, the Company does not anticipate paying any cash dividends on its Common Stock to its stockholders for the foreseeable future. In addition, it is probable that debt financing agreements to be entered into by the Company will contain restrictions on the Company's ability to declare dividends. See "Dividend Policy."

ABSENCE OF PRIOR PUBLIC MARKET; POSSIBLE VOLATILITY OF STOCK PRICE

Prior to the Offerings, there has been no public market for the Class A Common Stock. Although the Class A Common Stock has been approved for listing on the NYSE, subject to official notice of issuance, there can be no assurance that an active trading market for the Class A Common Stock will develop or be sustained following the Offerings or that the market price of the Class A Common Stock will not decline below the initial public offering price. The initial public offering price will be determined by negotiation among the Company and the Underwriters based upon several factors and may not be indicative of future market prices or indicative of total shareholders' equity as reflected on its balance sheet. The price at which the Class A Common Stock will trade will depend upon a number of factors, including, but not limited to, the Company's historical and anticipated operating results, announcements by the Company or its competitors, and general market and economic conditions, some of which factors are beyond the Company's control. In addition, the stock market has from time to time experienced extreme price and volume fluctuations. These broad market fluctuations may adversely affect the market price of the Class A Common Stock. See "Underwriting."

BACKGROUND OF THE OFFERINGS

SEPARATION AND DISTRIBUTION

Since 1995, Parent has acquired and developed numerous businesses in several industries, which currently are operated in three broad business segments, consisting of automotive retail, vehicle rental and solid waste services. Parent has announced that, subject to certain conditions, Parent intends to separate the Company, which owns and operates the Parent's solid waste services business, from Parent's other operations and businesses, to complete the Offerings, and to distribute to its stockholders in 1999 all of the Common Stock then owned by Parent. See "Risk Factors -- Risk of Noncompletion of the Distribution; Failure to Obtain Favorable Letter Ruling."

As a part of Parent, the solid waste companies that now comprise the Company on a consolidated basis historically have operated as a group of subsidiaries wholly owned, directly and indirectly, by the Company. The Separation will establish the Company as a stand-alone entity with objectives separate from those of Parent. The Company intends to focus its resources and management emphasis on the operations and markets it views as critical to its long-term success as a stand-alone entity.

Prior to the Offerings Closing Date and after effecting the Resources Dividend, Parent will effect the Separation in part by causing all of the common stock of Resources to be distributed by the Company to Parent. Resources is a subsidiary of the Company and substantially all of its assets and liabilities relate to Parent's automotive retail businesses, and do not relate to the Company's solid waste services businesses. The Company's financial statements exclude the accounts of Resources. In addition, prior to the Offerings Closing Date, certain subsidiaries engaged in the solid waste services business and wholly owned, directly and indirectly, by the Company will be reorganized internally within the Company's consolidated group of subsidiaries. Prior to the Distribution, certain subsidiaries engaged in automotive operations and wholly owned, directly or indirectly, by Parent will be reorganized internally within Parent's consolidated group of automotive subsidiaries, which will require certain approvals from third parties. The Company and Parent intend to enter into a Separation and Distribution Agreement (the "Separation and Distribution Agreement") and certain other agreements providing for the Separation, the Offering, the Distribution and the provision by Parent of certain interim services to the Company, and addressing employee benefit arrangements, and tax and other matters. See "Certain Transactions." Other than as discussed in "Certain Transactions," the Company and Parent have no present plan or intention to enter into any transactions or contracts with each other.

On the Offerings Closing Date, Parent will own approximately 70.9% of the outstanding Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), which will represent approximately 91.2% of the combined voting power of all of the outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). Following the Offerings Closing Date, Parent and the Company will take all reasonable steps necessary and appropriate to cause all conditions to the Distribution to be satisfied and to effect the Distribution of the Common Stock held by Parent to Parent's stockholders. See "Certain Transactions -- Separation and Distribution Agreement -- The Distribution." Prior to the Distribution Date, Parent and its wholly owned subsidiaries may sell, subject to its lock-up agreement with the Underwriters, shares of Class A Common Stock to raise cash. In that regard, the Company has granted to Parent and its wholly owned subsidiaries certain registration rights with respect to shares of Common Stock held by Parent and its wholly owned subsidiaries. Prior to the Distribution Date, Parent may convert shares of Class B Common Stock into shares of Class A Common Stock in order to resell such shares to raise cash. However, Parent currently intends to retain enough shares of Common Stock such that the Distribution will qualify as a tax-free distribution under Section 355 of the Code. Parent is required to retain at least 80% of the total voting interest in the Company in order to meet one of the conditions to obtaining a Letter Ruling and therefore Parent intends to retain at least approximately 92.8 million shares of Class B Common Stock (assuming a total of 175.0 million shares of Common Stock are issued and outstanding following the Offerings Closing Date) until the Distribution is completed. At the time of the Distribution, Parent intends to distribute all shares of Common Stock then held by it, including any shares of Class A Common Stock not sold prior to that time and any shares of Class B Common Stock not previously converted into Class A Common Stock, so that Parent will own no shares of Common Stock upon completion

of the Distribution. Following the Distribution, there are restrictions on the conversion of Class B Common Stock into Class A Common Stock. See "Description of Capital Stock -- Conversion."

Several business purposes underlie the proposed Distribution. Parent desires to access the capital markets and has determined that raising funds through the completion by the Company of the Offerings will maximize value to Parent and its stockholders. The completion of the Offerings will allow the Company to prepay a portion of the Company Notes payable to Parent. Parent intends to use the funds received from the Company for Parent's future acquisitions, particularly in its automotive retail operations, and for Parent's other corporate purposes.

The Company and Parent believe that the foregoing arrangement provides the most effective source of capital for both Parent and the Company and is part of the initial capitalization of the Company as a stand-alone entity. Parent and the Company believe that such arrangement provides each entity with the most prudent capital structures to realize their respective growth strategies as separate, stand-alone entities, based on the Company's and Parent's prospective capitalization and financing requirements, acquisition strategies, working capital requirements, projected cash flow from operations and desired credit ratings, respectively.

In addition to raising capital for Parent, the Company and Parent believe that the Distribution will enhance the Company's ability to implement its growth and operating strategies. As part of Parent, cash flow generated by the Company has been used to support growth in Parent's other business segments. The Company desires to be able to devote all of its cash flow to support its own operations and future growth. Following the Offerings Closing Date, the Company's cash flow will be devoted solely to support the Company's operations and future growth. In addition, the Company believes that its future growth would be enhanced if its management were compensated on a separate basis from Parent. Similarly, Parent believes that its future growth would be enhanced if management of its remaining business segments were more focused on such segments without also being responsible for the solid waste segment. Finally, upon completion of the Distribution, holders of Parent Common Stock as of the record date for the Distribution will be entitled to receive a dividend of Common Stock without the payment of further consideration, although Parent expects the market value of shares of Parent Common Stock to diminish upon effecting the Distribution to reflect the value (per share of Parent Common Stock) of the shares of Common Stock distributed by Parent.

The Company believes that its capitalization and cash flow from operations and ability to obtain short-term and long-term debt financings will be sufficient to satisfy its future working capital, capital expenditures, acquisitions and debt service requirements. The Company also believes that it will be able to procure bid and performance bonds, to arrange for revolving lines of credit and other financing as necessary, and to engage in hedging transactions, on commercially acceptable terms. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Pro Forma Financial Condition" and "Risk Factors -- Future Capital Requirements; Absence of Parent Funding."

CONDITIONS TO THE DISTRIBUTION

In accordance with the Separation and Distribution Agreement, completion of the Distribution will be subject to the satisfaction, or waiver by the Parent Board, in its sole discretion, of the following conditions: (i) a Letter Ruling shall have been obtained and remain effective to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Code, and will not result in recognition of any gain or loss for federal income tax purposes to Parent, the Company, or Parent's or the Company's respective stockholders, and such ruling shall be in form and substance satisfactory to Parent, in its sole discretion; (ii) any material Governmental Approvals and Consents (as such terms are defined in the Separation and Distribution Agreement) necessary to consummate the Distribution shall have been obtained and shall be in full force and effect; (iii) no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Parent shall have occurred or failed to occur that prevents the consummation of the Distribution; and (iv) no other events or developments shall have occurred subsequent to the closing of the Offerings that, in the judgment of the Parent Board, would result in the Distribution having a material adverse effect on Parent or on the

stockholders of Parent. Parent intends to apply for a Letter Ruling promptly. The Parent Board will have the sole discretion to fix the record date for the Distribution and fix the Distribution Date, at any time within three months following the satisfaction or waiver of all of the conditions to the Distribution, including the receipt of the Letter Ruling. It is currently contemplated that the Letter Ruling will not be received until sometime in 1999. The record date to determine holders of Parent Common Stock entitled to receive shares of Common Stock in the Distribution shall be fixed by the Parent Board in accordance with the Delaware law and the Certificate of Incorporation and bylaws of Parent. Under Delaware law, a record date for purposes of a distribution may not be fixed more than 60 days prior to the date of such distribution, and therefore Parent Board will not be able to fix or announce the record date for the Distribution until after it receives the Letter Ruling sometime in 1999. Only those persons who hold Parent Common Stock on the record date for the Distribution will be entitled to receive shares of Common Stock in the Distribution. Parent has agreed to consummate the Distribution, subject to the satisfaction, or waiver by the Parent Board, in its sole discretion, of the conditions set forth above. Parent may terminate the obligation to consummate the Distribution if the Distribution has not occurred by December 31, 1999. In addition, the Separation and Distribution Agreement may be amended or terminated at any time prior to the Distribution Date by the Company and Parent. No rights of appeal exist if a Letter Ruling is not obtained. If a Letter Ruling is not obtained, then Parent does not plan to complete the Distribution. See "Risk Factors -- Risk of Noncompletion of the Distribution; Failure to Obtain Favorable Letter Ruling," "Risk Factors -- Control of Company" and "Certain Transactions."

USE OF PROCEEDS

The net proceeds to the Company from the Offerings, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company, are estimated to be $1,230.0 million ($1,415.3 million if the Underwriters exercise their over-allotment options in full) at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus. On the Offerings Closing Date, all of the net proceeds to the Company will be used to prepay in part certain outstanding amounts of the Company Notes payable to Parent. The Company Notes were issued in April 1998 in payment of the $2.0 billion dividend declared by the Company at that time. The Company Notes bear interest at a rate of LIBOR plus 30 basis points per annum and mature April 12, 1999. Prior to the Offerings Closing Date, approximately $83.1 million of the Company Notes will be prepaid by the Company's transfer to Parent of the Resources Note Receivable. The Resources Dividend will be in the amount of approximately $501.6 million, based on the estimated $1,230.0 million of net proceeds from the Offerings as described above, and the assets received by the Company from Resources (which will be a subsidiary of Parent following the Offerings) will be applied to prepay in part the Company Notes prior to the Offerings Closing Date. The balance of the Company Notes remaining outstanding after the Offerings Closing Date, which will be equal to approximately $185.3 million based on the estimated $1,230.0 million of net proceeds from the Offerings, the approximately $83.1 million Resources Note Receivable and the estimated $501.6 million Resources Dividend described above, will be prepaid in full within 31 days after the Offerings Closing Date with the net proceeds, if any, from the exercise of the Underwriters' over-allotment options and the issuance of shares of Class A Common Stock valued at the initial public offering price per share. See "Certain Transactions -- Dividend and Intercompany Debt Repayments."

DIVIDEND POLICY

After the Offerings Closing Date, the Company does not intend to pay cash dividends on the Common Stock for the foreseeable future because it intends to retain all earnings for use in the operation and expansion of the Company's business. Furthermore, the Company's ability to declare or pay dividends may be limited in the future by the terms of any then-existing credit facilities which may contain covenants which restrict the payment of cash dividends. Holders of Class A Common Stock and Class B Common Stock have identical rights as to cash dividends, which if declared would be payable on a pro rata basis to all holders of Common Stock. See "Description of Capital Stock -- Common Stock -- Dividends."

CAPITALIZATION
(IN MILLIONS)

The following table sets forth as of March 31, 1998 the Company's (i) total debt (including current maturities) and capitalization, (ii) total debt (including current maturities) and capitalization on a pro forma basis after giving effect to the issuance of the Company Notes in April 1998 and (iii) total debt (including current maturities) and capitalization, as adjusted to give effect to the application of the estimated net proceeds to the Company from the Offerings and the other transactions and events described in "Unaudited Condensed Consolidated Pro Forma Financial Statements." See "Description of Capital Stock" and "Use of Proceeds." This table should be read in conjunction with the Company's Consolidated Financial Statements and "Unaudited Condensed Consolidated Pro Forma Financial Statements" included elsewhere in this Prospectus.

	MARCH 31, 1998		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED
Current debt:			
Due to affiliate	$ 114.8	$ 114.8	$ --
Notes payable and current maturities of long-term debt	11.7	11.7	11.7
Notes payable to Resources	130.9	130.9	--
Company Notes payable to Parent	--	2,000.0	--
Total current debt	257.4	2,257.4	11.7
Long-term debt, net of current maturities	61.4	61.4	61.4
Total debt	318.8	2,318.8	73.1
Shareholders' equity (deficit):			
Investment by Parent	887.3	(1,112.7)	--
Preferred stock	--	--	--
Common stock:			
Class A Common Stock	--	--	0.7
Class B Common Stock	--	--	1.0
Additional paid-in capital	--	--	1,131.3
Total shareholders' equity (deficit)	887.3	(1,112.7)	1,133.0
Total capitalization	$1,206.1	$1,206.1	$1,206.1

DILUTION

The Company's pro forma net tangible book value as of March 31, 1998 was a deficit of $1,579.4 million (excluding intangible assets totaling $466.7 million) or $(15.22) per share of Common Stock. Pro forma net tangible book value per share represents the amount of the Company's total tangible assets less its total liabilities, divided by the total number of shares of Common Stock outstanding after giving effect to (a) the issuance of the Company Notes payable to Parent in the aggregate amount of $2.0 billion in connection with the dividend to Parent in April 1998 and (b) the assumed recapitalization of the 100 shares of common stock of the Company which are currently outstanding into 103.8 million shares of Class B Common Stock as if these transactions and events occurred on March 31, 1998.

After giving effect to the transactions and events described in "Unaudited Condensed Consolidated Pro Forma Financial Statements," the pro forma net tangible book value as of March 31, 1998 would have been approximately $666.3 million or $3.81 per share of Common Stock. This represents an immediate increase in pro forma net tangible book value of $19.03 per share to the existing stockholder and an immediate dilution in net tangible book value of $21.69 per share to purchasers of Class A Common Stock in the Offerings, as illustrated in the following table:

Assumed initial public offering price per share		$25.50
Pro forma net tangible book value per share at March 31, 1998	(15.22)	
Increase per share attributable to the Resources Dividend in the amount of $501.6 million	4.83	
Increase per share attributable to the issuance of 12.9 million shares of Class A Common Stock to repay in full the Affiliate Payable and the Resources Notes Payable in the aggregate amount of $328.8 million(a)	2.82	
Increase per share attributable to the issuance of 7.3 million shares of Class A Common Stock to prepay all remaining amounts outstanding of the Company Notes payable to Parent in the amount of $185.3 million(b)	1.49	
Increase per share attributable to new investors	9.89	
Pro forma net tangible book value per share after the Offerings		3.81
Dilution in pro forma net tangible book value per share to new investors		$21.69

- ---

(a) The Company currently anticipates that the aggregate amount of the outstanding Affiliate Payable and Resources Note Payable at the Offerings Closing Date will be equal to approximately $400.0 million and that 15.7 million shares of Class A Common Stock will be issued prior to the Offerings Closing Date to satisfy such outstanding amounts in full, based on an assumed initial public offering price of $25.50 per share.

(b) Net proceeds, if any, received by the Company from the exercise of the Underwriters' over-allotment options will be used to prepay amounts outstanding under the Company Notes and, in such event, the number of shares of Class A Common Stock issued to Parent will be reduced accordingly.

The following table sets forth, as of March 31, 1998, the difference between the total consideration paid and the average price per share paid by Parent and by purchasers of shares in the Offerings, before deduction of the underwriting discounts and commissions and estimated offering expenses and after giving effect to the transactions and events described in "Unaudited Condensed Consolidated Pro Forma Financial Statements:"

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
	(IN MILLIONS)		(IN MILLIONS)		
Existing stockholder	124.0	70.9%	$ --	0.0%	$ --
New investors	51.0	29.1	1,300.5	100.0	25.50
Total	175.0	100.0%	$1,300.5	100.0%	$ 7.43

At the Offerings Closing Date, there will be no outstanding stock options to purchase shares of Common Stock. Upon completion of the Distribution, the Company intends to issue substitute options under the Company's 1998 Stock Incentive Plan in substitution for stock option grants under Parent's stock option plans held by employees of the Company as of the Distribution Date. Such substitute options will provide for the

purchase of a number of shares of Class A Common Stock determined based on a ratio of average trading prices of Parent Common Stock and Class A Common Stock immediately prior to the Distribution. For a more detailed discussion of such substitution methodology, see "Certain Transactions -- Employee Benefits Agreement." As of June 12, 1998, there were outstanding stock options for approximately 7.3 million shares of Parent Common Stock at a weighted average exercise price of $19.71 per share held by employees of the Company (approximately 2.4 million of which were exercisable as of June 12, 1998). If substitute options to purchase Class A Common Stock were granted in respect of these options to purchase Parent Common Stock based upon the closing price of the Parent Common Stock on June 12, 1998 on the NYSE ($24.875 per share) and a price of $25.50 per share of Class A Common Stock (the midpoint of the estimated range set forth on the cover page of this Prospectus), the Company would grant substitute stock options to purchase approximately 7.1 million shares of Class A Common Stock at a weighted average exercise price of $20.21. However, it is not possible to specify how many shares of Class A Common Stock will be subject to such stock options at the time of the Distribution, as it is not known how many stock options will remain unexercised and outstanding by the record date for the Distribution. If these options are exercised, further dilution to new investors will occur. The Company may also issue additional shares of Common Stock to effect future business acquisitions or upon exercise of future stock option grants or equity awards, which could also result in additional dilution to then existing stockholders. See "Management -- Stock Incentive Plan" and "Certain Transactions -- Separation and Distribution Agreement" and "-- Employee Benefits Agreement."

SELECTED FINANCIAL DATA
(IN MILLIONS, EXCEPT PER SHARE DATA)

The following table presents selected consolidated statement of operations and balance sheet data of the Company for the periods and the dates indicated. The selected statement of operations data for each of the full fiscal years 1997, 1996 and 1995, and the selected balance sheet data at December 31, 1997 and 1996, presented below, were derived from the Company's Consolidated Financial Statements, which have been audited by Arthur Andersen LLP, independent certified public accountants. The selected statement of operations data of the Company for each of the full fiscal years 1994 and 1993, and the selected balance sheet data at December 31, 1995, 1994 and 1993 presented below were derived from the unaudited consolidated financial statements of the Company, which in the opinion of management reflect all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of such data. The selected statement of operations data for the three months ended March 31, 1998 and 1997 and the selected balance sheet data at March 31, 1998 were derived from unaudited interim consolidated financial statements included elsewhere in this Prospectus. The unaudited interim consolidated financial statements include all material adjustments, consisting only of normal recurring adjustments, which the Company considers necessary for a fair presentation of its financial position and results of operations for these periods. Operating results for the three months ended March 31, 1998 are not necessarily indicative of the results that may be expected for a full year. The selected consolidated financial data below should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto as of March 31, 1998 (unaudited) and December 31, 1997 and 1996 and for the three months ended March 31, 1998 and 1997 (unaudited) and for each of the three years in the period ended December 31, 1997 included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations." See Notes 3, 7, 10, 11 and 13 of Notes to Consolidated Financial Statements for a discussion of business combinations, investment by Parent, restructuring and other charges, discontinued operations and subsequent events and their effect on comparability of year-to-year data.

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1998	1997	1997	1996	1995	1994	1993
	(UNAUDITED)					(UNAUDITED)	
STATEMENT OF OPERATIONS DATA:							
Revenue	$300.8	$263.2	$1,127.7	$ 953.3	$ 805.0	$ 610.1	$ 485.5
Expenses:							
Cost of operations	209.7	190.3	809.1	703.6	570.1	434.0	388.9
Selling, general and administrative	32.1	31.9	117.3	135.3	137.7	115.0	69.8
Restructuring and other charges	--	--	--	8.8	3.3	--	10.0
Operating income	59.0	41.0	201.3	105.6	93.9	61.1	16.8
Interest expenses	(5.4)	(7.6)	(25.9)	(29.7)	(19.1)	(13.2)	(6.6)
Interest and other income (expense), net	0.8	3.0	6.7	13.9	6.2	(4.0)	(3.8)
Income (loss) from continuing operations before income taxes	54.4	36.4	182.1	89.8	81.0	43.9	6.4
Provision for income taxes	19.6	13.2	65.9	38.0	31.6	17.0	3.9
Income (loss) from continuing operations	34.8	23.2	116.2	51.8	49.4	26.9	2.5
Loss from discontinued operations	--	--	--	--	(24.8)	(5.4)	(10.9)
Net income (loss)(a)	$ 34.8	$ 23.2	$ 116.2	$ 51.8	$ 24.6	$ 21.5	$ (8.4)

	MARCH 31,	DECEMBER 31,				
	1998(B)	1997	1996	1995	1994	1993
	(UNAUDITED)				(UNAUDITED)	
BALANCE SHEET DATA:						
Total assets	$1,488.2	$1,348.0	$1,090.3	$ 838.9	$ 681.1	$ 672.8
Due to affiliate	114.8	107.8	49.3	86.3	8.6	4.0
Notes payable to Resources	130.9	158.3	205.6	38.7	18.8	15.6
Total debt, net of current maturities	61.4	64.3	109.5	124.8	179.2	117.5
Total shareholder's equity	887.3	750.8	494.5	372.2	272.4	230.3

(a) Historical net income per share has not been presented because it would not be meaningful. Prior to the Offerings Closing Date, the Company had only 100 shares of common stock outstanding, all of which were owned by Parent.

(b) In April 1998, the Company declared a $2.0 billion dividend to Parent paid through issuance of Company Notes payable to Parent. The pro forma effect of this event on the Company's March 31, 1998 financial position, assuming it

occurred on March 31, 1998, would have been to issue Company Notes payable to Parent in the amount of $2.0 billion and to decrease shareholder's equity by $2.0 billion resulting in a shareholder's deficit of $1.1 billion.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS

The following Unaudited Condensed Consolidated Pro Forma Financial Statements reflect the effects of adjustments to the historical financial condition and results of operations of the Company. The Unaudited Condensed Consolidated Pro Forma Financial Statements should be read in conjunction with the Consolidated Financial Statements and other financial information elsewhere in this Prospectus.

The following Unaudited Condensed Consolidated Pro Forma Statements of Operations for the Three Months Ended March 31, 1998 and for the Year Ended December 31, 1997 give effect to the following transactions and events as if they occurred at the beginning of the periods presented: (i) the issuance of the Company Notes payable to Parent in the aggregate amount of $2.0 billion in connection with the dividend to Parent in April 1998; (ii) the prepayment of $584.7 million of the Company Notes payable to Parent using certain assets to be received from the Resources Dividend and the Resources Note Receivable; (iii) the repayment in full of the Resources Notes Payable and the Affiliate Payable, which equaled approximately $214.0 million and $114.8 million, respectively, as of March 31, 1998, through the issuance by the Company of 12.9 million shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus); (iv) the sale and issuance of 51.0 million shares of Class A Common Stock in the Offerings (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus) and the application of net proceeds therefrom to prepay $1,230.0 million of the Company Notes payable to Parent; (v) the issuance to Parent of 7.3 million shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus) to prepay approximately $185.3 million which will constitute all remaining amounts outstanding of the Company Notes payable to Parent within 31 days following the Offerings Closing Date, assuming that the Underwriters' over-allotment options are not exercised; (vi) the reclassification of the investment by Parent to 103.8 million shares of Class B Common Stock and additional paid-in capital of the Company; and (vii) the tax effect of the foregoing. The following Unaudited Condensed Consolidated Pro Forma Balance Sheet gives effect to the transactions and events described in clauses (i) through (vi) above as if they occurred on March 31, 1998.

The historical results of operations of the Company reflect an allocation of a portion of Parent's corporate general and administrative costs. Following the Offerings Closing Date various corporate services will be provided by Parent to the Company based upon fees payable by the Company to Parent under a services agreement to be entered into between the Company and Parent. The annual fee under the Services Agreement will be $15.0 million in 1998 and the corporate general and administrative costs allocated to the 1997 historical financial statements was $10.2 million. The methodology used to determine fees under the Services Agreement and to allocate costs in the historical financial statements is consistent. The increase is due to the actual and estimated growth of the Company in 1998 and 1999. Accordingly, no pro forma adjustment has been made to reflect such fees in lieu of the corporate general and administrative cost allocation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Overview" and "-- Pro Forma Financial Condition."

Historical net income per share has not been presented because it would not be meaningful. Prior to the Offerings Closing Date, the Company had only 100 shares of common stock outstanding, all of which were owned by Parent. Prior to the Offerings Closing Date, the Company will amend and restate the Certificate to authorize two classes of Common Stock consisting of Class A Common Stock and Class B Common Stock. Prior to the Offerings Closing Date, all outstanding shares of common stock of the Company held by Parent will be converted into shares of Class B Common Stock, which will constitute 100% of the outstanding shares of Class B Common Stock. Unaudited pro forma net income per common share is calculated based on net income after giving effect to the transactions and events described in clauses (i) through (vi) above, divided by the number of shares of Class A Common Stock and Class B Common Stock to be outstanding after the Offerings Closing Date.

Management believes that the assumptions used provide a reasonable basis on which to present the unaudited condensed consolidated pro forma financial data. The Unaudited Condensed Consolidated Pro Forma Financial Statements are provided for informational purposes only and should not be construed to be indicative of the Company's consolidated financial position or results of operations had the transactions and events described above been consummated on the dates assumed and do not project the Company's financial condition or results of operations for any future date or period.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 1998
(IN MILLIONS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS	PRO FORMA
Revenue	$ 300.8	$	$ 300.8
Expenses:			
Cost of operations	209.7		209.7
Selling, general and administrative	32.1		32.1
Operating income	59.0		59.0
Interest expense	(5.4)	4.8(a)	(0.6)
Interest and other income	0.8		0.8
Income before income taxes	54.4	4.8	59.2
Provision for income taxes	(19.6)	(1.8)(b)	(21.4)
Net income	$ 34.8	$ 3.0	$ 37.8
Pro forma net income per share			$ 0.22
Pro forma weighted average shares outstanding			175.0

The accompanying notes are an integral part of this statement.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1997
(IN MILLIONS, EXCEPT PER SHARE DATA)

	HISTORICAL	ADJUSTMENTS	PRO FORMA
Revenue	$1,127.7	$	$1,127.7
Expenses:			
Cost of operations	809.1		809.1
Selling, general and administrative	117.3		117.3
Operating income	201.3		201.3
Interest expense	(25.9)	20.2(a)	(5.7)
Interest and other income	6.7		6.7
Income before income taxes	182.1	20.2	202.3
Provision for income taxes	(65.9)	(7.5)(b)	(73.4)
Net income	$ 116.2	$ 12.7	$ 128.9
Pro forma net income per share			$ 0.74
Pro forma weighted average shares outstanding			175.0

The accompanying notes are an integral part of this statement.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET
AS OF MARCH 31, 1998
(IN MILLIONS)

	HISTORICAL	ADJUSTMENTS	PRO FORMA
ASSETS			
Current assets			
Cash and cash equivalents	$ --	$	$ --
Accounts receivable, net	139.0		139.0
Prepaid expenses and other current assets	45.2		45.2
Total current assets	184.2		184.2
Property and equipment, net	826.5		826.5
Intangible and other assets, net	477.5		477.5
Total assets	$1,488.2	$	$1,488.2
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 112.1	$	$ 112.1
Due to affiliate	114.8	(114.8)(e)	--
Notes payable and current maturities of long-term debt	11.7		11.7
Notes payable to Resources	130.9	83.1(d) (214.0)(e)	--
Company Notes payable to Parent	--	2,000.0(c) (584.7)(d) (1,230.0)(f) (185.3)(g)	--
Deferred revenue and other current liabilities	60.7		60.7
Total current liabilities	430.2	(245.7)	184.5
Long-term debt, net of current maturities	61.4		61.4
Deferred income taxes and other liabilities	109.3		109.3
Total liabilities	600.9	(245.7)	355.2
Shareholders' equity			
Investment by Parent	887.3	(2,000.0)(c) 501.6(d) 611.1(h)	--
Preferred stock	--		--
Common stock			
Class A Common Stock	--	0.1(e) 0.5(f) 0.1(g)	0.7
Class B Common Stock	--	1.0(h)	1.0
Additional paid-in capital	--	328.7(e) 1,229.5(f) 185.2(g) (612.1)(h)	1,131.3
Total shareholders' equity	887.3	245.7	1,133.0
Total liabilities and shareholders' equity	$1,488.2	$ --	$1,488.2

The accompanying notes are an integral part of this statement.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED
PRO FORMA FINANCIAL STATEMENTS

The following is a summary of the pro forma adjustments reflected in the Unaudited Condensed Consolidated Pro Forma Financial Statements:

(a) Adjust historical interest expense to eliminate interest expense on the Resources Notes Payable assumed to have been repaid at the beginning of the period presented.

(b) Recognize income taxes on the pro forma adjustment described above.

(c) The issuance of the Company Notes payable to Parent in the aggregate amount of $2.0 billion in connection with the dividend by the Company in April 1998 to the Parent.

(d) The prepayment of $584.7 million of the Company Notes payable to Parent using certain assets to be received from the Resources Dividend in the amount of approximately $501.6 and the Resources Note Receivable in the amount of approximately $83.1 million.

(e) The repayment in full of the Resources Notes Payable and the Affiliate Payable through the issuance by the Company of 12.9 million shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus). It is presently anticipated that the aggregate amount of the outstanding Affiliate Payable and Resources Notes Payable at the Offerings Closing Date will be equal to $400.0 million and that 15.7 million shares of Class A Common Stock will be issued prior to the Offerings Closing Date to satisfy such outstanding amounts in full, based on an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus.

(f) The sale and issuance of 51.0 million shares of Class A Common Stock in the Offerings (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus) and the application of the net proceeds therefrom to prepay $1,230.0 million of the Company Notes payable to Parent.

(g) The issuance to Parent of 7.3 million shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus) to prepay all remaining amounts outstanding of the Company Notes payable to Parent within 31 days following the Offerings Closing Date.

(h) The reclassification of the investment by Parent to 103.8 million shares of Class B Common Stock and additional paid-in capital of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto of the Company, a wholly owned subsidiary of Parent, and the Unaudited Condensed Consolidated Pro Forma Financial Statements of the Company both of which are included elsewhere herein.

OVERVIEW

Prior to the Offerings Closing Date, the Company has been a wholly owned subsidiary of Parent. As a wholly owned subsidiary, the Company has received services provided by Parent, including accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. Parent has also provided the Company with the services of a number of its executives and employees. In consideration for these services, Parent has allocated a portion of its overhead costs related to such services to the Company. This allocation has historically been based on the proportion of invested capital of the Company as a percentage of the consolidated invested capital of Parent and its subsidiaries (including the Company). Management of the Company believes that the amounts allocated to the Company have been no less favorable to the Company than costs the Company would have incurred to obtain such services on its own or from unaffiliated third parties.

The historical consolidated financial information included in this Prospectus does not necessarily reflect what the Company's financial position and results of operations would have been had the Company been operated as a separate, stand-alone entity during the periods presented.

GENERAL

The Company is a leading provider of non-hazardous solid waste collection and disposal services in the United States. The Company provides solid waste collection services for commercial, industrial, municipal and residential customers through 96 collection companies in 24 states. The Company also owns or operates 54 transfer stations and 42 solid waste landfills.

The Company's revenue is generated primarily from its solid waste collection operations, with the remainder comprised of revenue from landfill disposal services and other services including recycling and composting operations. Collection, landfill disposal and other services accounted for approximately 73.8%, 12.4% and 13.8% of consolidated revenue for the year ended December 31, 1997, respectively.

Revenue from collection operations consists of fees from commercial, industrial, municipal and residential customers. In 1997, the Company's revenue from collection services was derived approximately one-third from services provided to commercial customers, one-third from services provided to industrial customers and one-third from services provided to municipal and residential customers. Residential and commercial collection operations in certain markets are performed under long-term contracts with municipalities. Industrial and commercial collection operations generally are provided to individual customers on a contractual basis with terms up to three years. Revenue from landfill disposal operations consists of tipping fees charged to third parties. Recycling operations are generally integrated with collection operations with revenue derived through the sale of recyclable materials.

Cost of operations for the Company's collection operations is primarily variable and includes disposal, labor, fuel and equipment maintenance costs. The Company seeks to achieve a high rate of waste internalization by controlling waste streams from the point of collection through disposal. During the quarter ended March 31, 1998, approximately 41% of the total volume of waste collected by the Company was disposed of at the Company's landfills. Landfill cost of operations includes most daily operating expenses, the legal and administrative costs of ongoing environmental compliance, costs of capital for cell development and accruals for closure and post-closure costs. Certain direct landfill development costs, such as engineering, upgrading, cell construction and permitting costs, are capitalized and depleted based on consumed airspace. All indirect landfill development costs are expensed as incurred.

BUSINESS COMBINATIONS

The Company and Parent make decisions to acquire or invest in businesses based on financial and strategic considerations.

Parent has acquired various businesses operating in the solid waste services industry using cash and shares of Parent Common Stock. These businesses were contributed by Parent to the Company subsequent to their acquisition. The Company has applied the same accounting method used by Parent in accounting for business combinations.

Significant businesses acquired and accounted for under the pooling of interests method of accounting have been included retroactively in the Consolidated Financial Statements as if the companies had operated as one entity since inception. Businesses acquired and accounted for under the purchase method of accounting are included in the Consolidated Financial Statements from the date of acquisition.

During the three months ended March 31, 1998, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $101.7 million consisting of cash and 2.6 million shares of Parent Common Stock. Cost in excess of the fair value of net assets acquired in these acquisitions totaled $109.7 million. As of March 31, 1998, the Company had intangible assets, net of accumulated amortization, of $466.7 million which consists primarily of the cost in excess of fair value of net assets acquired. Cost in excess of the fair value of net assets acquired is amortized over forty years on a straight-line basis. As of March 31, 1998, amortization expense associated with these intangible assets on an annualized basis is approximately $14.0 million. The Company believes the forty year life assigned to the cost in excess of the fair value of net assets acquired is reasonable as the businesses acquired are generally well established companies which have been in existence for many years and have stable, long-term customer relationships.

During the year ended December 31, 1997, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $147.9 million, consisting of cash and 5.7 million shares of Parent Common Stock. Cost in excess of the fair value of net assets acquired in these acquisitions totaled $149.1 million. In addition, Parent issued an aggregate of 34.1 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting. Included in the shares of Parent Common Stock issued in acquisitions accounted for under the pooling of interests method of accounting are approximately 0.3 million shares issued for acquisitions that were not material individually or in the aggregate and, consequently, prior period financial statements were not restated for such acquisitions.

During the year ended December 31, 1996, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $87.6 million, consisting of cash and 6.6 million shares of Parent Common Stock. Cost in excess of the fair value of net assets acquired in these acquisitions totaled $73.6 million. In addition, Parent issued an aggregate of 40.0 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting. Included in the shares of Parent Common Stock issued in acquisitions accounted for under the pooling of interests method of accounting are approximately 1.1 million shares issued for acquisitions that were not material individually or in the aggregate and, consequently, prior period financial statements were not restated for such acquisitions.

During the year ended December 31, 1995, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $76.5 million, consisting of cash and 16.0 million shares of Parent Common Stock. Cost in excess of the fair value of net assets acquired in these acquisitions totaled $83.4 million. In addition, Parent issued an aggregate of approximately 30.9 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting.

See Note 3, Business Combinations, of Notes to Consolidated Financial Statements, for further discussion of business combinations.

CONSOLIDATED RESULTS OF OPERATIONS

Three Months Ended March 31, 1998 and 1997

Net income was $34.8 million for the three months ended March 31, 1998 as compared to $23.2 million for the three months ended March 31, 1997.

The following table sets forth revenue and cost of operations, selling, general and administrative expenses, Parent overhead allocations and operating income with percentages of revenue for the three months ended March 31, 1998 and 1997 (in millions):

	1998	%	1997	%
Revenue	$300.8	100.0%	$263.2	100.0%
Cost of operations	209.7	69.7	190.3	72.3
Selling, general and administrative expenses	28.3	9.4	29.8	11.3
Parent overhead allocations	3.8	1.3	2.1	0.8
Operating income	$ 59.0	19.6%	$ 41.0	15.6%

Revenue. Revenue was $300.8 million and $263.2 million for the three months ended March 31, 1998 and 1997, respectively, an increase of 14.3%. Acquisitions accounted for 5.0% of the increase, volume accounted for 4.5% of the increase and "tuck-in" acquisitions accounted for 4.8% of the increase, respectively.

Cost of Operations. Cost of operations was $209.7 million and $190.3 million or, as a percentage of revenue, 69.7% and 72.3% for the three months ended March 31, 1998 and 1997, respectively. The increase in aggregate dollars is primarily due to acquisitions. The decrease in such costs as a percentage of revenue is primarily a result of improvements in overall operating efficiency achieved through reductions in operating costs of acquired businesses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $28.3 million and $29.8 million or, as a percentage of revenue, 9.4% and 11.3% for the three months ended March 31, 1998 and 1997, respectively. The decrease in selling, general and administrative expenses in aggregate dollars and as a percentage of revenue is primarily due to the reduction of administrative expenses of acquired businesses and cost savings from centralizing administrative functions in certain regions.

Parent Overhead Allocations. Parent overhead allocations include allocations of general and administrative costs not specifically attributable to its operating subsidiaries. Such allocations are based upon the ratio of the Company's invested capital to Parent's consolidated invested capital and were $3.8 million and $2.1 million for the three months ended March 31, 1998 and 1997, respectively. These allocations approximate management's estimate of Parent's corporate overhead required to support the Company's operations. Management believes such allocations are reasonable.

Interest Expense. Interest expense was incurred on notes payable to Resources and the debt assumed in acquisitions. Interest expense was $5.4 million and $7.6 million for the three months ended March 31, 1998 and 1997, respectively, and includes interest expense on notes payable to Resources of $4.8 million and $6.2 million for the three months ended March 31, 1998 and 1997, respectively.

Interest and Other Income. Interest and other income was $0.8 million and $3.0 million for the three months ended March 31, 1998 and 1997, respectively. The decrease is primarily due to fluctuations in cash balances on hand and related interest income.

Income Taxes. The provision for income taxes was $19.6 million and $13.2 million for the three months ended March 31, 1998 and 1997, respectively. Income taxes have been provided based upon the Company's anticipated annual effective income tax rate.

Years Ended December 31, 1997, 1996 and 1995

Net income was $116.2 million for the year ended December 31, 1997 as compared to $51.8 million in 1996 and $24.6 million in 1995. Operating results for the years ended December 31, 1996 and 1995 include restructuring and other charges further described below. Operating results for the year ended December 31, 1995 include a loss from discontinued operations described further below.

The following table sets forth revenue and cost of operations, selling, general and administrative expenses, Parent overhead allocations, restructuring and other charges and operating income with percentages of revenue for the years ended December 31 (in millions):

	1997	%	1996	%	1995	%
Revenue	$1,127.7	100.0%	$ 953.3	100.0%	$ 805.0	100.0%
Cost of operations	809.1	71.7	703.6	73.8	570.1	70.8
Selling, general and administrative expenses	107.1	9.5	126.9	13.3	133.4	16.6
Parent overhead allocations	10.2	0.9	8.4	.9	4.3	0.5
Restructuring and other charges	--	--	8.8	.9	3.3	0.4
Operating income	$ 201.3	17.9%	$ 105.6	11.1%	$ 93.9	11.7%

Revenue. Revenue was $1,127.7 million, $953.3 million and $805.0 million for the years ended December 31, 1997, 1996 and 1995, respectively. The increase in 1997 over 1996 of $174.4 million, or 18.3%, is a result of significant acquisitions (7.5%) as well as increases from volume (7.4%) and "tuck-in" acquisitions (3.4%). The increase in 1996 over 1995 of $148.3 million, or 18.4%, is a result of significant acquisitions (10.8%) as a well as increases from volume (6.3%) and "tuck-in" acquisitions (1.3%).

Cost of Operations. Cost of operations was $809.1 million, $703.6 million and $570.1 million or, as a percentage of revenue, 71.7%, 73.8% and 70.8% for the years ended December 31, 1997, 1996 and 1995, respectively. The increases in aggregate dollars are a result of the expansion of the Company's operations through acquisitions and internal growth. The 1997 decrease in cost of operations as a percentage of revenue is primarily a result of improvements in overall operating efficiency achieved through reductions in operating costs of acquired businesses. The 1996 increase in cost of operations as a percentage of revenue is primarily a result of certain of the Company's acquired collection companies that had higher levels of operating costs than the Company's historical operations.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $107.1 million, $126.9 million and $133.4 million or, as percentages of revenue, 9.5%, 13.3% and 16.6% for the years ended December 31, 1997, 1996 and 1995, respectively. The decreases in selling, general and administrative expenses in aggregate dollars and as percentages of revenue in each of the years are primarily due to the reduction of administrative expenses for acquired businesses and, in 1997, cost savings from centralizing administrative functions in certain regions.

Parent Overhead Allocations. Parent overhead allocations include allocations of general and administrative costs not specifically attributable to its operating subsidiaries. Such allocations are based upon the ratio of the Company's invested capital to Parent's consolidated invested capital and were $10.2 million, $8.4 million and $4.3 million for the years ended December 31, 1997, 1996 and 1995, respectively. These allocations approximate management's estimate of Parent's corporate overhead required to support the Company's operations. Management believes such allocations are reasonable.

Restructuring and Other Charges. The Company recorded restructuring and other charges of approximately $8.8 million and $3.3 million for the years ended December 31, 1996 and 1995, respectively. The 1996 costs include costs to close certain landfill operations, asset write-offs and merger expenses associated with certain business combinations accounted for under the pooling of interests method of accounting. The 1995 costs related to severance and other costs associated with closing an administrative office.

Operating Income. Operating income was $201.3 million, $105.6 million and $93.9 million for the years ended December 31, 1997, 1996 and 1995, respectively. Excluding restructuring and other charges, operating income would have been $114.4 million and $97.2 million in 1996 and 1995, respectively.

Interest Expense. Interest expense was incurred on notes payable to Resources and the debt assumed in acquisitions. Interest expense was $25.9 million, $29.7 million and $19.1 million for the years ended December 31, 1997, 1996 and 1995, respectively, and includes interest expense on notes payable to Resources of $20.2 million, $18.8 million and $3.0 million for the years ended December 31, 1997, 1996 and 1995, respectively. The 1996 increase in interest expense is primarily due to higher average outstanding borrowings and debt assumed in acquisitions.

Interest and Other Income. Interest and other income was $6.7 million, $13.9 million and $6.2 million for the years ended December 31, 1997, 1996 and 1995, respectively. The variances during the periods are primarily due to fluctuations in cash balances on hand and related interest income.

Income Taxes. The provision for income taxes was $65.9 million, $38.0 million and $31.6 million for the years ended December 31, 1997, 1996 and 1995, respectively. The effective income tax rate was 36.2%, 42.3% and 39.0% for the years ended December 31, 1997, 1996 and 1995, respectively. The higher 1996 and 1995 effective income tax rates are primarily due to varying higher historical effective income tax rates of acquired businesses.

Discontinued Operations. During the year ended December 31, 1995, the Company disposed of its mining and citrus operations resulting in a loss from discontinued operations of approximately $24.8 million, net of income taxes. The mining and citrus businesses were former subsidiaries of a solid waste business acquired by Parent in 1996 and accounted for under the pooling of interests method of accounting. Operating results for the period prior to disposition have been classified as discontinued operations in the accompanying Consolidated Financial Statements. See Note 11, Discontinued Operations, of Notes to Consolidated Financial Statements, for further discussion of this transaction.

ENVIRONMENTAL AND LANDFILL MATTERS

The Company owns or operates 42 solid waste landfills with approximately 5,610 permitted acres and total available permitted disposal capacity of approximately 1.1 billion in-place cubic yards as of March 31, 1998. As of December 31, 1997 and 1996, cubic yards of available airspace at the Company's landfills were 1,104.7 million and 1,092.5 million, respectively. Airspace increased during 1997 by 12.2 million cubic yards as a result of landfills acquired and internally developed totaling 22.2 million cubic yards, offset by consumption of 10.0 million cubic yards during the year.

The Company provides for accrued environmental and landfill costs which include landfill site closure and post-closure costs. Landfill site closure and post-closure costs include estimated costs to be incurred for final closure of the landfills and estimated costs for providing required post-closure monitoring and maintenance of landfills. These costs are accrued based on consumed airspace. The Company estimates its future cost requirements for closure and post-closure monitoring and maintenance for its solid waste facilities based on its interpretation of the technical standards of the Environmental Protection Agency's Subtitle D regulations. These estimates do not take into account discounts for the present value of such total estimated costs. Engineering reviews of the future cost requirements for closure and post-closure monitoring and maintenance for the Company's operating landfills are performed on an annual basis. Such reviews provide the basis upon which the Company estimates future costs and revises the related accruals. Changes in these estimates primarily relate to permit modifications, inflation and changes in regulations, all of which are taken into consideration annually. At December 31, 1997, assuming that all available landfill capacity is used, approximately $280.0 million of such costs are expected to be expensed over the remaining lives of these facilities.

As of December 31, 1997 and 1996, accrued closure and post-closure costs associated with landfills were $47.3 million and $38.2 million, respectively. The current and long-term portion of these costs are included in other current liabilities and accrued environmental and landfill costs, respectively, in the Company's

consolidated balance sheets. The increase in such accruals resulted from the normal accrual of closure and post-closure costs based on airspace consumed plus additional costs associated with new landfills acquired and internally developed during the period.

Costs related to environmental remediation activities are accrued by the Company through a charge to income in the period such liabilities become probable and can be reasonably estimated.

LIQUIDITY AND CAPITAL RESOURCES

The major components of changes in cash flows for the three months ended March 31, 1998 and 1997 and for the years ended December 31, 1997, 1996 and 1995 are discussed below.

Cash Flows from Operating Activities. Cash provided by operating activities was $80.3 million and $73.1 million during the three months ended March 31, 1998 and 1997, respectively and $279.4 million, $143.5 million and $125.4 million for the years ended December 31, 1997, 1996 and 1995, respectively. The increases in cash provided by operating activities during the periods are due to expansion of the Company's business.

Cash Flows from Investing Activities. Cash flows from investing activities consist primarily of cash used for capital additions as further described below.

Capital additions were $29.0 million and $35.2 million during the three months ended March 31, 1998 and 1997, respectively, and $165.3 million, $146.9 million and $147.9 million during the years ended December 31, 1997, 1996 and 1995, respectively. The Company believes capital expenditures for the full year in 1998 will approximate the level of capital expenditures in 1997. The Company believes capital expenditures may increase in 1999 and beyond due to acquisition growth. The Company intends to finance capital expenditures and cash used in business acquisitions through cash on hand, revolving credit facilities and other financings.

Cash Flows from Financing Activities. Cash flows from financing activities during the three months ended March 31, 1998 and 1997 and the years ended December 31, 1997, 1996 and 1995 included commercial bank and affiliate borrowings and repayments of debt.

Proceeds from bank and affiliate borrowings were used to fund capital additions, to repay debt and to expand the Company's business during these years.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's market sensitive financial instruments as of March 31, 1998 consist primarily of variable rate debt that is not material to the Company's consolidated financial position. Therefore, management believes the Company does not have material exposure to market risk at March 31, 1998.

PRO FORMA FINANCIAL CONDITION

The Company is expected to have outstanding debt and total capital of approximately $73.1 million and $1.1 billion, respectively, after giving effect to: (i) the issuance of the Company Notes payable to Parent in the aggregate amount of $2.0 billion in connection with the dividend from the Company to Parent in April 1998; (ii) the prepayment of a portion of the outstanding amounts of the Company Notes payable to Parent by use of certain assets received by the Company from the Resources Dividend and the Resources Note Receivable; (iii) the repayment in full of the Resources Notes Payable and the Affiliate Payable, which equaled approximately $214.0 million and $114.8 million, respectively, as of March 31, 1998, and which the Company expects to aggregate approximately $400.0 million on the Offerings Closing Date, through the issuance of shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus); (iv) the sale and issuance of 51.0 million shares of Class A Common Stock in the Offerings (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover of this Prospectus) and the application of net proceeds therefrom to prepay certain amounts outstanding of the Company Notes

payable to Parent; and (v) the issuance of shares of Class A Common Stock (at an assumed initial public offering price of $25.50 per share, which is the midpoint of the estimated range set forth on the cover page of this Prospectus) to prepay approximately $185.3 million which will constitute all remaining amounts outstanding of the Company Notes payable to Parent within 31 days following the Offerings Closing Date, assuming that the Underwriters' over-allotment options are not exercised.

The Company historically has been dependent upon Parent for various services including accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. Prior to the Offerings Closing Date, the Company and Parent intend to enter into an agreement under which Parent will continue to provide these services to the Company for a period of one year from the Offerings Closing Date. In exchange for the provision of such services, fees will be payable to Parent in the amount of $1.25 million per month, subject to review and adjustment as the Company reduces the amount of services it obtains from Parent from time to time. After the initial term of such agreement, the Company will be required to extend the term of such agreement, engage others to perform such services or perform such services internally. No assurance can be given that Parent will continue to provide the Company such services after the initial term of the agreement, or that the cost of such services will not be higher if the Company purchases such services from unaffiliated providers or employs staff to handle such functions internally.

The Company believes that its cash flow from operations and contemplated short-term and long-term debt financings will be sufficient to satisfy its future working capital, capital expenditure, acquisition and debt service requirements. The Company intends to enter into revolving credit facilities in the aggregate principal amount of $1.0 billion which will be available to be borrowed from time to time by the Company to be used for its working capital requirements and future acquisitions. The Company has obtained a commitment from Bank of America National Trust and Savings Association, The Chase Manhattan Bank, The First National Bank of Chicago and NationsBank, N.A., for an aggregate of $525.0 million toward $1.0 billion of revolving credit facilities, and is in the process of assembling a syndicate of lenders to commit to the balance of such facilities. The closing of such revolving credit facilities is expected to occur after the Offerings Closing Date, but there can be no assurance that such financing will occur. If such financing does not occur, there can be no assurance that the Company will be able to obtain other debt financing on terms as favorable to the Company as currently proposed or as its existing indebtedness. The Company also believes that it will be able to procure bid and performance bonds, to arrange for revolving lines of credit and other financing as necessary, and to engage in hedging transactions, on commercially acceptable terms. Parent's bank credit facilities restrict the ability of Parent and its subsidiaries to incur indebtedness, incur liens, consummate certain asset sales, make certain investments, or enter into certain transactions with affiliates, subject to exceptions, and require Parent to maintain certain consolidated financial ratios. While the Company remains a subsidiary of Parent, the Company will continue to be subject to these restrictive covenants and financial ratios. Parent has amended its credit facilities to permit the Company to incur unsecured indebtedness in excess of $1.0 billion.

SEASONALITY

The Company's operations can be adversely affected by periods of inclement weather which could delay the collection and disposal of waste, reduce the volume of waste generated or delay the construction or expansion of the Company's landfill sites and other facilities.

YEAR 2000 SYSTEMS COSTS

The Company utilizes software and related technologies that may be affected by the date change in the year 2000 ("Year 2000"). The Company is in the process of evaluating the full scope and related costs to insure that the Company's systems continue to meet its internal needs and those of its customers. The majority of the Company's information systems are supported by third party vendors who are responsible for system modifications to address the Year 2000 issue. Anticipated costs for system modifications will be expensed as incurred and are not expected to have a material impact on the Company's consolidated results of operations. However, the Company cannot measure the impact that the Year 2000 issue will have on its vendors, suppliers, customers and other parties with which it conducts business.

NEW ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income," was issued by the Financial Accounting Standards Board in June 1997. This Statement requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The provisions of this standard will not materially affect the Company's Consolidated Financial Statements.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains certain statements that are "Forward Looking Statements," which include, among other things, the discussions of the Company's growth and operating strategies and expectations concerning market position, future operations, margins, revenue, profitability, liquidity and capital resources, as well as statements concerning the integration of the operations of acquired businesses and achievement of financial benefits and operational efficiencies in connection therewith. Forward Looking Statements are included in "Prospectus Summary," "Selected Financial Data," "Unaudited Condensed Consolidated Pro Forma Financial Statements," "Management's Discussions and Analysis of Financial Condition and Results of Operation," "Business," and elsewhere in this Prospectus. Although the Company believes that the expectations reflected in Forward Looking Statements are reasonable, the Company can give no assurance that such expectations will prove to have been correct. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of such plans or strategies, number of acquisitions and projected or anticipated benefits from acquisitions made by or to be made by the Company, or projections involving anticipated revenue, expenses, earnings, levels of capital expenditures, liquidity or indebtedness or operations of the Company and are subject to a number of uncertainties, risks and other influences, many of which are outside the control of the Company and any one of which, or a combination of which, could materially affect the results of the Company's operations. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, those that are disclosed in this section and under "Risk Factors" in this Prospectus. The Company assumes no duty to update the Forward Looking Statements.

BUSINESS

INTRODUCTION

The Company is a leading provider of non-hazardous solid waste collection and disposal services in the United States. Based on revenue for the year ended December 31, 1997, the Company is the fourth largest company in the domestic non-hazardous solid waste management industry. The Company provides solid waste collection services for commercial, industrial, municipal and residential customers through 96 collection companies in 24 states. The Company also owns or operates 54 transfer stations and 42 solid waste landfills.

The Company had revenue of $1,127.7 million and $953.3 million and operating income of $201.3 million and $105.6 million for the years ended December 31, 1997 and 1996, respectively. The $174.4 million (or 18.3%) increase in revenue and the $95.7 million (or 90.6%) increase in operating income are primarily attributable to the successful execution of the Company's growth and operating strategies described below. In 1997, the Company's revenue was generated primarily from its solid waste collection operations (73.8%), with the remainder comprised of revenue from landfill disposal services (12.4%) and other operations (13.8%).

Since 1995, the Company has acquired over 100 solid waste companies with an aggregate of over $1.0 billion in annual revenue. The Company believes that it is well positioned to continue to increase its revenue and operating income through acquisitions and internal growth. The Company's acquisition growth strategy is focused on the approximately $8.0 billion of revenue that was generated by over 5,000 privately-held solid waste companies in 1997. The Company believes that its ability to acquire many of these privately-held companies is enhanced by increasing competition in the solid waste industry, increasing capital requirements as a result of changes in solid waste regulatory requirements and the limited number of exit strategies for such companies' owners and principals. The Company's internal growth strategy is supported by its presence in high growth markets throughout the Sunbelt, including Florida, Georgia, Nevada, Southern California and Texas, and other domestic markets that have experienced higher than average population growth during the past several years. The Company believes that its presence in such markets positions it to experience growth at rates that are generally higher than the industry's overall growth rate.

INDUSTRY OVERVIEW

Based on analyst reports and industry trade publications, the Company believes that the United States non-hazardous solid waste services industry generated revenue of approximately $35.0 billion in 1997, of which approximately 44% was generated by publicly-owned waste companies, 23% was generated by privately-held waste companies and 33% was generated by municipal and other local governmental authorities. The substantial majority of the publicly-owned companies' total revenue of approximately $15.4 billion was generated by only five companies, of which the Company was the fourth largest at year-end 1997. However, according to industry data, the domestic non-hazardous waste industry remains highly fragmented as the privately-held companies' total revenue of approximately $8.0 billion was generated by more than 5,000 companies.

The Company believes that in recent years there has been a trend towards rapid consolidation in the solid waste collection industry, which has historically been characterized by numerous small companies. The Company believes that this trend will continue as a result of the following factors:

Subtitle D Regulation. Subtitle D ("Subtitle D") of the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), and similar state regulations have significantly increased the amount of capital, technical expertise, operating costs and financial assurance obligations required to own and operate a landfill and other solid waste facilities. Many of the smaller industry participants have found these costs difficult, if not impossible, to bear. Large publicly-owned companies, such as the Company, have greater access to capital, and a lower cost of capital, available to finance such increased capital expenditures and costs, relative to many of the privately owned companies in the industry. Additionally, the required permits for landfill development, expansion or construction have become more difficult to acquire. Consequently, many smaller, independent operators have decided to either close their operations or sell them to larger operators with greater access to capital.

Integration of Solid Waste Businesses. Vertically integrated solid waste companies gain further competitive advantage over non-integrated operators by being able to control the waste stream in a market through the collection, transfer and disposal process. The ability of the integrated companies to internalize the disposal of collected solid waste, coupled with access to significant capital resources to make acquisitions, has created an environment in which large publicly-owned integrated companies can operate more cost effectively and competitively than non-integrated operators.

Municipal Privatization. The trend toward consolidation in the solid waste services industry is further supported by the increasing tendency of a number of municipalities to privatize their waste disposal operations. Privatization of municipal waste operations is often an attractive alternative to funding the changes required by Subtitle D.

These developments, as well as the fact that there are a limited number of viable exit strategies for many of the owners and principals of numerous privately-held companies in the industry, have contributed to the overall consolidation trend in the solid waste industry.

GROWTH STRATEGY

The Company's growth strategy is to increase revenue, gain market share and enhance stockholder value through acquisitions and internal growth. For certain risks related to the Company's growth strategy, see "Risk Factors."

- - ACQUISITION GROWTH. As a result of the highly fragmented nature of the solid waste industry, the Company has been able to grow significantly through acquisitions. Since 1995, the Company has acquired over 100 solid waste companies with an aggregate of over $1.0 billion in annual revenue. The Company's acquisition growth strategy is to (i) acquire companies positioned for growth in existing and new markets, (ii) acquire well-managed companies and retain local management, (iii) expand its operations in existing markets by completing "tuck-in" acquisitions and (iv) acquire operations and facilities from municipalities that are privatizing. For certain risks involved with the Company's growth strategy, see "Risk Factors."

Acquire Companies Positioned for Growth. In making acquisitions, the Company principally targets high quality businesses that will allow it to be, or provide it favorable prospects of becoming, a leading provider of integrated solid waste services in markets with favorable demographic growth. The Company generally has acquired, and will continue to seek to acquire, solid waste collection, transfer and disposal companies that (i) have strong operating margins, (ii) are in growth markets, (iii) are among the largest or have a significant presence in their local markets and (iv) have long-term contracts or franchises with municipalities and other customers. The Company is not limited to the foregoing target criteria for acquisitions, and may also acquire additional non-hazardous solid waste operations as opportunities arise. Although the Company continuously reviews possible acquisition candidates and is in discussions from time to time with one or more of such candidates, it currently has not entered into any agreements with respect to any significant acquisitions.

Acquire Well-Managed Companies. The Company also seeks to acquire businesses that have experienced management teams that are willing to work for the Company. The Company generally retains the local management of the larger acquired companies in order to capitalize on their local market knowledge, community relations and name recognition, and to instill their entrepreneurial drive at all levels of operations. By furnishing the local management of such acquired companies with the Company's financial and marketing resources and technical expertise, such acquired companies are better able to secure additional municipal franchises and other contracts. This enables the Company to grow internally such acquired businesses at faster rates than the industry average.

Expand Operations Through "Tuck-In" Acquisitions. Once it gains a foothold in a particular market, the Company focuses on acquiring smaller companies that also operate in that market and surrounding markets. Management teams at acquired companies are well positioned to more efficiently identify additional acquisition opportunities in their local markets. The operations of such smaller companies, upon being acquired by the Company, are "tucked-in" to the existing local subsidiary's

operations. By acquiring smaller "tuck-in" companies that operate in markets already serviced by the Company, the Company not only is able to grow its revenue and increase its market share, but also is able to integrate operations and consolidate duplicative facilities and functions to maximize cost efficiencies and economies of scale.

Acquire Privatizing Municipal Operations. The Company also seeks to acquire solid waste collection operations, transfer stations and landfills that are being privatized by municipalities and other governmental authorities. Many municipalities are seeking to outsource or sell these types of solid waste operations, as they lack the capital, technical expertise and/or operational resources necessary to comply with increasingly stringent regulatory standards and/or to compete effectively with private-sector companies.

- - INTERNAL GROWTH. The Company's internal growth strategy is to take advantage of the higher than average population growth in the markets in which the Company operates by obtaining long-term exclusive franchise agreements and expanding its well-managed sales and marketing activities.

Obtain Long-Term Contracts. The Company seeks to obtain long-term exclusive franchise agreements for the collection of solid waste in the high-growth markets in which it operates. By obtaining such long-term agreements, the Company has the opportunity to grow its contracted revenue base at the same rate as the underlying population growth in such markets. For example, the Company has secured exclusive, long-term franchise agreements in high-growth markets such as Orange County, California, Las Vegas, Nevada, Arlington, Texas and many areas of Florida. The Company believes that this positions it to experience internal growth rates that are generally higher than the overall industry's growth rate. In addition, the Company believes that by securing a base of long-term recurring revenue in growth markets, the Company is better able to protect its market position from competition and is less susceptible to downturns in economic conditions.

Expand Sales and Marketing Activities. The Company's well-managed sales and marketing activities enable it to capitalize on its leading positions in many of the markets in which it operates. The Company currently has over 260 sales and marketing employees in the field, who are incentivized by a commission structure to generate high levels of revenue. For the most part, such employees directly solicit business from existing and prospective commercial, industrial, municipal and residential customers. The Company trains new and existing sales personnel with an emphasis on teaching sales personnel to understand the Company's rate and cost structures.

OPERATING STRATEGY

The Company seeks to combine revenue growth with an increase in operating margins in order to enhance stockholder value. The Company's operating strategy to accomplish this goal is to (i) utilize the extensive industry knowledge and experience of the Company's executive management, (ii) utilize a decentralized management structure in overseeing day-to-day operations, (iii) internalize the disposal of waste collected by the Company, (iv) improve operating margins through economies of scale, cost efficiencies and asset utilization and (v) achieve high levels of customer satisfaction. For certain risks related to the Company's operating strategy, see "Risk Factors."

- - LEAD WITH EXPERIENCED EXECUTIVE MANAGEMENT TEAM. The Company believes that it has one of the most experienced executive management teams among publicly-traded companies in the solid waste industry.

H. Wayne Huizenga, the Company's Chairman and Chief Executive Officer, after several years of owning and operating private waste hauling companies in Florida, co-founded Waste Management in 1971. He served in various executive capacities with Waste Management for approximately 14 years, including President and Chief Operating Officer, from 1971 to 1984, which had by then become the world's largest integrated solid waste services company. From 1987 to 1994, Mr. Huizenga served as Chairman and Chief Executive Officer of Blockbuster, leading its growth from 19 stores to the world's largest video rental company. In August 1995, he became Chairman and Chief Executive Officer of Parent and in less than

three years, Parent's Solid Waste Group acquired businesses with an aggregate of over $1.0 billion in annual revenue.

Harris W. Hudson, the Company's Vice Chairman, worked closely with Mr. Huizenga, from 1964 until 1982, at Waste Management and at the private waste hauling firms they operated prior to the formation of Waste Management. In 1982, Mr. Hudson retired as Vice President of Waste Management of Florida, Inc., a subsidiary of Waste Management. In 1983, Mr. Hudson founded Hudson Management, a solid waste collection company in Florida, and served as its Chairman and Chief Executive Officer until it merged with Parent in August 1995. By that time, Hudson Management had grown to over $50.0 million in annual revenue, becoming one of Florida's largest privately-held solid waste collection companies based on revenue. Since August 1995, Mr. Hudson has served in various executive officer positions for Parent, including President and Vice Chairman.

James H. Cosman, the Company's President and Chief Operating Officer, has served as President of Parent's Solid Waste Group since January 1997. Prior to joining Parent, Mr. Cosman was employed by Browning-Ferris for over 24 years. During that time, he served in various management positions, including Regional Vice President -- Northern Region.

The other officers with responsibility for operational affairs of the Company have an average of over 15 years of management experience in the solid waste industry.

Prior to the Distribution, Mr. Huizenga intends to resign as Chief Executive Officer of the Company as soon as the Company is able to appoint a successor, although Mr. Huizenga intends to remain as Chairman of the Board. It is currently anticipated that Messrs. Hudson and Cosman and such other officers will devote substantially all of their time to the management of the Company.

- - UTILIZE DECENTRALIZED MANAGEMENT STRUCTURE. The Company maintains a relatively small corporate headquarters staff, relying on a decentralized management structure to minimize administrative overhead costs and to manage its day-to-day operations more efficiently. The Company's local management has extensive industry experience in growing, operating and managing solid waste companies, and substantial experience in their local geographic markets. The Company's four Regional Vice Presidents have an average of 21 years of experience in the industry, and the Company's 19 Area Presidents have an average of 16 years of experience in the industry. The Regional Vice Presidents and Area Presidents have extensive authority, responsibility and autonomy for operations within their geographic markets. Compensation for management within regions and areas is in large part based on the improvement in operating income produced in each manager's geographic area of responsibility. In addition, through long-term incentive programs, including stock options, the Company believes that it has one of the lowest turnover levels in the industry for its local management teams. As a result of retaining experienced managers with extensive local knowledge, community relations and name recognition, the Company is able to react rapidly to changes in its markets. The Company also seeks to implement the best practices of its various regions and areas throughout its operations to improve operating margins.

- - INTERNALIZE WASTE DISPOSAL. The Company seeks to achieve a high rate of waste internalization by controlling waste streams from the point of collection through disposal. Through acquisitions and other market development activities, the Company creates market specific, vertically integrated operations typically consisting of one or more collection companies, transfer stations and landfills. The Company considers acquiring companies which own or operate landfills with significant permitted disposal capacity and appropriate levels of waste volume. The Company also seeks to acquire solid waste collection companies in markets in which its owns or operates landfills. In addition, the Company generates internal growth in its disposal operations by constructing new landfills and expanding its existing landfills from time to time in markets in which it has significant collection operations or in markets that it determines lack sufficient disposal capacity. During the quarter ended March 31, 1998, approximately 41% of the total volume of waste collected by the Company was disposed of at the Company's landfills. Because the Company does not have landfill facilities for all markets in which it provides collection services, the Company believes that through landfill and transfer station acquisitions and development it has the opportunity to increase its waste internalization rate.

- - CAPITALIZE ON ECONOMIES OF SCALE AND COST EFFICIENCIES. To improve operating margins, the Company's management is focused on achieving economies of scale and cost efficiencies. The consolidation, or "tuck-in," of smaller acquired businesses into larger existing operations reduces costs by decreasing capital and expenses used in routing, personnel, equipment and vehicle maintenance, inventories and back-office administration. The Company is generally consolidating its administrative centers to reduce its general and administrative costs. In addition, the Company's size allows it to negotiate volume discounts for certain purchases, including waste disposal rates at landfills operated by third parties. The Company has reduced its selling, general and administrative expenses from 17.1% of consolidated revenue in 1995 to 10.4% of consolidated revenue in 1997. Furthermore, the Company has taken steps to increase its utilization of assets. For example, to reduce the number of collection vehicles, drivers are paid incentive wages based upon the number of customers they service on each route. In addition, routes are frequently analyzed and rerouted to ensure that the highest number of customers are efficiently serviced over the fewest possible miles. By using assets more efficiently, operating expenses are lowered significantly.

- - ACHIEVE HIGH LEVELS OF CUSTOMER SATISFACTION. The Company complements its operating strategy with a goal of maintaining high levels of customer satisfaction. The Company's personalized sales process of periodically contacting commercial, industrial and municipal customers is intended to maintain relationships and ensure service is being properly provided.

OPERATIONS

The Company's operations primarily consist of the collection and disposal of non-hazardous solid waste. Collection, landfill disposal, and other services accounted for approximately 73.8%, 12.4% and 13.8% of revenue, respectively, for the year ended December 31, 1997. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Collection Services. The Company provides solid waste collection services to commercial, industrial, municipal and residential customers in 24 states through 96 collection companies. In 1997, the Company's revenue from collection services was derived approximately one third from services provided to commercial customers, one third from services provided to industrial customers, and one-third from services provided to municipal and residential customers. The Company's commercial and residential collection operations involve the curbside collection of refuse from small containers into collection vehicles for transport to transfer stations or directly to landfills. Commercial collection services are generally performed under one-year to three-year service agreements, and fees are determined by such considerations as market factors, collection frequency, type of equipment furnished, the type and volume or weight of the waste collected, the distance to the disposal facility and the cost of disposal.

Residential solid waste collection services are typically performed under contracts with municipalities, which are generally secured by competitive bid and which give the Company exclusive rights to service all or a portion of the homes in their respective jurisdictions. Such contracts or franchises usually range in duration from one to five years, although some of the Company's exclusive franchises are for as long as 20 years. Residential solid waste collection services may also be performed on a subscription basis, in which individual households contract directly with the Company. The fees received for subscription residential collection are based primarily on market factors, frequency and type of service, the distance to the disposal facility and cost of disposal. In general, subscription residential collection fees are paid quarterly in advance by the residential customers receiving the service.

In its industrial collection operations, the Company supplies its customers with waste containers commonly known as "roll-off" containers. The Company also rents compactors to large waste generators. Waste collection services are provided to individual industrial and construction facilities on a contractual basis with terms generally ranging from a single pickup to a one-year term. The Company also rents waste roll-off containers to construction sites and provides hauling services. The Company collects the roll-off containers or compacted waste and transports them either to a landfill, where the waste is disposed of, or to a transfer station.

The Company owns or operates 54 transfer stations. Waste is deposited at these stations by the Company and other private haulers for compaction and transfer to trailers for transport to landfills, incinerators, recycling facilities or other disposal sites.

The Company also currently provides recycling services in certain markets to meet customer demand. These services include the curbside collection of residential recyclable waste and the provision of a variety of recycling services to commercial and industrial customers.

Disposal Services. The Company owns or operates 42 solid waste landfills with approximately 5,610 permitted acres and total available permitted disposal capacity of approximately 1.1 billion in-place cubic yards as of March 31, 1998. See "-- Properties." The in-place capacity of the Company's landfills is subject to change based on engineering factors, requirements of regulatory authorities and successful site expansions. Certain of the landfills accept non-hazardous special waste, including utility ash, asbestos and contaminated soils.

Most of the Company's existing landfill sites have the potential for expanded disposal capacity beyond the currently permitted acreage. The Company monitors the availability of permitted disposal capacity at each of its landfills and evaluates whether to pursue expansion at a given landfill based on estimated future waste volumes and prices, remaining capacity and likelihood of obtaining expansion. The Company believes that each of its landfills currently has adequate permitted capacity. The Company is currently seeking to expand permitted capacity at certain of its landfills in connection with favorable design modifications.

Other Services. The Company has 24 materials recovery facilities or other recycling operations primarily for the sorting of recyclable paper, aluminum, glass and other materials. Most of these recyclable materials are internally collected by the Company's residential collection operations. In certain areas, the Company receives certain types of commercial and industrial solid waste that is sorted at its facilities into recyclable materials and non-recyclable waste. The recyclable materials are salvaged, repackaged and sold to third parties and the non-recyclable waste is disposed of at landfills or incinerators. The Company's strategy, wherever possible, is to reduce its exposure to fluctuations in recyclable commodity prices by utilizing third parties' facilities, thereby minimizing its recycling investment. Long-term contracts for the sale of recycling materials are also used to mitigate the impact of commodity price fluctuations. The Company also has composting operations at which yard waste is composted, packaged and sold as mulch.

SALES AND MARKETING

The Company seeks to provide quality services that will enable it to maintain high levels of customer satisfaction. The Company derives its business from a broad customer base which the Company believes will enable it to experience stable growth. Marketing efforts focus on continuing and expanding business with existing customers as well as attracting new customers.

The Company has more than 260 sales and marketing employees. The Company's sales and marketing strategy is to provide high-quality comprehensive solid waste collection, recycling, transfer and disposal services to its customers at competitive prices. The Company targets potential customers of all sizes, from small quantity generators to large "Fortune 500" companies and municipalities.

All marketing activity by the Company is local in nature. The Company generally does not change the tradenames of the local businesses that it acquires, and therefore it does not operate nationally under any one mark or tradename. Rather, the Company relies on the goodwill associated with the acquired companies' local tradenames as used in each geographic market in which it operates.

CUSTOMERS

The Company provides collection services to commercial, industrial, municipal and residential customers. No one customer has individually accounted for more than 10% of the consolidated revenue of the Company in any of the last three years.

REGULATION

The Company's facilities and operations are subject to a variety of federal, state and local requirements which regulate health, safety, the environment, zoning and land use. Operating and other permits are generally required for landfills, certain waste collection vehicles, fuel storage tanks and other facilities owned or operated by the Company, and these permits are subject to revocation, modification and renewal. Federal, state and local regulations vary, but generally govern wastewater or stormwater discharges, air emissions, the treatment, storage, transportation and disposal of hazardous and non-hazardous wastes and the remediation of contamination associated with the release of hazardous substances. Such regulations provide governmental authorities with strict powers of enforcement, which include the ability to obtain injunctions and/or impose fines or penalties in the case of violations, including criminal penalties. These regulations are administered by the U.S. Environmental Protection Agency ("EPA") and various other federal, state and local environmental, health and safety agencies and authorities, including the Occupational Safety and Health Administration of the U.S. Department of Labor ("OSHA").

The Company strives to conduct its operations in compliance with applicable laws and regulations. However, in the existing climate of heightened environmental concerns, the Company, from time to time, has been issued citations or notices from governmental authorities which have resulted in the need to expend funds for remedial work and related activities at various of the Company's landfills and other facilities. The Company has established a reserve which it believes, based on currently available information, will be adequate to cover any potential regulatory costs. However, there can be no assurance that actual costs will not exceed the Company's reserve.

Federal Regulation. The following summarizes the primary environmental and safety-related federal statutes of the United States affecting the facilities and operations of the Company:

(1) The Solid Waste Disposal Act ("SWDA") as amended by RCRA. SWDA and its implementing regulations establish a framework for regulating the handling, transportation, treatment, storage and disposal of hazardous and non-hazardous solid wastes, and require states to develop programs to ensure the safe disposal of solid wastes in sanitary landfills.

Subtitle D of RCRA establishes a framework for regulating the disposal of municipal solid wastes. Regulations under Subtitle D currently include minimum comprehensive solid waste management criteria and guidelines, including location restrictions, facility design and operating criteria, closure and post-closure requirements, financial assurance standards, groundwater monitoring requirements and corrective action standards, many of which have not commonly been in effect or enforced in the past in connection with municipal solid waste landfills. Each state was required to submit a permit program designed to implement Subtitle D regulations to the EPA by April 9, 1993. These state permit programs may include landfill requirements which are more stringent than those of Subtitle D. Some states have not yet fully implemented permit programs pursuant to RCRA and Subtitle D. Once a state has an approved permit program it is required to review all existing landfill permits to ensure compliance with the new regulations.

All of the Company's planned landfill expansions or new landfill development projects have been engineered to meet or exceed Subtitle D requirements. Operating and design criteria for existing operations have been modified to comply with these new regulations. Compliance with the Subtitle D regulations has resulted in increased costs and may in the future require substantial additional expenditures in addition to other costs normally associated with the Company's waste management activities.

(2) The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). CERCLA, among other things, provides for the cleanup of sites from which there is a release or threatened release of a hazardous substance into the environment. CERCLA may impose strict, joint and several liability for the costs of cleanup and for damages to natural resources upon current owners and operators of the site, parties who were owners or operators of the site at the time the hazardous substances were disposed of, parties who transported the hazardous substance to the site and

parties who arranged for disposal at the site. Under the authority of CERCLA and its implementing regulations, detailed requirements apply to the manner and degree of investigation and remediation of facilities and sites where hazardous substances have been or are threatened to be released into the environment. CERCLA liability is not dependent upon the existence or disposal of "hazardous wastes" but can also be based upon the existence of small quantities of more than 700 "substances" characterized by the EPA as "hazardous," many of which may be found in common household waste.

Among other things, CERCLA authorizes the federal government to investigate and remediate sites at which hazardous substances have been or are threatened to be released into the environment, or to order (or offer an opportunity to) persons potentially liable for the cleanup of the hazardous substances to do so. In addition, CERCLA requires the EPA to establish a National Priorities List ("NPL") of sites at which hazardous substances have been or are threatened to be released and which require investigation or cleanup.

Liability under CERCLA is not dependent upon the intentional disposal of hazardous wastes. It can be founded upon the release or threatened release, even as a result of unintentional, non-negligent or lawful action, of thousands of hazardous substances, including very small quantities of such substances. Thus, even if the Company's landfills have never received hazardous wastes as such, it is possible that one or more hazardous substances may have come to be located or "released" at its landfills or at other properties which the Company may have owned or operated. The Company could thus be liable under CERCLA for the cost of cleaning up such hazardous substances at such sites and for damages to natural resources, even if those substances were deposited at the Company's facilities before the Company acquired or operated them. The costs of a CERCLA cleanup can be very expensive. Given the difficulty of obtaining insurance for environmental impairment liability, such liability could have a material impact on the Company's business and financial condition. For a further discussion, see "-- Liability Insurance and Bonding."

(3) The Federal Water Pollution Control Act of 1972 (the "Clean Water Act"). The Clean Water Act regulates the discharge of pollutants from a variety of sources, including solid waste disposal sites, into streams, rivers and other waters. Point source runoff from the Company's landfills and transfer stations that is discharged into surface waters must be covered by discharge permits that generally require the Company to conduct sampling and monitoring and, under certain circumstances, reduce the quantity of pollutants in those discharges. Storm water discharge regulations under the Clean Water Act require a permit for certain construction activities, which may affect the Company's operations. If a landfill or transfer station discharges wastewater through a sewage system to a publicly-owned treatment works ("POTW"), the facility must comply with discharge limits imposed by the POTW. In addition, states may adopt groundwater protection programs under the Clean Water Act or Safe Drinking Water Act that could affect solid waste landfills. Furthermore, development which alters or affects "wetlands" must generally be permitted prior to such development commencing, and certain mitigation requirements may be required by the permitting agencies.

(4) The Clean Air Act. The Clean Air Act imposes limitations on emissions from various sources, including landfills. On March 12, 1996, the EPA enacted rules that require large municipal solid waste landfills to install landfill gas monitoring systems. These EPA regulations apply to landfills that have been operating since November 8, 1987, and that can accommodate 2.5 million cubic meters or more of municipal solid waste. The regulations apply whether the landfill is active or closed. The date by which each affected landfill must have the required gas collection and control system is dependent upon the adoption of state regulations and the date the EPA approves the state program. Many state regulatory agencies currently require monitoring systems for the collection and control of landfill gas. Compliance with the new EPA regulations is not expected to have a material effect on the Company.

(5) The Occupational Safety and Health Act of 1970 (the "OSH Act"). The OSH Act authorizes OSHA to promulgate occupational safety and health standards. Various of these standards, including standards for notices of hazardous chemicals and the handling of asbestos, apply to the Company's facilities and operations.

State Regulation. Each state in which the Company operates has its own laws and regulations governing solid waste disposal, water and air pollution and, in most cases, releases and cleanup of hazardous substances and liability for such matters. States also have adopted regulations governing the design, operation, maintenance and closure of landfills and transfer stations. The Company's facilities and operations are likely to be subject to these types of requirements. In addition, the Company's solid waste collection and landfill operations may be affected by the trend in many states toward requiring the development of waste reduction and recycling programs. For example, several states have enacted laws that require counties or municipalities to adopt comprehensive plans to reduce, through waste planning, composting, recycling or other programs, the volume of solid waste deposited in landfills. Additionally, laws and regulations restricting the disposal of certain wastes, including yard waste, newspapers, beverage containers, unshredded tires, lead-acid batteries and household appliances, in solid waste landfills have been promulgated in several states and are being considered in others. Legislative and regulatory measures to mandate or encourage waste reduction at the source and waste recycling also are under consideration by Congress and the EPA.

In order to construct, expand and operate a landfill, one or more construction or operating permits, as well as zoning approvals, must be obtained. These are difficult and time-consuming to obtain, are often opposed by neighboring landowners and citizens' groups, may be subject to periodic renewal and are subject to modification and revocation by the issuing agency. In connection with the Company's acquisition of existing landfills, it may be necessary to expend considerable time, effort and money to bring the acquired facilities into compliance with applicable requirements and to obtain the permits and approvals necessary to increase their capacity.

Many of the Company's facilities own and operate underground storage tanks ("USTs") which are generally used to store petroleum-based products. USTs are generally subject to federal, state and local laws and regulations that mandate periodic testing, upgrading, closure and removal of USTs and that, in the event of leaks from USTs, require that polluted groundwater and soils be remediated. The Company has a number of USTs which, under federal regulations, will have to be upgraded, removed or closed in place by December 22, 1998. The exact nature and extent of associated costs cannot be assessed until the Company has conducted soil or groundwater testing in connection with the upgrading, removal and/or closure of the USTs. If USTs owned or operated by the Company leak, and such leakage migrates onto the property of others, the Company could be liable for response costs and other damages to third parties. Compliance with regulations related to USTs is not expected to have a material adverse effect on the Company.

Finally, with regard to its solid waste transportation operations, the Company is subject to the jurisdiction of the Interstate Commerce Commission and is regulated by the Federal Highway Administration, Office of Motor Carriers and by regulatory agencies in each state. Various states have enacted, or are considering enacting, laws and regulations that would restrict the interstate transportation and processing of solid waste. In 1978, the United States Supreme Court held similar laws and regulations unconstitutional; however, states have attempted to distinguish proposed laws and regulations from the laws and regulations involved in that ruling. In May 1994, the Supreme Court ruled that state and local flow control laws and ordinances (which attempt to restrict waste from leaving its place of generation) were an impermissible burden on interstate commerce, and therefore, were unconstitutional. In response to these Supreme Court rulings, Congress has considered passing legislation authorizing states and local governments to restrict the free movement of solid waste in interstate commerce. If federal legislation authorizing state and local governments to restrict the free movement of solid waste in interstate commerce is enacted, such legislation could adversely affect the Company's operations.

The Company has a reserve for environmental and landfill costs, which includes landfill site closure and post-closure costs. The Company periodically reassesses such costs based on various methods and assumptions regarding landfill airspace and the technical requirements of Subtitle D of RCRA and adjusts its accruals accordingly. Based on current information and regulatory requirements, the Company believes that its reserve for such environmental expenditures is adequate. However, environmental laws may change, and there can be no assurance that the Company's reserves will be adequate to cover requirements under existing or new environmental regulations, future changes or interpretations of existing regulations or the identification of adverse environmental conditions previously unknown to the Company. See "Management's Discussion and

Analysis of Financial Condition and Results of Operation -- Environmental and Landfill Matters" and "Risk Factors -- Environmental Regulation."

COMPETITION

The Company operates in a highly competitive industry, which is changing as a result of rapid consolidation. Entry into the Company's business and the ability to operate profitably in such industry requires substantial amounts of capital and managerial experience.

Competition in the non-hazardous solid waste industry comes from a number of large, national publicly-owned companies, including Waste Management, Browning-Ferris, USA Waste Services, Inc. and Allied Waste Industries, Inc., numerous regional publicly- and privately-owned solid waste companies, and from thousands of small privately-owned companies, in their respective markets. Some of the Company's publicly-owned competitors also are engaging in aggressive acquisition strategies. Certain of the Company's competitors have significantly larger operations, and may have significantly greater financial resources, than the Company. In addition to national and regional firms and numerous local companies, the Company competes with those municipalities that maintain waste collection or disposal operations. These municipalities may have financial advantages due to the availability of tax revenues and tax-exempt financing.

The Company competes for collection accounts primarily on the basis of price and the quality of its services. From time to time, competitors may reduce the price of their services in an effort to expand market share or to win a competitively bid municipal contract.

In each market in which it owns or operates a landfill, the Company competes for landfill business on the basis of tipping fees, geographical location and quality of operations. The Company's ability to obtain landfill business may be limited by the fact that some major collection companies also own or operate landfills to which they send their waste. There also has been an increasing trend at the state and local levels to mandate waste reduction at the source and to prohibit the disposal of certain types of wastes, such as yard wastes, at landfills. This may result in the volume of waste going to landfills being reduced in certain areas, which may affect the Company's ability to operate its landfills at their full capacity and/or affect the prices that can be charged for landfill disposal services. In addition, most of the states in which the Company operates landfills have adopted plans or requirements that set goals for specified percentages of certain solid waste items to be recycled.

LIABILITY INSURANCE AND BONDING

The nature of the Company's business exposes it to the risk of liabilities arising out of its operations, including possible damages to the environment. Such potential liabilities could involve, for example, claims for remediation costs, personal injury, property damage, and damage to the environment in cases where the Company may be held responsible for the escape of harmful materials; claims of employees, customers or third parties for personal injury or property damage occurring in the course of the Company's operations; or claims alleging negligence or professional errors and omissions in the planning or performance of work. The Company could also be subject to fines and civil and criminal penalties in connection with alleged violations of regulatory requirements. Because of the nature and scope of the possible environmental damages, liabilities imposed in environmental litigation can be significant. The majority of the Company's solid waste operations have third party environmental liability insurance with limits in excess of those required by permit regulations, subject to certain limitations and exclusions. However, there is no assurance that the limits of such environmental liability insurance would be adequate in the event of a major loss, nor is there assurance that the Company would continue to carry environmental liability insurance should market conditions in the insurance industry make such coverage costs prohibitive.

The Company participates in Parent's combined risk management programs for general liability, vehicle liability, workers compensation and employer's liability claims, as well as umbrella liability policies to provide excess coverage over the underlying limits contained in these primary policies. The Company also carries property insurance. Although the Company strives to operate safely and prudently and has, subject to certain

limitations and exclusions, substantial liability insurance, no assurance can be given that the Company will not be exposed to uninsured liabilities which could have a material adverse effect on its financial condition.

In the normal course of business, the Company may be required to post a performance bond or a bank letter of credit in connection with municipal residential collection contracts, the operation, closure or post-closure of landfills, certain remediation contracts, certain environmental permits, and certain business licenses and permits. Bonds issued by surety companies operate as a financial guarantee of the Company's performance. To date, the Company has satisfied financial responsibility requirements by making cash deposits, obtaining bank letters of credit or by obtaining surety bonds.

LEGAL PROCEEDINGS

The Company generally is and will continue to be involved in various administrative and legal proceedings in the ordinary course of business. No assurance can be given with respect to the outcome of these proceedings or the effect such outcomes may have on the Company, or that the Company's insurance coverages or reserves with respect thereto are adequate. Citizen's groups have become increasingly active in challenging the grant or renewal of permits and licenses for landfills and other waste facilities, and responding to such challenges has further increased the costs and extended the time associated with establishing new facilities or expanding existing facilities. A significant judgment against the Company, the loss of significant permits or licenses, or the imposition of a significant fine could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Except for routine litigation incidental to the business of the Company, there are no pending material legal proceedings to which the Company is a party or to which any of its property is subject. The Company believes that the outcome of the proceedings to which it is currently a party will not have a material adverse effect upon its financial condition, results of operations or prospects. However, unfavorable resolution of any such proceedings could affect the consolidated results of operations, or cash flows for the quarterly period in which they are resolved.

EMPLOYEES

As of June 1998, the Company employed approximately 9,400 full-time employees, approximately 2,100 of whom were covered by collective bargaining agreements. The management of the Company believes that it has good relations with its employees.

PROPERTIES

The Company's corporate headquarters are located in Ft. Lauderdale, Florida in premises leased from Parent. See "Certain Transactions." As of April 1998, the Company owned approximately 4,700 collection vehicles. Certain of the property and equipment of the Company are subject to liens securing payment of portions of the Company's indebtedness. The Company also leases certain of its offices and equipment. The Company believes that all of its facilities are sufficient for its current needs.

The following table provides certain information regarding the landfills owned or operated by the Company as of March 31, 1998:

LANDFILL NAME	LOCATION	TOTAL ACREAGE	PERMITTED ACREAGE	UNUSED PERMITTED ACREAGE
Anderson	Anderson, California	1,200	150	103
Apex	Clark County, Nevada	2,340	1,233	1,153
Broadhurst Landfill(1)	Jesup, Georgia	900	90	73
C&T Regional	Linn, Texas	194	94	40
Capital Waste & Recycling Disposal	Rotterdam, New York	33	5	--
Charter Waste	Abilene, Texas	396	300	266
Cleveland Container	Shelby, North Carolina	183	34	--
CWI Florida (f/k/a Schofield)	Winter Haven, Florida	80	60	12
Dozit Landfill	Morganfield, Kentucky	232	47	33
East Carolina Landfill	Aulander, North Carolina	729	108	71
Epperson Landfill	Williamstown, Kentucky	704	100	58
Forest Lawn	Three Oaks, Michigan	387	126	51
Green Valley Landfill	Ashland, Kentucky	263	37	12
Holland Excavating	DeLand, Florida	60	24	15
Laughlin(1)	Laughlin, Nevada	80	40	6
Los Mangos(2)	Alajuela, Costa Rica	41	24	8
National Serv-All	Fort Wayne, Indiana	519	204	35
Nine Mile Road	St. Augustine, Florida	154	19	--
Northeast Sanitary	Eastover, South Carolina	73	42	15
Northwest Tennessee	Union City, Tennessee	600	120	99
Oak Grove	Winder, Georgia	202	60	39
Ohio County Balefill(1)	Beaver Dam, Kentucky	908	179	143
Pepperhill	North Charleston, South Carolina	37	22	17
Pine Ridge	Griffin, Georgia	850	101	91
Pinellas(1)	St. Petersburg, Florida	750	478	200
Presidio(1)	Presidio, Texas	10	10	6
Republic/Alpine(1)	Alpine, Texas	96	85	63
Republic/CSC	Avalon, Texas	289	254	183
Republic/Imperial	Imperial, California	230	73	37
Republic/Maloy	Campbell, Texas	389	270	205
Safety Lights	Memphis, Tennessee	49	21	11
San Angelo(1)	San Angelo, Texas	283	283	155
Southern Illinois Regional	DeSoto, Illinois	219	113	35
Springfield Environmental	Mt. Vernon, Indiana	54	25	14
Swiftcreek Landfill	Macon, Georgia	792	73	41
Tay-Ban	Birch Run, Michigan	138	43	10
Tri-K Landfill	Stanford, Kentucky	572	64	49
United Refuse	Fort Wayne, Indiana	305	84	22
Upper Piedmont Environmental	Roxboro, North Carolina	614	70	62
Uwharrie Landfill(1)	Mt. Gilead, North Carolina	905	119	75
Victory Environmental	Terre Haute, Indiana	461	260	138
Wabash Valley	Wabash, Indiana	262	66	18
Total		17,583	5,610	3,664

- ---

(1) Operated but not owned by the Company.
(2) The Company is currently in the process of selling this landfill to divest itself of all foreign operations.

MANAGEMENT

DIRECTORS, EXECUTIVE OFFICERS AND OTHER OFFICERS

The directors, executive officers and other officers of the Company are as follows:

NAME	AGE	POSITION
H. Wayne Huizenga	60	Chairman of the Board and Chief Executive Officer
Harris W. Hudson	55	Vice Chairman and Director
James H. Cosman	55	President and Chief Operating Officer
Michael S. Karsner	39	Senior Vice President and Chief Financial Officer
Tod C. Holmes	49	Vice President -- Finance
Matthew E. Davies	40	Vice President -- Disposal
Thomas E. Miller	43	Vice President -- Hauling Operations

Directors and Executive Officers

H. WAYNE HUIZENGA was named Chairman of the Board and Chief Executive Officer of the Company effective May 1998. Mr. Huizenga has served as the Chairman of the Board of Parent since August 1995 and as Co-Chief Executive Officer of Parent since October 1996. From August 1995 until October 1996, Mr. Huizenga served as Chief Executive Officer of Parent. Since September 1996, Mr. Huizenga has served as the Chairman of the Board of Florida Panthers Holdings, Inc. ("Panthers Holdings"), a sports, entertainment and leisure company that owns and operates the Florida Panthers professional sports franchise and certain luxury resort hotels and other facilities. Since January 1995, Mr. Huizenga also has served as the Chairman of the Board of Extended Stay America, Inc., an operator of extended stay lodging facilities. From September 1994 until October 1995, Mr. Huizenga served as the Vice Chairman of Viacom Inc. ("Viacom"), a diversified entertainment and communications company. During such period, Mr. Huizenga also served as the Chairman of the Board of Blockbuster Entertainment Group, a division of Viacom. From April 1987 through September 1994, Mr. Huizenga served as the Chairman of the Board and Chief Executive Officer of Blockbuster, during which time he helped build Blockbuster from a 19-store chain into the world's largest video rental company. In September 1994, Blockbuster merged into Viacom. In 1971, Mr. Huizenga co-founded Waste Management, which he helped build into the world's largest integrated solid waste services company, and he served in various capacities, including President, Chief Operating Officer and a director from its inception until 1984. Mr. Huizenga also owns or controls the Miami Dolphins and Florida Marlins professional sports franchises, as well as Pro Player Stadium, in South Florida.

HARRIS W. HUDSON was named Vice Chairman and a director of the Company effective May 1998. Mr. Hudson has served as a director of Parent since August 1995 and as Vice Chairman of the Parent and Chairman of Parent's Solid Waste Group since October 1996. From August 1995 until October 1996, Mr. Hudson served as President of Parent. From May 1995 until August 1995, Mr. Hudson had served as a consultant to Parent. From 1983 until August 1995, Mr. Hudson served as Chairman of the Board, Chief Executive Officer and President of Hudson Management Corporation, a solid waste collection company that he founded, which was acquired by the Parent in August 1995. From 1964 to 1982, Mr. Hudson served as Vice President of Waste Management of Florida, Inc., a subsidiary of Waste Management and its predecessor. Mr. Hudson also serves as a director of Panthers Holdings and is a limited partner of the Florida Marlins.

JAMES H. COSMAN was named President and Chief Operating Officer of the Company effective May 1998. Mr. Cosman has served as President and Chief Operating Officer of Parent's Solid Waste Group since January 1997. From 1972 until December 1996, Mr. Cosman served in various positions with Browning Ferris, including Regional Vice President -- Northern Region from 1993 to 1996, Regional Vice President -- Mid America Region from 1989 to 1993, Regional Vice President -- South Central Region from 1979 to 1988 and District Manager from 1975 to 1979.

MICHAEL S. KARSNER was named Senior Vice President and Chief Financial Officer of the Company effective May 1998. Mr. Karsner has served as Senior Vice President and Chief Financial Officer of Parent

since October 1996. From May 1996 until September 1996, Mr. Karsner served as Senior Vice President and Chief Financial Officer of Dole Food Company, Inc. ("Dole"), a multinational packaged food company, from February 1995 until May 1996 he served as Vice President, Chief Financial Officer and Treasurer of Dole, and from January 1994 until February 1995 he served as Vice President and Treasurer of Dole. From January 1990 through December 1993, Mr. Karsner served as Vice President and Treasurer of the Black & Decker Corporation, a multinational consumer products company.

TOD C. HOLMES was named Vice President -- Finance of the Company effective June 1998. Mr. Holmes has served as Vice President of Finance of Parent's Solid Waste Group since January 1998. From 1987 to 1996, Mr. Holmes served in various positions with Browning Ferris, including Vice President, Investor Relations from 1996 to 1998, Divisional Vice President, Collection Operations from 1995 to 1996, Divisional Vice President and Regional Controller (Northern Region) from 1993 to 1995 and Divisional Vice President and Assistant Corporate Controller from 1991 to 1993.

Other Officers

MATTHEW E. DAVIES was named Vice President -- Disposal of the Company effective June 1998. Mr. Davies has served as Vice President of Landfills & Transfer Stations of Parent's Solid Waste Group since February 1997. Prior to that, from 1985 to January 1997, Mr. Davies served in various positions with Browning Ferris, including Divisional Vice President for Disposal Operations from 1992 to January 1997, Regional Manager Landfill Operations from 1987 to 1992 and Corporate Project Manager from 1985 to 1987.

THOMAS E. MILLER was named Vice President -- Hauling Operations of the Company effective June 1998. Mr. Miller has served as Vice President of Operations of Parent's Solid Waste Group since February 1997. From 1990 to February 1997, Mr. Miller served in various positions with Browning Ferris, including District Vice President from 1996 to February 1997, Regional Operations Manager (Northern Region) from 1993 to 1996 and Regional Medical Waste and Recycling Manager from 1990 to 1995.

There is no family relationship between any of the executive officers and directors of the Company, except that Mr. Huizenga is Mr. Hudson's brother-in-law. The executive officers of the Company are selected by and serve at the discretion of the Board. The directors of the Company hold office until the next annual meeting of stockholders and until their successors have been duly elected and qualified.

The Board expects to promptly identify a number of additional candidates, some of whom may not be affiliated with the Company or Parent, for election as directors and/or appointment as executive officers by the Board. Prior to the Distribution, Mr. Huizenga intends to resign as Chief Executive Officer of the Company as soon as the Company is able to appoint a successor, although Mr. Huizenga intends to remain as Chairman of the Board. In addition, prior to the Distribution, Mr. Karsner intends to resign as Senior Vice President and Chief Financial Officer of the Company as soon as the Company is able to appoint a successor.

The Board will develop the Company's business strategy, establish the overall policies and standards for the Company and review the performance of management in executing the business strategy and implementing the Company's policies and standards. The directors will be kept informed of the Company's operations at meetings of the Board and committees of the Board, through reports and analyses presented to the Board, and by discussions with management. Significant communications between the directors and management also are expected to occur apart from meetings of the Board and committees of the Board.

COMMITTEES OF THE BOARD

The Board has established three committees: the Executive Committee, the Audit Committee, and the Compensation Committee.

The Executive Committee has full authority to exercise all the powers of the Board between meetings of the Board, except as reserved by the Board. The Executive Committee does not have the power to elect or remove executive officers, approve a merger of the Company, recommend a sale of substantially all of the Company's assets, recommend a dissolution of the Company, amend the Certificate or Bylaws, declare dividends on the Company's outstanding securities, or, except as authorized by the Board, issue any Common

Stock or preferred stock. The Board has given the Executive Committee the authority to approve acquisitions, borrowings, guarantees and other transactions individually not involving more than $100 million in cash, securities (including Common Stock to be issued by the Company) or other consideration. Effective upon the Offerings Closing Date, Messrs. Huizenga and Hudson will be appointed as the members of the Executive Committee.

The Audit Committee has the power to oversee the retention, performance and compensation of the independent public accountants for the Company, and the establishment and oversight of such systems of internal accounting and auditing control as it deems appropriate. The Company intends to appoint at least two independent directors as members of the Audit Committee.

The Compensation Committee reviews and approves the compensation of executive officers of the Company, including payment of salaries, bonuses and incentive compensation, determines the Company's compensation philosophy and programs, and administers the Company's stock option plans. The Company intends to appoint at least two independent directors as members of the Compensation Committee.

EXECUTIVE COMPENSATION

Summary Compensation Information

Immediately following the Offerings Closing Date, the base salaries and bonuses of the Named Officers (as defined below) will be at levels determined by Parent. Subsequent to the Distribution, the base salaries and bonuses of all executive officers of the Company will be determined by the Compensation Committee of the Company. It is anticipated that the base salaries paid by the Company to all executive officers compensated by the Company rather than Parent will initially be comparable to present base salaries being paid by Parent, subject to such adjustments as may be determined in the normal course of business. Following the Offerings Closing Date, Messrs. Huizenga and Karsner will not receive any compensation as executive officers directly from the Company. A portion of the compensation paid by Parent to Mr. Karsner has been allocated to the Company and is included in the fee payable by the Company to Parent under the Services Agreement. See "Certain Transactions -- Services Agreement."

The following tables set forth certain compensation information with respect to the Company's Chief Executive Officer and the three other most highly compensated executive officers of the Company based upon amounts paid or accrued by Parent for services rendered to Parent and its subsidiaries in all capacities with Parent during the year ended December 31, 1997 (collectively, the "Named Officers"). The Company had no other executive officers whose salary and bonus exceeded $100,000 in 1997.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			LONG-TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION WITH PARENT	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION(1)	SECURITIES UNDERLYING OPTIONS(2)	ALL OTHER COMPENSATION
H. Wayne Huizenga	1997	--	--	--	1,524,017	--
(Chairman and Co-Chief	1996	--	--	--	465,117	--
Executive Officer)(3)	1995	--	--	--	3,000,000	--
Harris W. Hudson	1997	$395,769	$100,000	--	324,672	--
(Vice Chairman)(4)	1996	$286,501	--	--	186,047	--
	1995	$115,804	--	--	802,020	--
Michael S. Karsner	1997	$337,820	$ 81,250	--	10,000	$234,507(6)
(Senior Vice President	1996	$104,167	$ 50,000	--	250,000	--
and Chief Financial Officer)(5)	1995	--	--	--	--	--
James H. Cosman	1997	$300,000	$ 75,000	--	163,333	$ 33,775(8)
(President and Chief Operating	1996	--	--	--	--	
Officer Solid Waste Group)(7)	1995	--	--	--	--	

Footnotes on following page

- ---

(1) The aggregate total value of perquisites and other personal benefits, securities or property did not equal $50,000 or ten percent of the annual salary and bonus for any Named Officer during either 1995, 1996 or 1997.
(2) All options relate to shares of Parent Common Stock.
(3) Mr. Huizenga's employment with Parent began in August 1995. He is not paid any cash salary or bonus.
(4) Mr. Hudson's employment with Parent began in August 1995.
(5) Mr. Karsner's employment with Parent began in October 1996.
(6) Includes $136,803 of relocation expenses for Mr. Karsner and $97,704 reimbursed by Parent for the payment of taxes by Mr. Karsner incurred thereon.
(7) Mr. Cosman's employment with Parent began in January 1997.
(8) Consists of certain relocation expenses for Mr. Cosman.

OPTION GRANTS IN YEAR ENDED DECEMBER 31, 1997

	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM		
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED(1)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR(2)	EXERCISE PRICE	EXPIRATION DATE(3)	0%	5%	10%
H. Wayne Huizenga.....	1,524,017	9.3%	$28.625	1/3/07	$2,000,272	$27,435,520	$69,526,994
Harris W. Hudson.....	324,672	2.0%	28.625	1/3/07	426,132	5,844,781	14,811,822
Michael S. Karsner....	10,000	*	28.625	1/3/07	13,125	180,021	456,209
James H. Cosman.....	163,333	1.0%	30.00	1/2/07	--	3,081,577	7,809,322

- ---

* Less than 1%
(1) All options relate to shares of Parent Common Stock.
(2) Calculated as a percent of total options of Parent Common Stock granted to all Parent employees.
(3) Mr. Huizenga's option grant is immediately exercisable in full; the option grants for the other Named Officers vest over a four-year period at the rate of 25% per year commencing on the first anniversary of the date of grant.

YEAR-END OPTION VALUES

	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 1997(1)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS DECEMBER 31, 1997(1)	
NAME	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
H. Wayne Huizenga.....	4,989,134	--	$38,405,528	--
Harris W. Hudson.....	297,522	815,217	7,354,617	$5,885,820
Michael S. Karsner.....	62,500	197,500	--	--
James H. Cosman.....	--	163,333	--	--

- ---

(1) All options relate to shares of Parent Common Stock.

COMPENSATION OF DIRECTORS

Following the Offerings Closing Date, the Company may grant options to purchase shares of Class A Common Stock to non-employee directors of the Company under the 1998 Stock Incentive Plan. See "-- Stock Incentive Plan." Other than as will be provided in such Plan and the reimbursement of reasonable expenses incurred with attending Board and Committee meetings, the Company has not yet adopted specific policies on directors' compensation and benefits following the Offerings Closing Date.

SEVERANCE AGREEMENTS

Messrs. Cosman and Holmes entered into severance agreements with Parent when hired by Parent. Pursuant to Mr. Cosman's severance agreement, if his employment with Parent is terminated without cause during the first 36 months of his employment, then Mr. Cosman is entitled to continue to receive severance pay equal to $300,000 per annum for a period equal to the greater of the balance of such 36-month period or 12 months. Such 36-month period expires on December 31, 1999. The Company will assume Parent's severance obligations under Mr. Cosman's agreement prior to the Offerings Closing Date. Mr. Cosman will not be entitled to any severance payments as a result of the Separation and Distribution.

Mr. Holmes' severance agreement provides that if his employment with Parent is terminated without cause during the first 24 months of his employment, then Mr. Holmes is entitled to continue to receive severance pay equal to $200,000 per annum for a period equal to the greater of the balance of such 24-month

period or 12 months. Mr. Holmes's severance agreement also provides that if his employment with Parent is terminated without cause after the first 24 months of his employment, then Mr. Holmes is entitled to continue to receive his base monthly salary for a period of 12 months. All options granted under Parent's stock option plans would continue to vest throughout the severance period. Mr. Holmes will not be entitled to any severance payments as a result of the Separation and Distribution.

STOCK INCENTIVE PLAN

The Company currently intends to adopt a 1998 Stock Incentive Plan ("Stock Incentive Plan") prior to the Offerings Closing Date, to provide for the grant of options to purchase shares of Class A Common Stock, stock appreciation rights and stock grants to employees, non-employee directors and independent contractors of the Company who are eligible to participate in the Stock Incentive Plan. The Company intends to reserve 20,000,000 shares of Class A Common Stock for issuance pursuant to options granted under the Stock Incentive Plan and Substitute Options (as defined below). The Company has agreed that prior to the Distribution Date it will not award options that, if exercised, would cause Parent's ownership of the Common Stock to fall below the Required Distribution Percentage or otherwise prevent the Distribution from qualifying as a tax-free distribution under Section 355 of the Code. See "Certain Transactions -- Separation and Distribution Agreement."

401(K) PLAN

The Company currently intends to adopt a 401(k) Savings and Retirement Plan that is intended to qualify for preferential tax treatment under section 401(a) of the Code ("401(k) Plan"). Although the Company has not yet adopted the specific terms of the 401(k) Plan, the Company intends that most of the employees of the Company will be eligible to participate in the 401(k) Plan upon adoption.

OWNERSHIP OF PARENT COMMON STOCK BY THE COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS

No present or future officer or director currently owns any shares of Common Stock, all of which are currently owned by Parent. Upon consummation of the Distribution, such directors and officers will receive shares of Class B Common Stock in respect of shares of Parent Common Stock held by them on the record date for the Distribution. The following table sets forth the number of shares of Parent Common Stock beneficially owned on June 12, 1998 by each of the Company's directors and director nominees, the Named Officers and all directors and executive officers of the Company as a group. Except as otherwise noted, the individual director, director nominee or executive officer or their family members had sole voting and investment power with respect to such securities. Percentages of shares beneficially owned are based upon 455,804,071 shares of Parent Common Stock outstanding at June 12, 1998, plus for each person named below any shares of Parent Common Stock that may be acquired by such person within 60 days of such date upon exercise of outstanding stock options or warrants.

	SHARES BENEFICIALLY OWNED	
NAME	NUMBER	PERCENT
H. Wayne Huizenga(1)	31,801,912	6.8
Harris W. Hudson(2)	19,421,981	4.2
Michael S. Karsner(3)	65,000	*
James H. Cosman(4)	48,834	*
Tod C. Holmes	--	--
All directors and executive officers as a group (5 persons)(5)	51,337,727	10.9

- ---

* Less than 1 percent

(1) The aggregate amount of Parent Common Stock beneficially owned by Mr. Huizenga consists of (a) 17,019,219 shares beneficially owned by Huizenga Investment Limited Partnership, a Nevada limited partnership controlled by Mr. Huizenga, (b) 1,043,559 shares owned indirectly by his wife, (c) presently exercisable warrants owned by Huizenga Investment Limited Partnership to purchase 8,000,000 shares, and (d) vested options to purchase 5,739,134 shares. Mr. Huizenga disclaims beneficial ownership of the shares owned by his wife.

Footnotes continued on following page

(2) The aggregate amount of Parent Common Stock beneficially owned by Mr. Hudson consists of (a) 17,296,779 shares beneficially owned by Harris W. Hudson Limited Partnership, a Nevada limited partnership controlled by Mr. Hudson, (b) presently exercisable warrants owned by Harris W. Hudson Limited Partnership to purchase 1,200,000 shares and (c) options exercisable within 60 days to purchase 925,202 shares.

(3) The aggregate amount of Parent Common Stock beneficially owned by Mr. Karsner consists of options exercisable within 60 days to purchase 65,000 shares.

(4) The aggregate amount of Parent Common Stock beneficially owned by Mr. Cosman consists of (a) 8,000 shares owned by Mr. Cosman and his wife as joint tenants, and (b) options exercisable within 60 days to purchase 40,834 shares.

(5) The aggregate amount of Parent Common Stock beneficially owned by all directors and executive officers of the Company as a group consists of (a) 35,367,557 shares, (b) presently exercisable warrants to purchase 9,200,000 shares and (c) options which are exercisable within 60 days to purchase 6,770,170 shares.

CERTAIN TRANSACTIONS

The following includes brief summaries of the Separation and Distribution Agreement, the Services Agreement, the Tax Indemnification and Allocation Agreement, and the Employee Benefits Agreement between the Company and Parent. The summaries of such agreements are qualified in their entirety by such agreements, copies of which will be filed as exhibits to the Registration Statement of which this Prospectus is a part.

HISTORICAL INTERCOMPANY RELATIONSHIPS

Prior to the Offerings Closing Date, the Company has been a wholly owned subsidiary of Parent. As a wholly owned subsidiary, the Company has received various services provided by Parent, including accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. Parent has also provided the Company with the services of a number of its executives and employees. In consideration for these services, Parent has historically allocated a portion of its overhead costs related to such services to the Company. Management of the Company believes that the amounts allocated to the Company have been no less favorable to the Company than the expenses the Company would have incurred to obtain such services on its own or from unaffiliated third parties.

From time to time, Parent has guaranteed certain obligations of the Company. These guarantees will remain in place following the Offerings Closing Date and may be called upon should there be a default with respect to such obligations. In that event, the Company will be obligated to reimburse Parent for all liabilities and costs incurred by Parent with respect to such obligations. Within six months following the Distribution, the Company will be required to cause all such guarantees by Parent to be released by the creditors and other parties holding such guarantees.

DIVIDEND AND INTERCOMPANY DEBT REPAYMENTS

In April 1998, the Company declared a dividend to Parent in the amount of $2.0 billion and paid the dividend to Parent by the issuance of the Company Notes payable to Parent. Prior to the Offerings Closing Date, the Company will prepay a portion of the Company Notes by (a) use of the Resources Note Receivable and (b) use of assets received by the Company from the Resources Dividend equal to the difference between the remaining outstanding amount of the Company Notes less the net proceeds of the Offerings and less the net proceeds of the Underwriters' over-allotment options (assuming such options are exercised in full). On the Offerings Closing Date, the Company intends to use all of the net proceeds of the Offerings to prepay certain amounts outstanding of the Company Notes payable to Parent. Prior to the Offerings Closing Date, the Company will issue shares of Class A Common Stock to repay in full the Affiliate Payable and the Resources Notes Payable. Within 31 days after the Offerings Closing Date, the Company will issue Class A Common Stock to Parent to prepay any remaining outstanding amount of the Company Notes to the extent that the net proceeds, if any, from the exercise of the Underwriters' over-allotment options are not sufficient to prepay any such remaining amount. All such issuances of Class A Common Stock will be based on the initial public offering price per share. See "Background of the Offerings -- Separation and Distribution."

SEPARATION AND DISTRIBUTION AGREEMENT

Parent has announced that, subject to satisfaction of certain conditions, Parent intends to distribute to its stockholders in 1999 all of the Common Stock of the Company owned by Parent at that time. The Separation and Distribution Agreement to be entered into between the Company and Parent will set forth certain agreements among the Company and Parent, with respect to the principal corporate transactions required to effect the Separation, the Offerings and the Distribution, and certain other agreements governing the relationship among the parties thereafter.

The Separation. The Separation and Distribution Agreement provides that, prior to the Offerings Closing Date and after effecting the Resources Dividend, all of the common stock of Resources will be distributed by the Company to Parent. Resources is a subsidiary of the Company and substantially all of its

assets and liabilities relate to Parent's automotive retail businesses, and do not relate to the Company's solid waste services businesses. The Company's financial statements exclude the accounts of Resources. In addition, prior to the Offerings, certain subsidiaries engaged in the solid waste services business and wholly owned, directly and indirectly, by the Company will be reorganized internally within the Company's consolidated group of subsidiaries.

The Offerings. The Separation and Distribution Agreement provides that, subject to certain conditions, the Company shall consummate the Offerings. On the Offerings Closing Date, Parent will own approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), which will represent approximately 91.2% of the combined voting power of all the outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full).

The Distribution. The Separation and Distribution Agreement provides that, subject to the terms and conditions thereof, Parent and the Company will take all reasonable steps necessary and appropriate to cause all conditions to the Distribution to be satisfied and to effect the Distribution. The Parent Board will have the sole discretion to set a record date for the Distribution and to determine the Distribution Date at any time commencing after the Offerings Closing Date and ending on or prior to such date as is three months following the satisfaction or waiver of all of the conditions to the Distribution, including receipt of the Letter Ruling. Parent has agreed to consummate the Distribution no later than December 31, 1999, subject to the satisfaction or waiver by the Parent Board, in its sole discretion, of the following conditions:

(i) the Letter Ruling shall have been obtained, and shall continue in effect, to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Code and the Distribution by Parent of Common Stock to stockholders of Parent will not result in recognition of any income, gain or loss for federal income tax purposes to Parent or Parent's stockholders, and such ruling shall be in form and substance satisfactory to Parent, in its sole discretion;

(ii) any material governmental approvals and third party consents necessary to consummate the Distribution shall have been obtained and be in full force and effect;

(iii) no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Parent shall have occurred or failed to occur that prevents the consummation of the Distribution; and

(iv) no other events or developments shall have occurred subsequent to the Offerings Closing Date that, in the sole judgment of the Parent Board, would result in the Distribution having a material adverse effect on Parent or on the stockholders of Parent.

The Company and Parent have agreed that, after the Offerings Closing Date, none of the parties will take, or permit any of its affiliates to take, any action which reasonably could be expected to prevent the Distribution from qualifying as a tax-free distribution to Parent and Parent's stockholders pursuant to Section 355 of the Code. The parties have also agreed to take any reasonable actions necessary in order for the Distribution to qualify as a tax-free distribution to Parent and Parent's stockholders pursuant to Section 355 of the Code. Without limiting the foregoing, after the Offerings Closing Date and prior to the Distribution Date, the Company will not issue or grant, directly or indirectly, any shares of its capital stock or any rights, warrants, options or other securities to purchase or acquire (whether upon conversion, exchange or otherwise) any shares of its capital stock (whether or not then exercisable, convertible or exchangeable), without the prior consent of Parent if such issuance or grant would reduce Parent's ownership of the Company's capital stock below the Required Distribution Percentage.

Registration Rights. The Separation and Distribution Agreement will provide that Parent and any of Parent's wholly owned subsidiaries that own Common Stock will have the right in certain circumstances to require the Company to use its best efforts to register for resale shares of Common Stock held by Parent under the Securities Act of 1933, as amended ("1933 Act"), and applicable state securities laws, subject to certain conditions, limitations and exceptions (a "Demand Registration Statement"). The Company also will agree

with Parent that if the Company files a registration statement for the sale of securities under the 1933 Act (an "Incidental Registration Statement"), then Parent and its subsidiaries may, subject to certain conditions, limitations and exceptions, include in such registration statement shares of Common Stock held by Parent and its subsidiaries. Parent has agreed to pay all of the offering expenses in connection with any Demand Registration Statement, provided that if the Company registers any new shares of its Common Stock in the Demand Registration Statement, then the Company will pay its pro rata portion of the offering expenses. The Company has agreed to pay offering expenses in connection with any Incidental Registration Statement; however, Parent will pay its pro rata portion of the offering expenses if any shares of Common Stock held by Parent and its subsidiaries are included in the Incidental Registration Statement.

Releases and Indemnification. The Separation and Distribution Agreement provides for a full and complete release and discharge as of the Offerings Closing Date of all liabilities (including any contractual agreements or arrangements existing or alleged to exist) existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Offerings Closing Date, between the Company and Parent (including in connection with the transactions and all other activities to implement any of the Separation, the Offerings and the Distribution), except as expressly set forth in the Separation and Distribution Agreement.

Except as provided in the Separation and Distribution Agreement, the Company has agreed to indemnify, defend and hold harmless Parent and each of Parent's directors, officers and employees from and against all liabilities relating to, arising out of or resulting from (i) the failure of the Company or any other Person to pay, perform or otherwise promptly discharge any liabilities of the Company in accordance with their respective terms, and (ii) any breach by the Company of the Separation and Distribution Agreement or any of the \agreements entered into by the parties in connection with the Separation and Distribution (the "Ancillary Agreements").

Except as provided in the Separation and Distribution Agreement, Parent has agreed to indemnify, defend and hold harmless the Company and each of the Company's directors, officers and employees from and against all liabilities relating to, arising out of or resulting from (i) the failure of Parent or any other Person to pay, perform or otherwise promptly discharge any liabilities of Parent other than the liabilities of the Company, (ii) any breach by Parent of the Separation and Distribution Agreement or any of the Ancillary Agreements and (iii) any untrue statement of a material fact or omission to state a material fact, or alleged untrue statements or omissions, with respect to certain information relating to Parent contained in the Registration Statement, any Demand Registration Statement or any Incidental Registration Statement.

The Separation and Distribution Agreement also specifies certain procedures with respect to claims subject to indemnification and related matters.

Contingent Liabilities and Contingent Gains. The Separation and Distribution Agreement provides for indemnification by the Company and Parent with respect to contingent liabilities primarily relating to their respective businesses or otherwise assigned to them ("Exclusive Contingent Liabilities").

The Separation and Distribution Agreement provides for the establishment of a Contingent Claims Committee comprised of one representative designated from time to time by each of Parent and the Company that will establish procedures for resolving disagreements among the parties as to contingent gains and contingent liabilities.

The Separation and Distribution Agreement provides for the sharing of Shared Contingent Liabilities, which are defined as (i) any contingent liabilities that are not Exclusive Contingent Liabilities of Parent or Exclusive Contingent Liabilities of the Company and (ii) certain specifically identified liabilities. With respect to any Shared Contingent Liability, the parties have agreed to allocate responsibility for such Shared Contingent Liability based upon their respective market capitalizations on the Offerings Closing Date or on such other methodology to be established by a Contingent Claims Committee to be appointed by the parties. Parent will assume the defense of, and may seek to settle or compromise, any third party claim that is a Shared Contingent Liability, and the costs and expenses thereof will be included in the amount to be shared by the parties.

The Separation and Distribution Agreement provides that the Company and Parent will have the exclusive right to any benefit received with respect to any contingent gain that primarily relates to the business of, or that is expressly assigned to, the Company or Parent, respectively (an "Exclusive Contingent Gain"). Each of the Company and Parent will have sole and exclusive authority to manage, control and otherwise determine all matters whatsoever with respect to an Exclusive Contingent Gain that primarily relates to its respective business. The parties have agreed to share any benefit that may be received from any Contingent Gain based upon their respective market capitalizations on the Offerings Closing Date or on such other methodology to be established by a Contingent Claims Committee to be appointed by the parties. The parties have agreed that Parent will have the sole and exclusive authority to manage, control and otherwise determine all matters whatsoever with respect to any Shared Contingent Gain. Pursuant to the Separation and Distribution Agreement, the Company acknowledges that Parent may elect not to pursue any Shared Contingent Gain for any reason whatsoever (including a different assessment of the merits of any action, claim or right or any business reasons that are in the best interests of Parent without regard to the best interests of the Company) and that Parent will have no liability to any Person (including the Company) as a result of any such determination.

Certain Business Transactions. Under the terms of the Separation and Distribution Agreement, Parent has agreed that, for a period of five years after the date of the Distribution, Parent will not directly or indirectly compete with the Company in the solid waste services industry anywhere in North America, and the Company has agreed that, for a period of five years after the date of the Distribution, the Company will not directly or indirectly compete with the Parent in the automotive retail or vehicle rental industries anywhere in North America. The Separation and Distribution Agreement also provides for the allocation of certain corporate opportunities following the Offerings Closing Date and prior to the Distribution Date. During this period, neither the Company nor Parent will have any duty to communicate or offer such opportunities to the other and, subject to the foregoing non-competition covenants, may pursue or acquire any such opportunity for itself or direct such opportunity to any other Person; provided, however, (i) if the opportunity relates primarily to the business of the other party, the party that acquires knowledge of the opportunity will generally be required to communicate and offer the opportunity to the other party and (ii) if the opportunity relates to both the business of Parent and the Company, the party that acquires knowledge of the opportunity shall use its reasonable best efforts to communicate and offer such opportunity to the Company.

Insurance. Pursuant to the Separation and Distribution Agreement, Parent has agreed to permit the Company to continue to participate in certain of its insurance policies and Parent will continue to provide claims adjustment services for automobile liability and general liability claims, for which the Company will pay to Parent a monthly fee of $43,000 for insurance costs plus an amount equal to five percent of incurred losses for claims adjustment services. Additionally, Company plans to secure insurance policies independent of Parent. Parent and the Company have agreed to cooperate in good faith to provide for an orderly transition of insurance coverage. However, Parent will not be liable in the event any of these policies are terminated or prove to be inadequate. See "Business -- Liability and Insurance Bonding."

Warrants. Under the terms of certain outstanding warrants to purchase Parent Common Stock, persons who hold such warrants and do not exercise them prior to the record date for the Distribution will be entitled to receive upon exercise of such warrants, in addition to shares of Parent Common Stock, a number of shares of Common Stock, based on the same ratio used to determine the number of shares of Common Stock to be distributed for each outstanding share of Parent Common Stock on the record date for the Distribution. If necessary, Parent will reserve shares of Common Stock held by it at the time of the Distribution to be delivered to holders of warrants upon exercise of such warrants following the record date for the Distribution Date. The Company will not be required to issue any additional shares of Common Stock to such warrant holders. It is not possible to specify how many shares of Common Stock will be subject to such warrants, as it is not known how many warrants, if any, to purchase Parent Common Stock will remain unexercised by the record date for the Distribution.

Expenses. The Company has agreed to pay all third-party costs, fees and expenses relating to the Offerings, all of the reimbursable expenses of the Underwriters pursuant to the Underwriting Agreement (as defined below), all of the costs of producing, printing, mailing and otherwise distributing this Prospectus, as

well as the Underwriters' discount as provided in the Underwriting Agreement. See "Underwriting." Except as set forth in an Ancillary Agreement, whether or not the Distribution is consummated, the Separation and Distribution Agreement treats certain specific third-party fees, costs and expenses paid or incurred in connection with the Distribution in the same manner as Shared Contingent Liabilities, and all other fees, costs and expenses in connection therewith will be paid by Parent.

Termination. The Separation and Distribution Agreement may be terminated at any time prior to the Distribution Date by the mutual consent of Parent and the Company, or by Parent at any time prior to the Offerings Closing Date. In addition, the Separation and Distribution Agreement will terminate if the Distribution does not occur on or prior to December 31, 1999, unless extended by Parent and the Company. If the Separation and Distribution Agreement is terminated prior to the Offerings Closing Date, no party thereto (or any of its respective directors or officers) will have any liability or further obligation to any other party. In the event of any termination of the Separation and Distribution Agreement on or after the Offerings Closing Date, only the provisions of the Separation and Distribution Agreement that obligate the parties to pursue the Distribution, or take, or refrain from taking, actions which would or might prevent the Distribution from qualifying for tax-free treatment under Section 355 of the Code, will terminate and the other provisions of the Separation and Distribution Agreement and each Ancillary Agreement will remain in full force and effect.

SERVICES AGREEMENT

Prior to the Offerings Closing Date, the Company and Parent intend to enter into a services agreement (the "Services Agreement") pursuant to which Parent will provide to the Company certain accounting, auditing, cash management, corporate communications, corporate development, financial and treasury, human resources and benefit plan administration, insurance and risk management, legal, purchasing and tax services. In exchange for the provision of such services, fees will be payable by the Company to Parent in the amount of $1.25 million per month, subject to review and adjustment as the Company reduces the amount of services it obtains from Parent from time to time. The fees will be payable monthly in arrears, 15 days after the close of each month. Management of the Company believes that the fees for services that will or may be provided under the Services Agreement will be no less favorable to the Company than could have been obtained by the Company internally or from unaffiliated third parties.

The Services Agreement will have an initial term expiring one year from the Offerings Closing Date. Following the initial term, the Company may seek to renew or extend the term, and modify the scope and fee of, the Services Agreement on terms mutually acceptable to the Company and Parent.

Any services rendered to the Company by Parent beyond the services to be provided under the terms of the Services Agreement, that Parent determines are not covered by the fees provided for under the terms of the Services Agreement, will be billed to the Company as described in the Services Agreement, or on such other basis as the Company and Parent may agree, provided that the price payable by the Company for non-covered services will be established on a negotiated basis which is no less favorable to the Company than the charges for comparable services from unaffiliated third parties.

TAX INDEMNIFICATION AND ALLOCATION AGREEMENT

Prior to the Offerings Closing Date, the Company and Parent intend to enter into a Tax Indemnification and Allocation Agreement, which will provide that if any one of certain events occurs, and such event causes the Distribution not to be a tax-free transaction to Parent under Section 355 of the Code, then the Company will indemnify Parent for income taxes Parent may incur by reason of the Distribution not so qualifying under the Code (the "Distribution Taxes"). Such events include any breach of representations relating to the Company's activities and ownership of its capital stock made to Parent or to the IRS in connection with the solicitation of a Letter Ruling.

The Tax Indemnification and Allocation Agreement will also provide that Parent will indemnify the Company for income taxes that the Company might incur if certain internal restructuring transactions entered into in connection with the Offerings fail to qualify as tax-free spin-offs, irrespective of whether such taxes

arise as a result of the events referred to above, and for Distribution Taxes for which the Company has no liability to Parent under the circumstances described above.

In addition to the foregoing indemnities, the Tax Indemnification and Allocation Agreement will provide for (i) the allocation and payment of taxes for periods during which the Company and Parent are included in the same consolidated group for federal income tax purposes or the same consolidated, combined or unitary returns for state tax purposes, (ii) the allocation of responsibility for the filing of tax returns, (iii) the conduct of tax audits and the handling of tax controversies and (iv) various related matters.

For periods during which the Company is included in Parent's consolidated federal income tax returns or state consolidated, combined, or unitary tax returns (which will include the periods on or before the Offerings Closing Date), the Company will be required to pay an amount of income tax equal to the consolidated tax liability attributable to the Company. The Company will be responsible for its own separate tax liabilities that are not determined on a consolidated or combined basis. The Company will also be responsible in the future for any increases to the consolidated tax liability of the Company and Parent that is attributable to the Company, and will be entitled to refunds for reductions of tax liabilities attributable to the Company for prior periods.

The Company and its subsidiaries will be included in Parent's consolidated group for federal income tax purposes so long as Parent beneficially owns at least 80% of the total voting power and value of the outstanding Common Stock. Each corporation that is a member of a consolidated group during any portion of the group's tax year is jointly and severally liable for the federal income tax liability of the group for that year. The Company (and its subsidiaries) will cease to be members of the Parent's consolidated group upon the Offerings Closing Date. While the Tax Indemnification and Allocation Agreement allocates tax liabilities between Company and Parent during the period on or prior to the Offerings Closing Date in which the Company is included in Parent's consolidated group, the Company could be liable in the event federal tax liability allocated to Parent is incurred, but not paid, by Parent or any other member of Parent's consolidated group for Parent's tax years that include such periods. In such event, the Company would be entitled to seek indemnification from Parent pursuant to the Tax Indemnification and Allocation Agreement.

In connection with the Distribution and the Letter Ruling, the Company will likely make certain representations to the IRS regarding its intentions at the time of the Distribution with respect to its business assets and acquisitions or issuances of its capital stock. Parent will make similar representations to the IRS with respect to Parent's assets and capital stock. The IRS may require a representation that the Company has had no negotiations or discussions with any possible acquisition target the acquisition of which, when combined with the Class A Common Stock issued in the Offerings or any shares of Common Stock sold by Parent prior to the Distribution, could cause a 50% or greater change in the vote or value of the capital stock of the Company. If the Distribution occurs and, as a result of the Company's breach of these representations, or certain other representations of the Company, occurring after the Distribution, Parent incurs Distribution Taxes, then the Company would be liable to the Parent under the Tax Indemnification and Allocation Agreement, which would have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. Parent does not plan to consummate the Distribution unless the Letter Ruling is satisfactory to Parent that the general acquisition growth strategies of Parent and the Company would not cause the Distribution to be taxable and that such acquisition growth strategies would not be impeded by completing the Distribution.

EMPLOYEE BENEFITS AGREEMENT

Prior to the Offerings Closing Date, the Company and Parent intend to enter into an employee benefits agreement (the "Employee Benefits Agreement"). Pursuant to the Employee Benefits Agreement, the Company will assume and agree to pay, perform, fulfill and discharge, in accordance with their respective terms, all liabilities to, or relating to, former employees of Parent or its affiliates who will be employed by the Company and its affiliates as of the Distribution Date and certain former employees of Parent or its affiliates (including retirees) who were employed in or provided services primarily for the solid waste business of the Company for purposes of allocating employee benefit obligations. Until the Distribution Date, such employees

and former employees will continue to participate in Parent's employee benefit plans, although the Company will bear its allocable share of the costs of benefits of such plans. Effective immediately after the Distribution, the Company will establish its own employee benefit plans, which generally will be similar to Parent's plans as in effect at that time. The Employee Benefits Agreement will not preclude the Company from discontinuing or changing such plans at any time thereafter, with certain exceptions noted below. The Company's plans generally will assume all liabilities under Parent's plans to employees and former employees assigned to the Company, and any assets funding such liabilities will be transferred from funding vehicles associated with Parent's plans to the corresponding funding vehicles associated with the Company's plans.

Parent Stock Options. Pursuant to the Employee Benefits Agreement, following the Distribution, the Company intends to issue substitute options under the Stock Incentive Plan (collectively "Substitute Options") in substitution for grants under Parent's stock option plans as of the Distribution Date (collectively, "Parent Stock Options") held by individuals employed by the Company as of the Distribution Date (the "Company Employees"). With certain exceptions, Parent Stock Options held by individuals employed by Parent as of the Distribution Date and Parent Stock Options held by individuals who will not continue their employment after the Distribution Date with any of Parent, the Company or any of their subsidiaries, including individuals who have retired prior to such date, will remain outstanding as Parent Stock Options, with an appropriate antidilution adjustment to reflect the Distribution.

The Substitute Options will provide for the purchase of a number of shares of the Class A Common Stock equal to the number of shares of Parent Common Stock subject to such Parent Stock Options as of the Distribution Date, multiplied by the Ratio (as defined below), rounded down to the nearest whole share. The per share exercise price of the Substitute Options will equal the per share exercise price of such Parent Stock Options as of the Distribution Date divided by the Ratio. Solely for its convenience, the Company will pay the holders of the Substitute Options cash in lieu of any fractional share. The other terms and conditions of such Substitute Options will be the same as those of the surrendered Parent Stock Options. The "Ratio" means the amount obtained by dividing (i) the average of the daily high and low per share prices of the Parent Common Stock as listed on the NYSE during each of the 30 trading days immediately preceding the ex-dividend date for the Distribution by (ii) the average of the daily high and low per share prices of the Class A Common Stock as listed on the NYSE during each of the 30 trading days immediately preceding the ex-dividend date for the Distribution.

Shares Subject to Substitute Options. It is not possible to specify how many shares of Class A Common Stock will be subject to Substitute Options. It is expected that some Parent Stock Options consisting of stock options held by the Company Employees will be exercised and that some will be forfeited, and that additional Parent Stock Options could be granted, prior to the Distribution Date. In addition, the remaining balance of unexercised Parent Stock Options will be converted into Substitute Options by reference to the Ratio, which will not be known until the time of the Distribution. Stockholders of the Company are, however, likely to experience some dilutive impact from the above-described adjustments.

Outstanding Parent Stock Options Held by Company Employees. Pending the Distribution, Parent Stock Options held by Company Employees will remain outstanding as Parent Stock Options. As of June 12, 1998, there were approximately 7.3 million shares of Parent Common Stock reserved by Parent for possible issuance pursuant to outstanding, unexercised Parent Stock Options at a weighted average exercise price of $19.71 per share (approximately 2.4 million of which were exercisable as of June 12, 1998), held by Company Employees. If the Ratio were determined using the closing price of the Parent Common Stock on June 12, 1998 on the NYSE ($24.875 per share) and a price of $25.50 per share of Class A Common Stock (the mid-point of the estimated range set forth on the cover page of this Prospectus), the foregoing number of shares subject to Parent Stock Options would be replaced by Substitute Options to purchase approximately 7.1 million shares of Class A Common Stock at a weighted average exercise price of $20.21 per share.

LEASE

The Company intends to enter into a lease (the "Lease") with Parent effective upon the Offerings Closing Date, pursuant to which Parent will lease to the Company approximately 10,800 square feet of office

space at Parent's corporate headquarters in Fort Lauderdale, Florida at an annual rate of $220,320 ($20.40 per square foot), plus certain common area maintenance charges. The Lease will have an initial term of one year, will be terminable by the Company on 90 days' prior written notice and will be automatically renewable by the Company for an additional one year term. Included in the rental rate will be utilities, security, parking, building maintenance and cleaning services. Management of the Company believes that the Lease will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

OTHER RELATIONSHIPS WITH PARENT

On the Offerings Closing Date, Parent will own approximately 31.0% of the Class A Common Stock (21.1% if the Underwriters exercise their over-allotment options in full) and all of the outstanding shares of Class B Common Stock, which together will represent approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), and approximately 91.2% of the combined voting power of all outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). In addition, the following executive officers and/or directors of the Company also are executive officers and/or directors of Parent:

Mr. Huizenga, the Chairman and Chief Executive Officer of the Company, also is the Chairman and Co-Chief Executive Officer of Parent.

Mr. Hudson, the Vice Chairman of the Company, also is the Vice Chairman of Parent.

Mr. Karsner, the Chief Financial Officer of the Company, also is Senior Vice President and Chief Financial Officer of Parent.

During 1997, the Company collected solid waste from, and leased roll-off containers to, certain automotive retail and vehicle rental subsidiaries of Parent. All of such services were provided to such subsidiaries of Parent pursuant to the Company's standard form contracts at standard rates. The Company expects to continue to provide such services on the same terms in 1998.

During 1997, the Company from time to time rented vehicles from Parent's Alamo Rent-A-Car and National Car Rental System subsidiaries, pursuant to standard form vehicle rental agreements under which standard rates were charged to the Company. The Company expects to continue from time to time to rent vehicles from Parent on the same terms in 1998.

OTHER TRANSACTIONS WITH RELATED PARTIES

The following is a summary of certain other agreements and transactions between or among the Company and certain related parties. It is the Company's policy that transactions with related parties must be on terms that, on the whole, are no less favorable than those that would be available from unaffiliated parties. Based on the Company's experience in the industry in which it operates and the terms of its transactions with unaffiliated parties, it is the Company's belief that all of the transactions described below involving the Company met that standard at the time such transactions were effected.

Pro Player Stadium (the "Stadium") is a professional sports stadium in South Florida that is owned and controlled by Mr. Huizenga. Certain subsidiaries of the Company collected solid waste from, and leased roll-off waste containers to, the Stadium pursuant to standard agreements under which the Stadium paid an aggregate of approximately $383,000 to such subsidiaries in 1997. The Company expects to continue to provide such services on the same terms in 1998.

In 1997, the Company purchased Mr. Cosman's residence in Pennsylvania for $770,000.

PRINCIPAL STOCKHOLDER

Prior to the Offerings Closing Date, the Company has been a wholly owned subsidiary of Parent. On the Offerings Closing Date, Parent will own approximately 31.0% of the Class A Common Stock (21.1% if the

Underwriters exercise their over-allotment options in full) and all of the outstanding shares of Class B Common Stock, which together will represent approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), and approximately 91.2% of the combined voting power of all outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). Except for Parent, the Company is not aware of any person or group that will beneficially own more than 5% of the outstanding shares of Common Stock upon the Offerings Closing Date.

DESCRIPTION OF CAPITAL STOCK

AUTHORIZED CAPITAL STOCK

Prior to the Offerings Closing Date, the Certificate will be amended and restated to authorize capital stock consisting of (a) 50,000,000 shares of preferred stock, par value $.01 per share (the "Preferred Stock"), and (b) 750,000,000 shares of Common Stock, of which 250,000,000 shares will be authorized as Class A Common Stock, 125,000,000 shares will be authorized as Class B Common Stock, and 375,000,000 shares may be designated by the Board as either Class A Common Stock or Class B Common Stock prior to issuance. Of the 250,000,000 shares of Common Stock designated as Class A Common Stock, 51,000,000 shares are being offered hereby, 15,686,275 shares will be issued to Parent, 7,650,000 are reserved for issuance upon exercise of over-allotment options or for issuance to Parent, 20,000,000 are reserved for issuance pursuant to the Stock Incentive Plan and 101,046,225 shares are reserved for issuance upon conversion of shares of Class B Common Stock into shares of Class A Common Stock. The share numbers set forth herein are subject to the assumptions set forth under the heading "The Offerings" in the Prospectus Summary. Immediately following the Offerings Closing Date, 73,953,775 shares of Class A Common Stock (74,336,275 shares if the Underwriters exercise their over-allotment options in full) will be outstanding, 101,046,225 shares of Class B Common Stock will be outstanding and held by Parent, and no shares of Preferred Stock will be outstanding. All of the shares of Common Stock that will be outstanding immediately following the Offerings Closing Date, including the shares of Class A Common Stock sold in the Offerings, will be validly issued, fully paid and nonassessable. The following summary description of the capital stock of the Company is qualified by reference to the Certificate and bylaws of the Company, copies of which will be filed as exhibits to Registration Statement of which this Prospectus is a part.

COMMON STOCK

Voting. The Class A Common Stock and Class B Common Stock are identical in all respects, except holders of Class A Common Stock are entitled to one vote per share while holders of Class B Common Stock are entitled to five votes per share on all matters submitted to a vote of the stockholders, including the election of directors. Except as otherwise required by law or provided in any resolution adopted by the Board with respect to any series of Preferred Stock, the holders of Common Stock will possess all voting power. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of Class A Common Stock and Class B Common Stock that are present in person or represented by proxy, voting together as a single class, subject to any voting rights granted to holders of any Preferred Stock. Except as otherwise provided by law, and subject to any voting rights granted holders of any Preferred Stock, amendments to the Certificate generally must be approved by a majority of the votes entitled to be cast by all outstanding shares of Class A Common Stock and Class B Common Stock, voting together as a single class. However, amendments to the Certificate that would alter or change the powers, preferences or special rights of the Class A Common Stock or Class B Common Stock so as to adversely affect them must also be approved by a majority of the outstanding shares of the class that is adversely affected by such amendment, voting as a separate class. The Certificate will not provide for cumulative voting in the election of directors.

Conversion. Prior to the Distribution, Parent shall be entitled, at any time or from time to time, to convert all or any portion of its shares of Class B Common Stock into shares of Class A Common Stock on a one-for-one basis. Any shares of Class B Common Stock transferred by Parent or any of its subsidiaries to any

person, other than Parent or any of its subsidiaries, shall automatically convert into shares of Class A Common Stock on a one-for-one basis, except for the distribution of Class B Common Stock to stockholders of Parent as part of the Distribution. All shares of Class B Common Stock shall automatically convert into shares of Class A Common Stock on a one-for-one basis if the number of outstanding shares of Class B Common Stock falls below 20% of the aggregate number of outstanding shares of Common Stock. This automatic conversion feature will prevent Parent from decreasing its economic interest in the Company to less than 20% while still retaining control of approximately 55.6% of the combined voting power of the shares of Class A Common Stock and Class B Common Stock, assuming no additional shares of Common Stock are issued after the Offerings Closing Date. This automatic conversion feature will ensure that, if the Distribution does not occur, Parent will retain voting control of the Company only if it retains a significant economic interest in the Company.

Following the Distribution, except as provided below, shares of Class B Common Stock shall not be convertible into shares of Class A Common Stock at the option of the holder thereof. Shares of Class B Common Stock shall automatically convert into shares of Class A Common Stock on a one-for-one basis on the fifth anniversary of the Distribution Date, unless prior to the Distribution Date, Parent delivers to the Company an opinion of counsel reasonably satisfactory to the Company to the effect that such automatic conversion would adversely affect Parent's ability to obtain the Letter Ruling. If such opinion is received, approval of such conversion shall be submitted to a vote of the holders of the Common Stock as soon as practicable after the fifth anniversary of the Distribution Date, unless Parent delivers to the Company an opinion of counsel reasonably satisfactory to the Company prior to such fifth anniversary that such vote would adversely affect the tax-free status of the Distribution. Approval of such conversion will require the affirmative vote of the holders of a majority of the shares of both the Class A Common Stock and Class B Common Stock present in person or by proxy, voting together as a single class, with each share entitled to one vote for such purpose. If such automatic conversion does not occur, the Class B Common Stock may not be convertible into Class A Common Stock. There is no assurance that any conversion will be consummated whether by virtue of the above events or otherwise.

In addition, following the Distribution, shares of Class A Common Stock and Class B Common Stock will be convertible, at the option of the holders thereof, on a one-for-one basis, into shares of the other class if any person or group of persons (other than Parent or any of its subsidiaries) makes an offer, which the Board deems to be a bona fide offer, to purchase 20% or more of the other class of Common Stock for cash or securities or other property without making a similar offer for shares of such class of Common Stock, unless prior to the Distribution Date, Parent delivers to the Company an opinion of counsel reasonably satisfactory to the Company to the effect that such conversion right would adversely affect Parent's ability to obtain the Letter Ruling. The shares of Common Stock of a class may only be so converted during the period in which such bona fide offer is in effect. Any share of Common Stock so converted and not acquired by the offeror prior to the termination, rescission or completion of the offer will automatically reconvert to a share of the class from which it was converted upon such termination, rescission or completion. This automatic conversion feature is to ensure that holders of Class A Common Stock and Class B Common Stock may participate in any offer for a significant amount of the shares of the other class of Common Stock that is not similarly offered for the shares of such holder's class of Common Stock.

In addition, following the Distribution, if any person or persons acting together as a group acquires 20% or more of the outstanding shares of Class B Common Stock, all shares of Class B Common Stock held by such person or group shall automatically be converted into shares of Class A Common Stock on a one-for-one basis, unless prior to the Distribution Date, Parent delivers to the Company an opinion of counsel reasonably satisfactory to the Company to the effect that such automatic conversion would adversely affect Parent's ability to obtain the Letter Ruling.

Dividends. Subject to any preferential rights of any outstanding series of Preferred Stock created by the Board from time to time, the holders of shares of Class A Common Stock and Class B Common Stock will be entitled to such cash dividends as may be declared from time to time by the Board from funds available therefor which dividends are not required to be declared on both classes, provided that holders of shares of Class A Common Stock shall be entitled to receive an equal pro rata share of any amounts received by holders

of shares of Class B Common Stock. See "Dividend Policy." In addition, in connection with any stock dividend that may be declared by the Board from time to time, holders of Class A Common Stock shall be entitled to receive such dividend only in shares of Class A Common Stock while holders of Class B Common Stock shall be entitled to receive such dividend either in shares of Class A Common Stock or in shares of Class B Common Stock as may be determined by the Board. Neither the shares of Class A Common Stock nor the shares of Class B Common Stock may be reclassified, subdivided or combined unless such reclassification, subdivision or combination occurs simultaneously and in the same proportion for each class.

Liquidation. Subject to any preferential rights of any outstanding series of Preferred Stock created from time to time by the Board, upon liquidation, dissolution or winding up of the Company, the holders of shares of Class A Common Stock and Class B Common Stock will be entitled to receive pro rata all assets of the Company available for distribution to such holders.

Other Rights. In the event of any merger or consolidation of the Company with or into another company in connection with which shares of Common Stock are converted into or exchangeable for shares of stock, other securities or property (including cash), all holders of Common Stock, regardless of class, will be entitled to receive the same kind and amount of shares of stock and other securities and property (including cash).

PREFERRED STOCK

The Certificate will authorize the Board to establish one or more series of Preferred Stock and to determine, with respect to any series of Preferred Stock, the terms and rights of such series, including (i) the designation of the series, (ii) the number of shares of the series, which number the Board may thereafter (except where otherwise provided in the applicable certificate of designation) increase or decrease (but not below the number of shares thereof then outstanding), (iii) whether dividends, if any, will be cumulative or noncumulative, and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative, (iv) the rate of any dividends (or method of determining such dividends) payable to the holders of the shares of such series, any conditions upon which such dividends will be paid and the date or dates or the method for determining the date or dates upon which such dividends will be payable, (v) the redemption rights and price or prices, if any, for shares of the series, (vi) the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series, (vii) the amounts payable on and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, (viii) whether the shares of the series will be convertible or exchangeable into shares of any other class or series, or any other security, of the Company or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates as of which such shares will be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made, (ix) restrictions on the issuance of shares of the same series or of any other class or series, (x) the voting rights, if any, of the holders of the shares of the series and (xi) any other relative rights, preferences and limitations of such series.

The Company believes that the ability of the Board to issue one or more series of Preferred Stock will provide the Company with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of Preferred Stock, as well as shares of Common Stock, will be available for issuance without further action by the Company's stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which the Company's securities may be listed or traded. Subject to certain exceptions, the NYSE currently requires stockholder approval as a prerequisite to listing shares in several instances, including where the present or potential issuance of shares could result in an increase in the number of shares of common stock or voting securities outstanding by at least 20%. If the approval of the Company's stockholders is not required for the issuance of shares of Preferred Stock or Common Stock, the Board may determine not to seek stockholder approval.

Although the Board has no intention at the present time of doing so, it could issue a series of Preferred Stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. The Board will make any determination to issue such shares based on its judgment as to the best interests of the Company and its stockholders. The Board, in so acting, could issue Preferred Stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of the Board, including a tender offer or other transaction that some, or a majority, of the Company's stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then current market price of such stock.

DELAWARE BUSINESS COMBINATION STATUTE

Section 203 of the Delaware General Corporation Law (the "DGCL") provides that, subject to certain exceptions specified therein, an "interested stockholder" of a Delaware corporation shall not engage in any business combination, including mergers or consolidations or acquisitions of additional shares of the corporation, with the corporation for a three-year period following the date that such stockholder becomes an interested stockholder unless (i) prior to such date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an "interested stockholder," the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares), or (iii) on or subsequent to such date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder. Except as otherwise specified in Section 203 of the DGCL ("Section 203"), an interested stockholder is defined to include (x) any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination and (y) the affiliates and associates of any such person.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. The Company has not elected to be exempt from the restrictions imposed under Section 203. However, Parent and its affiliates are excluded from the definition of "interested stockholder" pursuant to the terms of Section 203. The provisions of Section 203 may encourage persons interested in acquiring the Company to negotiate in advance with the Board, since the stockholder approval requirement would be avoided if a majority of the directors then in office approves either the business combination or the transaction which results in any such person becoming an interested stockholder. Such provisions also may have the effect of preventing changes in the management of the Company. It is possible that such provisions could make it more difficult to accomplish transactions which the Company's stockholders may otherwise deem to be in their best interests.

LIABILITY OF DIRECTORS; INDEMNIFICATION

The Certificate will provide that a director of the Company will not be personally liable to the Company or its stockholders for monetary damages for a breach of his or her fiduciary duty as a director, except, if required by the DGCL as amended from time to time, for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, which concerns unlawful payments of dividends, stock purchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. Neither the amendment nor repeal of such provision will eliminate or reduce the effect of such provision in respect of any matter occurring, or any cause of action, suit or claim that, but for such provision, would accrue or arise prior to such amendment or repeal.

While the Certificate will provide directors with protection from awards for monetary damages for breaches of their duty of care, it does not eliminate such duty. Accordingly, the Certificate will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care.

The Certificate will provide that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by the Company to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith. Such right to indemnification includes the right to have the Company pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the provisions of the DGCL. Such rights are not exclusive of any other right which any person may have or thereafter acquire under any statute, provision of the Certificate, the Company's By-Laws, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of such provision will in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Company thereunder in respect of any occurrence or matter arising prior to any such repeal or modification. The Certificate will also specifically authorize the Company to maintain insurance and to grant similar indemnification rights to employees or agents of the Company.

At present, there is no pending or threatened litigation or proceeding involving any director or officer, employee or agent of the Company where such indemnification will be required or permitted.

TRANSFER AGENT AND REGISTRAR

First Union National Bank will be the transfer agent and registrar for the Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

Of the 73,953,775 shares of Class A Common Stock to be outstanding on the Offerings Closing Date (74,336,275 shares if the Underwriters exercise their over-allotment options in full) the 51,000,000 shares of Class A Common Stock sold in the Offerings (58,650,000 shares if the Underwriters exercise their over-allotment options in full) will be freely tradable without restriction under the 1933 Act, except for any such shares which be may acquired by an affiliate of the Company (an "Affiliate"), as that term is defined in Rule 144 promulgated under the 1933 Act ("Rule 144"). On the Offerings Closing Date, Parent will own 101,046,225 shares of Class B Common Stock which will constitute 100% of the outstanding shares of Class B Common Stock and, together with its wholly owned subsidiaries, will own 22,953,775 shares of Class A Common Stock which will constitute approximately 31.0% of the outstanding shares of Class A Common Stock (15,686,275 shares and 21.1%, respectively, if the Underwriters exercise their over-allotment options in full). The share numbers set forth herein are subject to the assumptions set forth under the heading "The Offerings" in the Prospectus Summary. Shares of Class B Common Stock may convert into shares of Class A Common Stock in certain circumstances. See "Description of Capital Stock." Parent has announced that, subject to certain conditions, Parent intends to distribute to its stockholders in 1999 all of the Common Stock held by Parent by means of the Distribution. Shares of Common Stock to be distributed to Parent's stockholders in the Distribution generally will be freely transferable, except for shares of Common Stock received by persons who may be deemed to be Affiliates. Persons who may be deemed to be Affiliates generally include individuals or entities that control, are controlled by, or are under common control with, the Company and may include directors and certain officers of the Company as well as significant stockholders of the Company, if any. Persons who are Affiliates will be permitted to sell the shares of Common Stock that are issued in the Offerings or that they receive in the Distribution only pursuant to an effective registration statement under the 1933 Act or an exemption from the registration requirements of the 1933 Act, including exemptions provided by Rule 144.

The shares of Common Stock held by Parent are deemed "restricted securities" as defined in Rule 144, and may not be sold other than through registration under the 1933 Act or pursuant to an exemption from the regulations thereunder, including exceptions provided by Rule 144. Subject to applicable law and to the contractual restriction with the Underwriters described below, Parent may sell any and all of the shares of Common Stock it owns after completion of the Offerings. The Separation and Distribution Agreement will provide that Parent will have the right in certain circumstances to require the Company to use its best efforts to register for resale shares of Common Stock held by Parent and its wholly owned subsidiaries. See "Certain Transactions -- Separation and Distribution Agreement." Parent intends to exercise its right to cause the Company to register for resale, subject to the 180-day lock-up, shares of Class A Common Stock held by Parent and its wholly owned subsidiaries in order to sell shares for cash prior to the Distribution. The Company and Parent have agreed, for a period of 90 days and 180 days, respectively, after the date of this Prospectus, not to offer or sell any shares of Common Stock, subject to certain exceptions (including the Distribution), without the prior written consent of Merrill Lynch on behalf of the Underwriters; provided that the Company may at any time and from time to time (i) issue shares of Class A Common Stock to third parties as consideration for the Company's acquisition from such third parties of non-hazardous solid waste businesses, (ii) grant options to purchase shares of Common Stock under the Company's 1998 Stock Incentive Plan and (iii) issue shares of Common Stock to Parent in connection with the prepayment of the Affiliate Payable, the Resources Notes Payable and the remaining amounts outstanding of the Company Notes and as consideration for the Company's acquisition from Parent of a non-hazardous solid waste business, in each case without the prior consent of Merrill Lynch. See "Underwriting." In addition, after the Offerings Closing Date and prior to the Distribution Date, the Company has agreed not to issue any shares of its capital stock or any rights, warrants, or other securities to purchase or acquire any shares of its capital stock, without the prior consent of Parent. See "Certain Transactions -- Separation and Distribution Agreement." Subject to the foregoing restrictions, the Company may issue additional shares of Class A Common Stock or Class B Common Stock to raise equity or make acquisitions. The Company may also issue additional shares of Class A Common Stock or Class B Common Stock to Parent in exchange for additional investments of cash or other property by Parent in the Company.

In addition, upon completion of the Distribution, certain stock options exercisable for shares of Parent Common Stock will be converted into stock options exercisable for shares of Class A Common Stock. See "Certain Transactions -- Employee Benefits Agreement" for a description of the stock option substitution methodology. In addition, subject to the prior consent of Parent, the Company may grant options to purchase shares of Class A Common Stock to employees, non-employee directors and independent contractors of the Company pursuant to the Stock Incentive Plan. See "Management -- Stock Incentive Plan." The Company currently expects to file in 1998 a registration statement under the 1933 Act to register shares reserved for issuance under the Stock Incentive Plan. Shares issued pursuant to the Stock Incentive Plan after the effective date of such registration statement (other than shares issued to Affiliates) generally will be freely tradable without restriction or further registration under the 1933 Act. In addition, the Company may also from time to time file registration statements covering the issuance and/or resale of shares of Class A Common Stock which may be issued in potential future acquisitions.

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES FOR NON-UNITED STATES HOLDERS

The following is a general discussion of certain United States federal income and estate tax consequences of the ownership and disposition of Class A Common Stock applicable to Non-U.S. Holders. In general, a "Non-U.S. Holder" is any holder of Class A Common Stock other than (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in the United States or under the laws of the United States or of any state (other than any partnership treated as foreign under U.S. Treasury regulations), (iii) an estate, the income of which is includable in gross income for United States federal income tax purposes regardless of its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one or more United States persons have the authority to control all substantial decisions of the trust. This discussion is based on current law and is for general information only. This discussion does not address aspects of United States federal taxation other than income and estate taxation, and does not address all aspects of income and estate taxation nor does it consider any specific facts or circumstances that may apply to a particular Non-U.S. Holder (including certain U.S. expatriates). ACCORDINGLY, OFFEREES OF COMMON STOCK ARE URGED TO CONSULT THEIR TAX ADVISERS REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND NON-UNITED STATES INCOME AND OTHER TAX CONSEQUENCES OF HOLDING AND DISPOSING OF SHARES OF COMMON STOCK.

An individual may, subject to certain exceptions, be deemed to be a resident alien (as opposed to a non-resident alien) by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year). In addition to the "substantial presence test" described in the immediately preceding sentence, an alien may be treated as a resident alien if he or she (i) meets a lawful permanent residence test (a so-called "green card" test) or (ii) elects to be treated as a U.S. resident and meets the "substantial presence test" in the immediately following year. Resident aliens are subject to U.S. federal tax as if they were U.S. citizens.

DIVIDENDS

In general, dividends paid to a Non-U.S. Holder will be subject to United States withholding tax at a 30% rate (or a lower rate prescribed by an applicable tax treaty) unless the dividends are either (i) effectively connected with a trade or business carried on by the Non-U.S. Holder with the United States, or (ii) attributable to a permanent establishment in the United States maintained by the Non-U.S. Holder if certain income tax treaties apply. Dividends effectively connected with such a United States trade or business or attributable to such a United States permanent establishment generally will not be subject to United States withholding tax if the Non-U.S. Holder files the appropriate IRS form with the payor of the dividend (which form, under U.S. Treasury regulations generally effective for payments made after December 31, 1999 ("Final Regulations"), will require such Non-U.S. Holder to provide a U.S. taxpayer identification number) and generally will be subject to United States federal income tax on a net income basis, in the same manner as if the Non-U.S. Holder were a resident of the United States. A Non-U.S. Holder that is a corporation may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable treaty). To determine the applicability of a tax treaty providing for a lower rate of withholding, dividends paid to an address in a foreign country are presumed under currently effective United States Treasury regulations (the "Current Regulations") to be paid to a resident of that country absent knowledge to the contrary. Under the Final Regulations, however, a Non-U.S. Holder of Class A Common Stock who wishes to claim the benefit of an applicable treaty rate generally will be required to satisfy applicable certification and other requirements. In addition under the Final Regulations, in the case of Common Stock held by a foreign partnership, (x) the certification requirement will generally be applied to the partners of the partnership and (y) the partnership will be required to provide certain information, including a United States taxpayer identification number. The Final Regulations also provide look-through rules for tiered partnerships. The Final Regulations generally would require Non-U.S. Holders to file an IRS Form W-8 to obtain the

benefit of any applicable tax treaty providing for a lower rate of U.S. withholding tax on dividends. A Non-U.S. Holder that is eligible for a reduced rate of U.S. withholding tax pursuant to a tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

SALE OF CLASS A COMMON STOCK

In general, a Non-U.S. Holder will not be subject to United States federal income tax on any gain realized upon the disposition of such holder's shares of Class A Common Stock unless: (i) the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States or, alternatively, if certain tax treaties apply, attributable to a permanent establishment in the United States maintained by the Non-U.S. Holder (and in either case, the branch profits tax discussed above may also apply if the Non-U.S. Holder is a corporation); (ii) the Non-U.S. Holder is an individual who holds shares of Class A Common Stock as a capital asset and is present in the United States for 183 days or more in the taxable year of disposition, and either (a) such individual has a "tax home" (as defined for United States federal income tax purposes) in the United States (unless the gain from the disposition is attributable to an office or other fixed place of business maintained by such Non-U.S. Holder in a foreign country and a foreign income tax equal to at least 10% of the gain derived from such disposition is actually paid with respect to such gain), or (b) the gain is attributable to an office or other fixed place of business maintained by such individual in the United States; or (iii) the Company is or has been a United States real property holding corporation (a "USRPHC") for United States federal income tax purposes (which the Company does not believe that it is or is likely to become) at any time within the shorter of the five-year-period preceding such disposition or such Non-U.S. Holder's holding period. If the Company were or were to become a USRPHC at any time during this period, gains realized upon a disposition of Class A Common Stock by a Non-U.S. Holder which did not directly or indirectly own more than 5% of the Class A Common Stock during this period generally would not be subject to United States federal income tax, provided that the Class A Common Stock had been regularly traded on an established securities market.

ESTATE TAX

Class A Common Stock owned or treated as owned by an individual who is not a citizen or resident (as defined for United States federal estate tax purposes) of the United States at the time of death will be includable in the individual's gross estate for United States federal estate tax purposes (unless an applicable estate tax treaty provides otherwise), and therefore may be subject to United States federal estate tax.

BACKUP WITHHOLDING, INFORMATION REPORTING AND OTHER REPORTING REQUIREMENTS

The Company must report annually to the IRS as to each Non-U.S. Holder the amount of dividends paid to, and the tax withheld with respect to, each Non-U.S. Holder. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information also may be made available under the provisions of a specific treaty or agreement with the tax authorities in the country in which the Non-U.S. Holder resides or is established.

Under the Current Regulations, United States backup withholding tax (which generally is imposed at the rate of 31% on certain payments to persons that fail to furnish the information required under the United States information reporting requirements) and information reporting requirements (other than those discussed above) generally will not apply to dividends paid on Class A Common Stock to a Non-U.S. Holder at an address outside of United States. Backup withholding and information reporting generally will apply to dividends paid on shares of Class A Common Stock to a Non-U.S. Holder at an address in the United States, if such holder fails to establish an exemption or to provide certain other information to the payor. Under the Final Regulations, however, a Non-U.S. Holder of Class A Common Stock that fails to certify its Non-U.S. Holder status in accordance with the requirements of the Final Regulations may be subject to United States backup withholding on payments of dividends.

The payment of proceeds from the disposition of Class A Common Stock to or through a United States office of a broker will be subject to information reporting and backup withholding unless the owner, under

penalties of perjury, certifies, among other things, such owner's status as a Non-U.S. Holder or otherwise establishes an exemption. The payment of proceeds from the disposition of Class A Common Stock to or through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding and information reporting, except as noted below. In the case of proceeds from a disposition of Class A Common Stock paid to or through a non-U.S. office of a broker that is (i) a United States person, (ii) a "controlled foreign corporation" for United States federal income tax purposes, (iii) a foreign person 50% or more of whose gross income from certain periods is effectively connected with a United States trade or business, or (iv) for payments made after December 31, 1999, a partnership with certain connections to the United States, information reporting (but not backup withholding) will apply unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder (and the broker has no actual knowledge to the contrary).

Non-U.S. Holders should consult their own tax advisors regarding the application of information reporting or back-up withholding in their particular situation, including the availability of an exemption therefrom and the procedures for obtaining an exemption and the effect of the Final Regulations. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded or credited against the Non-U.S. Holder's United States federal income tax liability, if any, provided that the required information is furnished to the IRS.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Deutsche Bank Securities Inc. and Donaldson, Lufkin & Jenrette Securities Corporation are acting as representatives (the "U.S. Representatives") of each of the Underwriters named below (the "U.S. Underwriters"). Subject to the terms and conditions set forth in a U.S. purchase agreement (the "U.S. Purchase Agreement") among the Company and the U.S. Underwriters, and concurrently with the sale of 10,200,000 shares of Class A Common Stock to the International Managers (as defined below), the Company has agreed to sell to the U.S. Underwriters, and each of the U.S. Underwriters severally and not jointly has agreed to purchase from the Company, the number of shares of Class A Common Stock set forth opposite its name below.

U.S. UNDERWRITER	NUMBER OF SHARES
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Deutsche Bank Securities Inc.	
Donaldson, Lufkin & Jenrette Securities Corporation	
Total	40,800,000

The Company has also entered into an international purchase agreement (the "International Purchase Agreement") with certain underwriters outside the United States and Canada (the "International Managers" and, together with the U.S. Underwriters, the "Underwriters") for whom Merrill Lynch International, Deutsche Bank AG London and Donaldson, Lufkin & Jenrette International are acting as lead managers (the "Lead Managers"). Subject to the terms and conditions set forth in the International Purchase Agreement, and concurrently with the sale of 40,800,000 shares of Class A Common Stock to the U.S. Underwriters pursuant to the U.S. Purchase Agreement, the Company has agreed to sell to the International Managers, and the International Managers severally have agreed to purchase from the Company, an aggregate of 10,200,000 shares of Class A Common Stock. The initial public offering price per share and the total underwriting discount per share Class A of Common Stock are identical under the U.S. Purchase Agreement and the International Purchase Agreement.

In the U.S. Purchase Agreement and the International Purchase Agreement, the several U.S. Underwriters and the several International Managers, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of Class A Common Stock being sold pursuant to each such agreement if any of the shares of Class A Common Stock being sold pursuant to such agreement are purchased. Under certain circumstances, under the U.S. Purchase Agreement and the International Purchase Agreement, the commitments of non-defaulting Underwriters may be increased. The closings with respect to the sale of shares of Class A Common Stock to be purchased by the U.S. Underwriters and the International Managers are conditioned upon one another.

The U.S. Representatives have advised the Company that the U.S. Underwriters propose initially to offer the shares of Class A Common Stock to the public at the initial public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of $ per share of Common Stock. The U.S. Underwriters may allow, and such dealers may reallow, a discount not in excess of $ per share of Class A Common Stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Company has granted options to the U.S. Underwriters, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of 6,120,000 additional shares of Class A Common Stock at the initial public offering price set forth on the cover page of this Prospectus, less the underwriting discount. The U.S. Underwriters may exercise these options solely to cover over-allotments, if any, made on the sale of the Class A Common Stock offered hereby. To the extent that the U.S. Underwriters exercise these options, each U.S. Underwriter will be obligated, subject to certain conditions, to purchase a number of additional shares of Class A Common Stock proportionate to such U.S. Underwriter's initial amount reflected in the foregoing table. The Company also has granted options to the International Managers, exercisable for 30 days after the

date of this Prospectus, to purchase up to an aggregate of 1,530,000 additional shares of Class A Common Stock to cover over-allotments, if any, on terms similar to those granted to the U.S. Underwriters.

At the request of the Company, the Underwriters have reserved for sale, at the initial public offering price, up to 2,550,000 of the shares offered hereby to be sold to certain eligible employees and business associates of the Company. The number of shares of Class A Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not orally confirmed for purchase within one day of the pricing of the Offerings will be offered by the Underwriters to the general public on the same terms as the other shares offered hereby.

The Company and Parent have agreed, for a period of 90 days and 180 days, respectively, after the date of this Prospectus, subject to certain exceptions, not to directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any shares of Common Stock or securities convertible into or exchangeable or exercisable for Common Stock, whether now owned or thereafter acquired by the person executing the agreement or with respect to which the person executing the agreement thereafter acquires the power of disposition, or file a registration statement under the 1933 Act with respect to the foregoing or (ii) enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of the Common Stock whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise, without the prior written consent of Merrill Lynch on behalf of the Underwriters; provided that the Company may at any time and from time to time (i) issue shares of Class A Common Stock to third parties as consideration for the Company's acquisition from such third parties of non-hazardous solid waste businesses, (ii) grant options to purchase shares of Common Stock under the Company's 1998 Stock Incentive Plan and (iii) issue shares of Common Stock to Parent in connection with the prepayment of the Affiliate Payable, the Resources Notes Payable and the remaining amounts outstanding of the Company Notes and as consideration for the Company's acquisition from Parent of a non-hazardous solid waste business, in each case without the prior consent of Merrill Lynch. See "Shares Eligible for Future Sale."

The U.S. Underwriters and the International Managers have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, the U.S. Underwriters and the International Managers are permitted to sell shares of Class A Common Stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the U.S. Underwriters and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, and the International Managers and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to U.S. persons or to Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions pursuant to the Intersyndicate Agreement.

Prior to the Offerings, there has been no public market for the Common Stock of the Company. The initial public offering price of the Class A Common Stock will be determined through negotiations between the Company, on the one hand, and the U.S. Representatives and the Lead Managers, on the other hand. The factors considered and analyzed by the Company, the U.S. Representatives and the Lead Managers in determining the initial public offering price per share of Class A Common Stock, in addition to prevailing market conditions, are price earning ratios of publicly traded companies that the U.S. Representatives and the Lead Managers believe to be comparable to the Company, certain financial information of the Company, the history of, and the prospects for, the Company and the industry in which it competes, and an assessment of the Company's management, its past and present operations, the prospects for, and timing of, future revenues of the Company, the present state of the Company's development, the percentage interest of the Company being sold as compared to the valuation for the entire Company and the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to the Company. No appraisal of the assets of the Company was undertaken by the Company, the U.S. Representatives or the Lead Managers in determining the initial public offering price per share. There can be no assurance that an active

trading market will develop for the Class A Common Stock or that the Class A Common Stock will trade in the public market subsequent to the Offerings at or above the initial public offering price.

The Class A Common Stock has been approved for listing on the NYSE, subject to official notice of issuance, under the symbol "RSG." In order to meet the requirements for listing of the Class A Common Stock on that exchange, the U.S. Underwriters and the International Managers have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial owners.

The Underwriters do not expect sales of the Class A Common Stock to any accounts over which they exercise discretionary authority to exceed 5% of the number of shares being offered hereby.

The Company has agreed to indemnify the U.S. Underwriters and the International Managers against certain liabilities, including certain liabilities under the 1933 Act, or to contribute to payments the U.S. Underwriters and International Managers may be required to make in respect thereof.

Until the distribution of the Class A Common Stock is completed, rules of the Securities and Exchange Commission (the "Commission") may limit the ability of the Underwriters and certain selling group members to bid for and purchase the Class A Common Stock. As an exception to these rules, the U.S. Representative is permitted to engage in certain transactions that stabilize the price of the Class A Common Stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Class A Common Stock.

If the Underwriters create a short position in the Class A Common Stock in connection with the Offerings, i.e., if they sell more shares of Class A Common Stock than are set forth on the cover page of this Prospectus, the U.S. Representatives may reduce that short position by purchasing Class A Common Stock in the open market. The U.S. Representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchase shares of Class A Common Stock in the open market to reduce the Underwriters' short position or to stabilize the price of the Class A Common Stock, it may reclaim the amount of the selling concession from the Underwriters and selling group members who sold those shares as part of the Offerings.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of the Class A Common Stock to the extent that it discourages resales of the Class A Common Stock.

Neither the Company nor any of the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Class A Common Stock. In addition, neither the Company nor any of the Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

LEGAL MATTERS

Certain legal matters with respect to the validity of the Class A Common Stock offered hereby will be passed upon for the Company by Akerman, Senterfitt & Eidson, P.A., Miami, Florida. Certain attorneys employed by Akerman, Senterfitt & Eidson, P.A. own shares of Parent Common Stock. Certain legal matters relating to the Offerings will be passed upon for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York.

EXPERTS

The consolidated financial statements and schedule of the Company for each of the three years ended December 31, 1997, appearing in this Prospectus and Registration Statement, have been audited by Arthur Andersen LLP, independent certified public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

AVAILABLE INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 under the 1933 Act with respect to the Class A Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain portions of which are omitted as permitted by the rules and regulations of the Commission. For further information pertaining to the Company and the Class A Common Stock offered hereby, reference is made to the Registration Statement, including the exhibits thereto and the financial statements, notes and schedules filed as a part thereof. Statements contained in this Prospectus regarding the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, each such statement being qualified in all respects by such reference.

On the Offerings Closing Date, the Company will be subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, will file reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information, as well as the Registration Statement and the exhibits and schedules thereto, may be inspected, without charge, at the public reference facility maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices located at Seven World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such materials can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005 or on the Commission's site on the Internet at http://www.sec.gov.

INDEX TO FINANCIAL STATEMENTS

	PAGE
Report of Independent Certified Public Accountants.....	F-2
Consolidated Balance Sheets as of March 31, 1998 (Unaudited) and December 31, 1997 and 1996.....	F-3
Consolidated Statements of Operations for the Three Months Ended March 31, 1998 and 1997 (Unaudited) and each of the Three Years Ended December 31, 1997.....	F-4
Consolidated Statements of Cash Flows for the Three Months Ended March 31, 1998 and 1997 (Unaudited) and each of the Three Years Ended December 31, 1997.....	F-5
Notes to Consolidated Financial Statements.....	F-6

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Republic Services, Inc.:

We have audited the accompanying consolidated balance sheets of Republic Services, Inc. (a Delaware corporation and wholly owned subsidiary of Republic Industries, Inc.) and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations and cash flows for each of the years in the three-year period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Republic Services, Inc. and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,

June 29, 1998.

REPUBLIC SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	PRO FORMA MARCH 31, 1998	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)	(UNAUDITED)		
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ --	$ --	$ --	$ 24.2
Restricted cash	12.8	12.8	18.8	19.7
Accounts receivable, less allowance for doubtful accounts of $13.6 and $8.3 at December 31, 1997 and 1996, respectively	139.0	139.0	131.0	110.8
Prepaid expenses	10.0	10.0	7.1	7.5
Other current assets	22.4	22.4	19.0	30.6
Total Current Assets	184.2	184.2	175.9	192.8
PROPERTY AND EQUIPMENT, NET	826.5	826.5	801.8	661.3
INTANGIBLE AND OTHER ASSETS, NET	477.5	477.5	370.3	236.2
	$ 1,488.2	$ 1,488.2	$1,348.0	$1,090.3
LIABILITIES AND SHAREHOLDER'S EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 38.3	$ 38.3	$ 40.2	$ 44.0
Accrued liabilities	73.8	73.8	57.6	53.2
Deferred revenue	34.3	34.3	29.5	20.3
Due to affiliate	114.8	114.8	107.8	49.3
Notes payable and current maturities of long-term debt	11.7	11.7	10.8	33.2
Notes payable to Resources	130.9	130.9	158.3	205.6
Company Notes payable to Parent	2,000.0	--	--	--
Other current liabilities	26.4	26.4	31.9	17.1
Total Current Liabilities	2,430.2	430.2	436.1	422.7
LONG-TERM DEBT, NET OF CURRENT MATURITIES	61.4	61.4	64.3	109.5
ACCRUED ENVIRONMENTAL AND LANDFILL COSTS	49.4	49.4	46.0	39.3
DEFERRED INCOME TAXES	55.2	55.2	47.5	12.7
OTHER LIABILITIES	4.7	4.7	3.3	11.6
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDER'S EQUITY (DEFICIT):				
Investment by Parent	(1,112.7)	887.3	750.8	494.5
	$ 1,488.2	$ 1,488.2	$1,348.0	$1,090.3

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
REVENUE	$ 300.8	$ 263.2	$1,127.7	$ 953.3	$ 805.0
EXPENSES:					
Cost of operations	209.7	190.3	809.1	703.6	570.1
Selling, general and administrative	32.1	31.9	117.3	135.3	137.7
Restructuring and other charges	--	--	--	8.8	3.3
OPERATING INCOME	59.0	41.0	201.3	105.6	93.9
INTEREST EXPENSE	(5.4)	(7.6)	(25.9)	(29.7)	(19.1)
INTEREST AND OTHER INCOME	0.8	3.0	6.7	13.9	6.2
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	54.4	36.4	182.1	89.8	81.0
PROVISION FOR INCOME TAXES	19.6	13.2	65.9	38.0	31.6
INCOME FROM CONTINUING OPERATIONS	34.8	23.2	116.2	51.8	49.4
DISCONTINUED OPERATIONS:					
Income from discontinued operations, net of income taxes of $2.0	--	--	--	--	5.7
Loss on disposal of segment, net of income tax benefit of $10.0	--	--	--	--	(30.5)
Loss from discontinued operations	--	--	--	--	(24.8)
NET INCOME	$ 34.8	$ 23.2	$ 116.2	$ 51.8	$ 24.6

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS:					
Net income	$ 34.8	$ 23.2	$ 116.2	$ 51.8	$ 24.6
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and depletion of property and equipment	20.3	16.7	76.1	66.6	57.9
Amortization of intangible assets	3.5	2.3	10.0	8.7	5.1
Deferred tax provision	7.6	9.4	36.5	2.8	11.0
Loss from discontinued operations, net of income taxes	--	--	--	--	24.8
Changes in assets and liabilities, net of effects from business acquisitions:					
Accounts receivable	(3.3)	(4.4)	(15.6)	(16.4)	(12.9)
Prepaid expenses and other assets	(2.9)	17.2	17.4	7.0	(20.2)
Accounts payable and accrued liabilities	(3.0)	(2.9)	(26.7)	(32.0)	21.2
Other liabilities	23.3	11.6	65.5	55.0	13.9
	80.3	73.1	279.4	143.5	125.4
CASH USED IN DISCONTINUED OPERATIONS	--	--	--	--	(20.6)
CASH USED IN INVESTING ACTIVITIES:					
Purchases of property and equipment	(29.0)	(35.2)	(165.3)	(146.9)	(147.9)
Cash acquired through business acquisitions	1.8	1.2	2.7	1.2	1.0
Other	6.0	(5.0)	(5.5)	(30.0)	36.2
	(21.2)	(39.0)	(168.1)	(175.7)	(110.7)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:					
Proceeds from notes payable and long-term debt	0.5	3.5	5.2	44.5	66.3
Payments of notes payable and long-term debt	(16.3)	(38.2)	(100.2)	(91.4)	(147.4)
Increase (decrease) in notes payable to Resources	(27.3)	1.3	(47.3)	166.9	19.9
Other	(16.0)	20.9	6.8	(99.7)	64.0
	(59.1)	(12.5)	(135.5)	20.3	2.8
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	--	21.6	(24.2)	(11.9)	(3.1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	--	24.2	24.2	36.1	39.2
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ --	$ 45.8	$ --	$ 24.2	$ 36.1

The accompanying notes are an integral part of these statements.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(ALL TABLES IN MILLIONS)
(INFORMATION RELATED TO THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997 IS UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying Consolidated Financial Statements include the accounts of Republic Services, Inc. and its operating subsidiaries (the "Company"). The Company is a wholly owned subsidiary of Republic Industries, Inc. ("Parent") and provides non-hazardous solid waste collection and disposal services in the United States. All material intercompany transactions have been eliminated.

The accompanying Consolidated Financial Statements exclude the accounts of the Company's wholly owned subsidiary, Republic Resources Company, Inc. ("Resources"), all of the common stock of which will be distributed to Parent prior to the Company's proposed initial public offering. See Note 13, Subsequent Events, for further information regarding the Company's proposed initial public offering. The Company and Resources are in dissimilar businesses, have been managed and financed historically as if they were autonomous, have no more than incidental common facilities and costs, will be operated and financed autonomously after the distribution of Resources to Parent, and will not have financial commitments, guarantees, or contingent liabilities to each other after such distribution. Based on these facts, the accounts of Resources have been excluded from the Company's consolidated financial statements as the Company has elected to characterize the distribution of Resources as resulting in a change in the reporting entity. As of December 31, 1997, Resources' total assets were $1,758.9 million. For the year ended December 31, 1997, interest income, interest expense and pre-tax income of Resources were $128.5 million, $16.5 million, and $111.7 million, respectively.

The accompanying Consolidated Financial Statements reflect the accounts of the Company as a subsidiary of Parent subject to corporate general and administrative expense allocations as described in Note 12, Related Party Transactions. Such information does not necessarily reflect the financial position or results of operations of the Company as a separate, stand-alone entity.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of management, the Unaudited Consolidated Financial Statements contain all material adjustments, consisting of only normal recurring adjustments, necessary to present fairly the consolidated financial position of the Company at March 31, 1998 and the consolidated results of operations and cash flows for the three months ended March 31, 1998 and 1997. Income taxes during these interim periods have been provided for based upon the Company's anticipated annual effective income tax rate. Operating results for these interim periods are not necessarily indicative of the results that can be expected for a full year.

The accompanying Unaudited Pro Forma Consolidated Balance Sheet presents the Company's pro forma financial position as of March 31, 1998 as if the April 1998 dividend by the Company had occurred on March 31, 1998. See Note 13, Subsequent Events, for further information regarding the dividend.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RESTRICTED CASH

Restricted cash consists of amounts held in trust as a financial guaranty of the Company's performance as well as funds restricted for capital expenditures under certain debt facilities.

OTHER CURRENT ASSETS

Other current assets consist primarily of inventories, short-term notes receivable and marketable securities. Inventories totaled approximately $12.2 million at March 31, 1998 (unaudited) and $11.7 million and $6.1 million at December 31, 1997 and 1996, respectively, and consist primarily of equipment parts, compost materials and supplies that are valued under a method that approximates the lower of cost (first-in, first-out) or market. Other current assets at December 31, 1996 include approximately $14.5 million of marketable securities classified as available for sale. The carrying amounts of marketable securities approximate fair value at December 31, 1996.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Expenditures for major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Consolidated Statements of Operations.

The Company revises the estimated useful lives of property and equipment acquired through business acquisitions to conform with its policies regarding property and equipment. Depreciation is provided over the estimated useful lives of the assets involved using the straight-line method. The estimated useful lives are: twenty to forty years for buildings and improvements, three to fifteen years for trucks and equipment and five to ten years for furniture and fixtures.

Landfills are stated at cost and are depleted based on consumed airspace. Landfill improvements include direct costs incurred to obtain a landfill permit and direct costs incurred to construct and develop the site. These costs are depleted based on consumed airspace. All indirect landfill development costs are expensed as incurred.

Interest costs are capitalized in connection with the construction of landfill sites. Interest capitalized was $0.8 million, $1.8 million and $2.7 million for the years ended December 31, 1997, 1996 and 1995, respectively.

A summary of property and equipment is as follows:

	MARCH 31, 1998	DECEMBER 31, 1997	DECEMBER 31, 1996
	(UNAUDITED)		
Land, landfills and improvements	$ 428.5	$ 420.1	$ 313.3
Furniture, fixtures, trucks and equipment	694.1	668.9	607.1
Buildings and improvements	133.8	126.6	84.0
	1,256.4	1,215.6	1,004.4
Less: accumulated depreciation, amortization and depletion	(429.9)	(413.8)	(343.1)
	$ 826.5	$ 801.8	$ 661.3

INTANGIBLE AND OTHER ASSETS

Intangible and other assets consist primarily of the cost of acquired businesses in excess of the fair value of net assets acquired and other intangible assets. The cost in excess of the fair value of net assets is amortized over forty years on a straight-line basis. Other intangible assets include values assigned to customer lists, long-term contracts and covenants not to compete and are amortized generally over periods ranging from 5 to 25 years. Accumulated amortization of intangible assets was $57.9 million and $46.0 million at December 31, 1997 and 1996, respectively.

The Company continually evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of intangible assets or whether the remaining balance of intangible assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the intangible assets in measuring their recoverability.

ACCRUED ENVIRONMENTAL AND LANDFILL COSTS

A summary of accrued environmental and landfill costs is as follows:

	DECEMBER 31,	
	1997	1996
Accrued landfill site closure/post-closure costs	$47.3	$38.2
Accrued environmental costs	8.6	7.3
	55.9	45.5
Less: current portion (included in other current liabilities)	(9.9)	(6.2)
	$46.0	$39.3

Landfill site closure and post-closure costs include estimated costs to be incurred for final closure of the landfills and estimated costs for providing required post-closure monitoring and maintenance of landfills. These costs are accrued based on consumed airspace. Available airspace is generally based on estimates of remaining permitted airspace developed by independent engineers together with the Company's engineers and accounting personnel utilizing information provided by aerial surveys of landfills which are generally performed annually. These aerial surveys form the basis for the volume available for disposal. Accruals for closure and post-closure costs totaled approximately $7.9 million, $4.4 million and $4.2 million during the years ended December 31, 1997, 1996 and 1995, respectively. Estimated aggregate closure and post-closure costs will be fully accrued for these landfills at the time that such facilities cease to accept waste and are closed. At December 31, 1997, approximately $280.0 million of such costs are to be expensed over the remaining lives of these facilities. The Company estimates its future cost requirements for closure and post-closure monitoring and maintenance for its solid waste facilities based on its interpretation of the technical standards of the United States Environmental Protection Agency's Subtitle D regulations. These estimates do not take into account discounts for the present value of such total estimated costs. The Company periodically reassesses such costs based on various methods and assumptions regarding landfill airspace and the technical requirements of the Environmental Protection Agency's Subtitle D regulations and adjusts such accruals accordingly.

In the normal course of business, the Company is subject to ongoing environmental investigations by certain regulatory agencies, as well as other claims and disputes that could result in litigation. Environmental costs are accrued by the Company through a charge to income in the period such liabilities become probable and can be reasonably estimated. No material amounts were charged to expense during the years ended December 31, 1997, 1996 and 1995.

REVENUE RECOGNITION

Revenue consists primarily of collection fees from commercial, industrial, residential and municipal customers and landfill disposal fees charged to third parties. Advance billings are recorded as deferred revenue and revenue is recognized over the period in which services are provided.

INCOME TAXES

The Company is included in the consolidated federal income tax return of Parent. All tax amounts have been recorded as if the Company filed a separate federal tax return. The Company accounts for income taxes

in accordance with SFAS No. 109, "Accounting for Income Taxes." Accordingly, deferred income taxes have been provided to show the effect of temporary differences between the recognition of revenue and expenses for financial and income tax reporting purposes and between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Certain businesses acquired and accounted for under the pooling of interests method of accounting were subchapter S corporations for income tax purposes. The subchapter S corporation status of these companies was terminated effective with the closing date of the acquisitions. For purposes of these Consolidated Financial Statements, federal and state income taxes have been recorded as if these companies had filed subchapter C corporation tax returns for the pre-acquisition periods, and the current income tax expense is reflected in shareholder's equity. Pre-acquisition income taxes related to pooled S corporations recorded in the consolidated financial statements were $0, $4.0 million and $12.6 million during the years ended December 31, 1997, 1996 and 1995, respectively.

NET INCOME PER SHARE

Historical net income per share has not been presented because it would not be meaningful. The Company currently has 100 shares of common stock, par value $.01 per share outstanding, all of which are owned by Parent. Immediately prior to the proposed initial public offering (see Note 13), the Company will amend and restate its certificate of incorporation to authorize two classes of common stock consisting of Class A Common Stock and Class B Common Stock, which will be identical in all respects except that holders of Class A Common Stock will be entitled to one vote per share while holders of Class B Common Stock will be entitled to five votes per share. Prior to the closing of the proposed initial public offering, all outstanding shares of common stock of the Company held by Parent will be converted into shares of Class B Common Stock, which will constitute 100% of the outstanding shares of Class B Common Stock.

STATEMENTS OF CASH FLOWS

The Company considers all highly liquid investments with purchased maturities of three months or less to be cash equivalents. The effect of non-cash transactions related to business combinations, as discussed in Note 3, Business Combinations, and other non-cash transactions are excluded from the accompanying Consolidated Statements of Cash Flows.

The Company made interest payments on notes payable and long-term debt of approximately $25.1 million, $30.1 million and $14.2 million for the years ended December 31, 1997, 1996 and 1995, respectively. The Company made income tax payments of approximately $29.4 million, $31.7 million and $9.9 million for the years ended December 31, 1997, 1996 and 1995 respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, restricted cash, receivables, and accounts payable and accrued liabilities approximate fair value due to the short maturity of these instruments. The carrying amounts of notes payable and long-term debt approximate fair value because interest rates generally are variable and, accordingly, approximate current market rates.

CONCENTRATION OF CREDIT RISK

The Company provides services to commercial, industrial, municipal and residential customers in the United States. Concentrations of credit risk with respect to trade receivables are limited due to the wide variety of customers and markets in which services are provided as well as their dispersion across many geographic areas in the United States. The Company performs ongoing credit evaluations of its customers, but does not require collateral to support customer receivables. The Company establishes an allowance for

doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends and other information.

3. BUSINESS COMBINATIONS

Parent has acquired various businesses operating in the solid waste services industry using cash and/or shares of its common stock ("Parent Common Stock"). These businesses were contributed by Parent to the Company subsequent to their acquisition. The Company has applied the same accounting method used by Parent in accounting for business combinations.

Significant businesses acquired and accounted for under the pooling of interests method of accounting have been included retroactively in the Consolidated Financial Statements as if the companies had operated as one entity since inception. Businesses acquired and accounted for under the purchase method of accounting are included in the Consolidated Financial Statements from the date of acquisition. The value of the Parent Common Stock issued to effect business combinations accounted for under the purchase method of accounting is based on the average market price of Parent Common Stock over a five day period before and after the parties have reached agreement on the purchase price and the proposed transaction has been publicly announced, if applicable.

During the three months ended March 31, 1998, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $101.7 million consisting of $50.7 million in cash and 2.6 million shares of Parent Common Stock valued at $51.0 million.

During the year ended December 31, 1997, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $147.9 million consisting of $11.5 million in cash and 5.7 million shares of Parent Common Stock valued at $136.4 million. In addition, Parent issued an aggregate of 34.1 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting. Included in the shares of Parent Common Stock issued in acquisitions accounted for under the pooling of interests method of accounting are approximately 0.3 million shares issued for acquisitions that were not material individually or in the aggregate and, consequently, prior period financial statements were not restated for such acquisitions.

Details of the results of operations of the Company and significant businesses acquired in 1997 and accounted for under the pooling of interests method of accounting (the "Pooled Entities") for the periods before the pooling of interests combinations were consummated for the years ended December 31 are as follows:

	1997	1996	1995
Revenue:			
The Company	$ 992.3	$ 611.3	$ 457.7
Pooled Entities	135.4	342.0	347.3
	$ 1,127.7	$ 953.3	$ 805.0
Income from continuing operations:			
The Company	$ 98.6	$ 39.4	$ 30.8
Pooled Entities	17.6	12.4	18.6
	$ 116.2	$ 51.8	$ 49.4

During the year ended December 31, 1996, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for

under the purchase method of accounting was $87.6 million, consisting of $16.9 million in cash and 6.6 million shares of Parent Common Stock valued at $70.7 million. In addition, Parent issued an aggregate of 40.0 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting. Included in the shares of Parent Common Stock issued in acquisitions accounted for under the pooling of interests method of accounting are approximately 1.1 million shares issued for acquisitions that were not material individually or in the aggregate and, consequently, prior period financial statements were not restated for such acquisitions.

During the year ended December 31, 1995, Parent acquired various solid waste services businesses which were contributed to the Company. The aggregate purchase price paid by Parent in transactions accounted for under the purchase method of accounting was $76.5 million consisting of $3.7 million in cash and 16.0 million shares of Parent Common Stock valued at $72.8 million. In addition, Parent issued an aggregate of approximately 30.9 million shares of Parent Common Stock in transactions accounted for under the pooling of interests method of accounting.

The assets and liabilities contributed by Parent to the Company based upon the preliminary purchase price allocations for business combinations accounted for under the purchase method of accounting (including historical accounts of immaterial acquisitions accounted for under the pooling of interests method of accounting) were as follows:

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,		
	1998	1997	1997	1996	1995
	(UNAUDITED)				
Property and equipment	$ 13.2	$ 12.2	$ 36.8	$ 71.8	$ 24.8
Intangible assets	109.7	56.2	149.2	74.0	83.4
Working capital deficit	(8.0)	(6.4)	(18.0)	(20.3)	(4.2)
Long-term debt assumed	(13.8)	(11.6)	(26.8)	(27.1)	(18.5)
Other assets (liabilities)	(1.2)	2.9	4.5	(19.9)	(10.0)
Investment by Parent	(101.7)	(54.5)	(148.4)	(79.7)	(76.5)
Cash acquired	$ (1.8)	$ (1.2)	$ (2.7)	$ (1.2)	$ (1.0)

The Company's unaudited pro forma consolidated results of operations assuming acquisitions accounted for under the purchase method of accounting and immaterial acquisitions accounted for under the pooling of interests method of accounting had occurred at the beginning of the periods presented are as follows for the years ended December 31:

	1997	1996	1995
Revenue	$1,166.5	$1,060.0	$872.9
Income from continuing operations	117.3	53.3	50.6

The unaudited pro forma results of operations are presented for informational purposes only and may not necessarily reflect the future results of operations of the Company or what the results of operations would have been had the Company owned and operated these businesses as of the beginning of the periods presented.

4. NOTES PAYABLE AND LONG-TERM DEBT

Notes payable and long-term debt are as follows:

	DECEMBER 31,	
	1997	1996
Bonds payable under loan agreements with California Pollution Control Financing Authority; interest at prevailing market rates (5.0% and 4.75% at December 31, 1997 and 1996, respectively)	$ 43.1	$ 44.0
Other notes; secured by real property, equipment and other assets; interest rates ranging from 4% to 13%; maturing through 2009	32.0	98.7
	75.1	142.7
Less: current portion	(10.8)	(33.2)
	$ 64.3	$ 109.5

At December 31, 1997, aggregate maturities of notes payable and long-term debt were as follows:

1998	$10.8
1999	9.2
2000	6.9
2001	4.5
2002	3.7
Thereafter	40.0
	$75.1

The loan agreements with California Pollution Control Financing Authority require the Company to maintain certain financial ratios and comply with certain financial covenants. At December 31, 1997, the Company was in compliance with the financial covenants under these agreements.

5. NOTES PAYABLE TO RESOURCES

Notes payable to Resources represent borrowings under revolving credit facilities to fund the Company's operations and to repay debt assumed in acquisitions. Borrowings under these facilities bear interest at prime plus 50 basis points and are payable on demand. The average balances outstanding under these facilities for the years ended December 31, 1997, 1996 and 1995 were $220.5 million, $224.0 million and $34.5 million, respectively. Interest expense on notes payable to Resources was $4.8 million and $6.2 million for the three months ended March 31, 1998 and 1997 (unaudited), respectively, and $20.2 million, $18.8 million and $3.0 million for the years ended December 31, 1997, 1996 and 1995, respectively.

6. INCOME TAXES

The components of the provision for income taxes related to continuing operations for the years ended December 31 are as follows:

	1997	1996	1995
Current:			
Federal	$ 20.9	$30.1	$16.3
State	8.5	4.7	2.6
Federal and state deferred	36.5	2.4	12.7
Change in valuation allowance	--	0.8	--
Provision for income taxes	$ 65.9	$38.0	$31.6

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate for continuing operations for the years ended December 31 is shown below:

	1997	1996	1995
Statutory federal income tax rate	35.0%	35.0%	35.0%
Non-deductible expenses	1.5	2.6	0.9
State income taxes, net of federal benefit	2.0	3.6	2.7
Other, net	(2.3)	1.1	0.4
Effective income tax rate	36.2%	42.3%	39.0%

Components of the net deferred income tax liability in the accompanying Consolidated Balance Sheets at December 31 are as follows:

	1997	1996
Deferred income tax liabilities:		
Book basis in property over tax basis	$ 64.9	$ 34.5
Deferred income tax assets:		
Net operating losses	(4.0)	(16.8)
Accruals not currently deductible	(23.0)	(9.2)
Valuation allowance	9.6	4.2
Net deferred income tax liability	$ 47.5	$ 12.7

At December 31, 1997, the Company had available domestic net operating loss carryforwards of approximately $11.4 million which expire in the year 2008. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has provided a valuation allowance to offset a portion of the deferred tax assets due to uncertainty surrounding the future realization of such deferred tax assets. The Company adjusts the valuation allowance in the period management determines it is more likely than not that deferred tax assets will or will not be realized.

7. INVESTMENT BY PARENT

The changes in the investment by Parent are as follows:

	THREE MONTHS ENDED	YEARS ENDED DECEMBER 31,		
	MARCH 31, 1998	1997	1996	1995
	(UNAUDITED)			
Balance at beginning of period	$750.8	$494.5	$372.2	$272.4
Net income	34.8	116.2	51.8	24.6
Business acquisitions contributed by Parent	101.7	148.4	79.7	76.5
Capital transactions by former owners of pooled companies	--	11.7	(8.8)	12.2
Investment in Resources	--	(17.4)	--	(14.7)
Other	--	(2.6)	(0.4)	1.2
Balance at end of period	$887.3	$750.8	$494.5	$372.2

8. STOCK OPTIONS

The Parent has various stock option plans under which shares of Parent Common Stock may be granted to key employees of the Company. Options granted under the plans are non-qualified and are granted at a price equal to the fair market value of the Parent Common Stock at the date of grant. Generally, options granted will have a term of ten years from the date of grant, and will vest in increments of 25% per year over a four year period on the yearly anniversary of the grant date. As of December 31, 1997, approximately 6.1 million options held by employees of the Company were outstanding, 1.5 million of which were exercisable.

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" in accounting for stock-based employee compensation arrangements whereby no compensation cost related to stock options is deducted in determining net income. Had compensation cost for stock option grants under the Parent's stock option plans been determined pursuant to SFAS No. 123, "Accounting for Stock-Based Compensation", the Company's net income would have decreased accordingly. Using the Black-Scholes option pricing model for all options granted after December 31, 1994, the Company's pro forma net income and pro forma weighted average fair value of options granted, with related assumptions, are as follows for the years ended December 31:

	1997	1996	1995
Pro forma net income	$ 108.3	$ 47.6	$ 23.9
Pro forma weighted average fair value of options granted	13.60	7.34	5.19
Risk free interest rates	5.74%	5.98%	5.98%
Expected lives	5 years	5 years	5 years
Expected volatility	40%	40%	40%

The Company currently intends to adopt a 1998 Stock Incentive Plan ("Stock Incentive Plan") prior to the closing of the proposed initial public offering (see Note 13, Subsequent Events) to provide for the grant of options to purchase shares of Class A Common Stock to eligible individuals. The Company intends to reserve 20.0 million shares of Class A Common Stock for issuance pursuant to options granted under the Stock Incentive Plan.

Following the Distribution (as defined in Note 13, Subsequent Events) the Company intends to issue substitute options under the Company's Stock Incentive Plan (collectively "Substitute Options") in substitution for grants under Parent's stock option plans as of the date of the Distribution (collectively, "Parent Stock Options") held by individuals employed by the Company as of the date of the Distribution (the "Company Employees"). Such Substitute Options will provide for the purchase of a number of shares of Class A Common Stock determined based on a ratio of average trading prices of Parent Common Stock and Class A Common Stock immediately prior to the Distribution. It is not possible to specify how many shares of Class A Common Stock will be subject to Substitute Options. It is expected that some Parent Stock Options consisting of stock options held by the Company Employees will be exercised and that some will be forfeited, and that additional Parent Stock Options could be granted prior to the date of the Distribution. In addition, the remaining balance of unexercised Parent Stock Options will be converted into Substitute Options by reference to the ratio described above, which will not be known until the time of the Distribution.

9. COMMITMENTS AND CONTINGENCIES

LEGAL PROCEEDINGS

The Company is a party to various general legal proceedings which have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated results of operations, cash flows or financial position. However, unfavorable resolution could affect the consolidated results of operations or cash flows for the quarterly periods in which they are resolved.

LEASE COMMITMENTS

The Company and its subsidiaries lease real property, equipment and software under various operating leases with terms from one to twenty-five years.

Future minimum lease obligations under noncancelable real property, equipment and software leases with initial terms in excess of one year at December 31, 1997 are as follows:

Year Ending December 31:	
1998	$3.0
1999	1.9
2000	1.2
2001	0.8
2002	0.3
Thereafter	1.0
	$8.2

OTHER MATTERS

In the normal course of business, the Company is required to post performance bonds, letters of credit, and/or cash deposits as a financial guarantee of the Company's performance. To date, the Company has satisfied financial responsibility requirements for regulatory agencies by making cash deposits, obtaining bank letters of credit or by obtaining surety bonds. At December 31, 1997, letters of credit and surety bonds totaling $194.3 million expire through 2007.

The Company's business activities are conducted in the context of a developing and changing statutory and regulatory framework. Governmental regulation of the waste management industry requires the Company to obtain and retain numerous governmental permits to conduct various aspects of its operations. These permits are subject to revocation, modification or denial. The costs and other capital expenditures which may be required to obtain or retain the applicable permits or comply with applicable regulations could be significant.

As a condition to Parent effecting the Distribution (as defined in Note 13, Subsequent Events), the Company has agreed to indemnify Parent for any tax liability suffered by Parent arising out of actions of the Company after the Distribution that would cause the Distribution to lose its qualification as a tax-free distribution for federal income tax purposes.

10. RESTRUCTURING AND OTHER CHARGES

During the year ended December 31, 1996, the Company recorded restructuring and other charges of approximately $8.8 million. These costs included $5.3 million to close certain landfill operations, $1.0 million of asset write-offs and $2.5 million of merger expenses associated with certain business combinations accounted for under the pooling of interests method of accounting. During the year ended December 31, 1995, the Company recorded restructuring charges of approximately $3.3 million which primarily related to severance for two former officers of a subsidiary. There are no remaining liabilities associated with the 1996 and 1995 restructuring and other charges as of December 31, 1997.

11. DISCONTINUED OPERATIONS

During the year ended December 31, 1995, the Company disposed of its mining and citrus operations resulting in a loss from discontinued operations of approximately $24.8 million, net of income taxes. Included in the 1995 loss from discontinued operations is a $30.5 million loss on disposal of the Company's mining and citrus operations, net of income tax benefits of $10.0 million. Revenue from the mining and citrus operations was $105.1 million in 1995 for the period prior to disposition. The mining and citrus businesses were former subsidiaries of a solid waste business acquired by Parent in 1996 and accounted for under the pooling of

interests method of accounting. Operating results for the period prior to disposition have been classified as discontinued operations in the accompanying Consolidated Financial Statements.

12. RELATED PARTY TRANSACTIONS

Due to affiliate includes allocations of various expenses from Parent including general and administrative expenses, risk management premiums and losses, income taxes and other costs. Such liabilities are non-interest bearing and have no specified repayment terms. The following is an analysis of activity in the due to affiliate account for the years ended December 31:

	1997	1996	1995
Balance at beginning of period	$ 49.3	$ 86.3	$ 8.6
Parent overhead allocations	10.2	8.4	4.3
Insurance allocations	15.9	10.2	2.3
Self-insurance reserve allocations	(7.3)	(4.8)	(0.5)
Intercompany purchases	13.8	12.0	27.5
Income taxes	28.7	23.4	1.4
Cash transfers	(2.8)	(86.2)	42.7
Balance at end of period	$107.8	$ 49.3	$86.3

Parent's corporate general and administrative costs not specifically attributable to its operating subsidiaries have been allocated to the Company based upon the ratio of the Company's invested capital to Parent's consolidated invested capital. Such allocations are included in the Company's selling, general and administrative costs and were approximately $3.8 million and $2.1 million for the three months ended March 31, 1998 and 1997 (unaudited), respectively, and $10.2 million, $8.4 million and $4.3 million for the years ended December 31, 1997, 1996 and 1995, respectively. These amounts approximate management's estimate of Parent's corporate general and administrative costs required to support the Company's operations. Management believes that the amounts allocated to the Company are reasonable and are no less favorable to the Company than the expenses the Company would incur to obtain such services on its own or from unaffiliated third parties.

The Company participates in Parent's combined risk management programs for property, casualty and general liability insurance. The Company was charged for annual premiums and reported losses of $15.9 million, $10.2 million and $2.3 million during the years ended December 31, 1997, 1996 and 1995, respectively. The Company's liability for unpaid and incurred but not reported claims under the Parent's combined risk management programs was estimated to be approximately $12.6 million and $5.3 million at December 31, 1997 and 1996, respectively, and is included in other current liabilities in the accompanying Consolidated Balance Sheets.

13. SUBSEQUENT EVENTS

In April 1998, the Company declared a $2.0 billion dividend to Parent that it paid in the form of a series of one-year notes payable bearing interest at a rate of LIBOR plus 30 basis points (the "Company Notes").

In May 1998, the Company filed a registration statement with the Securities and Exchange Commission for the initial public offering of its Class A Common Stock (the "Initial Public Offering"). The proceeds from the proposed Initial Public Offering will be used to pay a portion of amounts due to Parent under the Company Notes. Following the proposed Initial Public Offering, Parent will own at least 80% of the combined voting power of Class A Common Stock and Class B Common Stock.

In May 1998, Parent announced its intention to separate the solid waste services businesses and operations that comprise the Company, and the associated assets and liabilities of such businesses and

operations (the "Separation"). Parent also announced its intention to distribute its remaining interest in the Company to Parent's shareholders in 1999, subject to certain conditions and consents (the "Distribution"). The Company and Parent have entered into or will, on or prior to the consummation of the Initial Public Offering, enter into certain agreements providing for the Separation and governing various interim and ongoing relationships between the companies, including an agreement between the Company and Parent providing for the purchase by the Company of certain services from Parent. The Distribution is contingent, in part, on Parent obtaining a private letter ruling from the Internal Revenue Service to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Internal Revenue Code of 1986, as amended, in form and substance satisfactory to Parent.

Reference is made to the discussion under "Certain Transactions" in the registration statement referred to above for description of agreements related to sharing of contingent liabilities, tax allocation and indemnification matters, employee benefit arrangements and stock option grants arising out of the Separation and Distribution.

14. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The results of operations for the third and fourth quarters of 1996 included restructuring and other charges of approximately $7.6 million and $1.2 million, respectively, as described in Note 10, Restructuring and Other Charges.

The following is an analysis of certain items in the Consolidated Statements of Operations by quarter for 1997 and 1996.

		FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenue	1997	$263.2	$283.7	$287.6	$293.2
	1996	220.6	235.9	251.7	245.1
Operating income	1997	$ 41.0	$ 47.1	$ 56.3	$ 56.9
	1996	27.8	33.8	17.3	26.7
Net income	1997	$ 23.2	$ 25.9	$ 32.5	$ 34.6
	1996	16.2	16.1	5.4	14.1

(Photo of fleet of solid waste collection vehicles)

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE CLASS A COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

TABLE OF CONTENTS

	PAGE
Prospectus Summary	3
Risk Factors	11
Background of the Offerings	18
Use of Proceeds	20
Dividend Policy	20
Capitalization	21
Dilution	22
Selected Financial Data	24
Unaudited Condensed Consolidated Pro Forma Financial Statements	25
Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Business	38
Management	50
Certain Transactions	56
Principal Stockholder	63
Description of Capital Stock	64
Shares Eligible for Future Sale	68
Certain United States Federal Tax Consequences For Non-United States Holders	70
Underwriting	73
Legal Matters	76
Experts	76
Available Information	76
Index to Financial Statements	F-1

UNTIL , 1998 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE CLASS A COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS DELIVERY REQUIREMENT IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

51,000,000 SHARES

REPUBLIC SERVICES, INC. (LOGO)
CLASS A COMMON STOCK

PROSPECTUS

MERRILL LYNCH & CO.

DEUTSCHE BANK SECURITIES

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

, 1998

[ALTERNATE PAGES FOR INTERNATIONAL PROSPECTUS]

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED JUNE 29, 1998

PROSPECTUS

51,000,000 SHARES

REPUBLIC SERVICES, INC. (LOGO)

CLASS A COMMON STOCK

All of the 51,000,000 shares of Class A Common Stock offered hereby are being sold by Republic Services, Inc. (the "Company"). Of the 51,000,000 shares of Class A Common Stock offered hereby, 10,200,000 shares are being offered for sale initially outside the United States and Canada by the International Managers and 40,800,000 shares are being offered for sale initially in a concurrent offering in the United States and Canada by the U.S. Underwriters. The initial public offering price and the underwriting discount per share will be identical for both Offerings. See "Underwriting."

Prior to the Offerings, there has been no public market for the Class A Common Stock. It is currently estimated that the initial public offering price will be between $24.00 and $27.00 per share. For a discussion relating to factors to be considered in determining the initial public offering price, see "Underwriting."

The Class A Common Stock has been approved for listing on the New York Stock Exchange under the symbol "RSG," subject to official notice of issuance.

The Company is currently a wholly owned subsidiary of Republic Industries, Inc. ("Parent"). Upon completion of the Offerings, the Company will have two classes of authorized common stock consisting of Class A Common Stock, which is being offered hereby, and Class B Common Stock. See "Description of Capital Stock." Holders of Class A Common Stock will be entitled to one vote per share and holders of Class B Common Stock will be entitled to five votes per share on all matters submitted to a vote of stockholders. All of the outstanding shares of Class B Common Stock will be owned by Parent. Upon completion of the Offerings, Parent will own approximately 70.9% of the outstanding shares of Common Stock (66.6% if the Underwriters exercise their over-allotment options in full), which will represent approximately 91.2% of the combined voting power of all outstanding shares of Class A Common Stock and Class B Common Stock (89.9% if the Underwriters exercise their over-allotment options in full). Parent has announced its intention, subject to satisfaction of certain conditions, to divest its ownership interest in the Company in 1999 by means of a tax-free distribution to its stockholders. See "Risk Factors," "Background of the Offerings" and "Certain Transactions."

SEE "RISK FACTORS" BEGINNING ON PAGE 11 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE CLASS A COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)
Per Share.....	$	$	$
Total(3).....	$	$	$

(1) The Company has agreed to indemnify the several Underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(2) Before deducting expenses payable by the Company estimated at $5,500,000.
(3) The Company has granted the International Managers and the U.S. Underwriters options to purchase up to an additional 1,530,000 shares and 6,120,000 shares of Class A Common Stock, respectively, in each case exercisable within 30 days after the date hereof, solely to cover over-allotments, if any. If such options are exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be $, $ and $, respectively. See "Underwriting."

The shares of Class A Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the shares of Class A Common Stock will be made in New York, New York on or about , 1998.

MERRILL LYNCH INTERNATIONAL

DEUTSCHE BANK

DONALDSON, LUFKIN & JENRETTE INTERNATIONAL

The date of this Prospectus is , 1998.

[ALTERNATE PAGES FOR INTERNATIONAL PROSPECTUS]

UNDERWRITING

Merrill Lynch International, Deutsche Bank AG London and Donaldson, Lufkin & Jenrette International are acting as lead managers (the "Lead Managers") for each of the International Managers named below (the "International Managers"). Subject to the terms and conditions set forth in an international purchase agreement (the "International Purchase Agreement") among the Company and the International Managers, and concurrently with the sale of 40,800,000 shares of Class A Common Stock to the U.S. Underwriters (as defined below), the Company has agreed to sell to the International Managers, and each of the International Managers severally and not jointly has agreed to purchase from the Company, the number of shares of Class A Common Stock set forth opposite its name below.

INTERNATIONAL MANAGER	NUMBER OF SHARES
Merrill Lynch International	
Deutsche Bank AG London	
Donaldson, Lufkin & Jenrette International	
Total	10,200,000

The Company has also entered into a U.S. purchase agreement (the "U.S. Purchase Agreement") with certain underwriters in the United States and Canada (the "U.S. Underwriters" and, together with the International Managers, the "Underwriters") for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Deutsche Bank Securities Inc. and Donaldson, Lufkin & Jenrette Securities Corporation are acting as representatives (the "U.S. Representatives"). Subject to the terms and conditions set forth in the U.S. Purchase Agreement, and concurrently with the sale of 10,200,000 shares of Class A Common Stock to the International Managers pursuant to the International Purchase Agreement, the Company has agreed to sell to the U.S. Underwriters, and the U.S. Underwriters severally have agreed to purchase from the Company, an aggregate of 40,800,000 shares of Class A Common Stock. The initial public offering price per share and the total underwriting discount per share of Class A Common Stock are identical under the International Purchase Agreement and the U.S. Purchase Agreement.

In the International Purchase Agreement and the U.S. Purchase Agreement, the several International Managers and the several U.S. Underwriters, respectively, have agreed, subject to the terms and conditions set forth therein, to purchase all of the shares of Class A Common Stock being sold pursuant to each such agreement if any of the shares of Class A Common Stock being sold pursuant to such agreement are purchased. Under certain circumstances, under the International Purchase Agreement and the U.S. Purchase Agreement, the commitments of non-defaulting Underwriters may be increased. The closings with respect to the sale of shares of Class A Common Stock to be purchased by the International Managers and the U.S. Underwriters are conditioned upon one another.

The Lead Managers have advised the Company that the International Managers propose initially to offer the shares of Class A Common Stock to the public at the initial public offering price set forth on the cover page of this Prospectus, and to certain dealers at such price less a concession not in excess of $ per share of Common Stock. The International Managers may allow, and such dealers may reallow, a discount not in excess of $ per share of Class A Common Stock on sales to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Company has granted options to the International Managers, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of 1,530,000 additional shares of Class A Common Stock at the initial public offering price set forth on the cover page of this Prospectus, less the underwriting discount. The International Managers may exercise these options solely to cover over-allotments, if any, made on the sale of the Class A Common Stock offered hereby. To the extent that the International Managers exercise these options, each International Manager will be obligated, subject to certain conditions, to purchase a number of additional shares of Class A Common Stock proportionate to such International Manager's initial amount reflected in the foregoing table. The Company also has granted options to the U.S. Underwriters, exercisable for 30 days after the date of this Prospectus, to purchase up to an aggregate of 6,120,000 additional

shares of Class A Common Stock to cover over-allotments, if any, on terms similar to those granted to the International Managers.

At the request of the Company, the Underwriters have reserved for sale, at the initial public offering price, up to 2,550,000 of the shares offered hereby to be sold to certain eligible employees and business associates of the Company. The number of shares of Class A Common Stock available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares which are not orally confirmed for purchase within one day of the pricing of the Offerings will be offered by the Underwriters to the general public on the same terms as the other shares offered hereby.

The Company and Parent have agreed, for a period of 90 days and 180 days, respectively, after the date of this Prospectus, subject to certain exceptions, not to directly or indirectly (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of or otherwise dispose of or transfer any shares of Common Stock or securities convertible into or exchangeable or exercisable for Common Stock, whether now owned or thereafter acquired by the person executing the agreement or with respect to which the person executing the agreement thereafter acquires the power of disposition, or file a registration statement under the 1933 Act with respect to the foregoing or (ii) enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of the Common Stock whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise, without the prior written consent of Merrill Lynch on behalf of the Underwriters; provided that the Company may at any time and from time to time (i) issue shares of Class A Common Stock to third parties as consideration for the Company's acquisition from such third parties of non-hazardous solid waste businesses, (ii) grant options to purchase shares of Common Stock under the Company's Stock Incentive Plan and (iii) issue shares of Common Stock to Parent in connection with the prepayment of the Affiliate Payable, the Resources Notes Payable and the Company Notes and as consideration for the Company's acquisition from Parent of a non-hazardous solid waste business, in each case without the prior consent of Merrill Lynch. See "Shares Eligible for Future Sale."

The International Managers and the U.S. Underwriters have entered into an intersyndicate agreement (the "Intersyndicate Agreement") that provides for the coordination of their activities. Pursuant to the Intersyndicate Agreement, the International Managers and the U.S. Underwriters are permitted to sell shares of Class A Common Stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the terms of the Intersyndicate Agreement, the U.S. Underwriters and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, and the International Managers and any dealer to whom they sell shares of Class A Common Stock will not offer to sell or sell shares of Class A Common Stock to U.S. persons or to Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions pursuant to the Intersyndicate Agreement.

Prior to the Offerings, there has been no public market for the Common Stock of the Company. The initial public offering price of the Class A Common Stock will be determined through negotiations between the Company, on the one hand, and the U.S. Representatives and the Lead Managers, on the other hand. The factors considered and analyzed by the Company, the U.S. Representatives and the Lead Managers in determining the initial public offering price per share of Class A Common Stock, in addition to prevailing market conditions, are price-earnings ratios of publicly traded companies that the U.S. Representatives and the Lead Managers believe to be comparable to the Company, certain financial information of the Company, the history of, and the prospects for, the Company and the industry in which it competes, and an assessment of the Company's management, its past and present operations, the prospects for, and timing of, future revenues of the Company, the present state of the Company's development, the percentage interest of the Company being sold as compared to the valuation for the entire Company and the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to the Company. No appraisal of the assets of the Company was undertaken by the Company, the U.S. Representatives or the Lead Managers in determining the initial public offering price per share. There can be no assurance that an active

trading market will develop for the Class A Common Stock or that the Class A Common Stock will trade in the public market subsequent to the Offerings at or above the initial public offering price.

The Class A Common Stock has been approved for listing on the New York Stock Exchange, subject to official notice of issuance, under the symbol "RSG." In order to meet the requirements for listing of the Class A Common Stock on that exchange, the U.S. Underwriters and the International Managers have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial owners.

The Underwriters do not expect sales of the Class A Common Stock to any accounts over which they exercise discretionary authority to exceed 5% of the number of shares being offered hereby.

The Company has agreed to indemnify the International Managers and the U.S. Underwriters against certain liabilities, including certain liabilities under the 1933 Act, or to contribute to payments the U.S. Underwriters and the International Managers may be required to make in respect thereof.

Until the distribution of the Class A Common Stock is completed, rules of the Securities and Exchange Commission (the "Commission") may limit the ability of the Underwriters and certain selling group members to bid for and purchase the Class A Common Stock. As an exception to these rules, the U.S. Representative is permitted to engage in certain transactions that stabilize the price of the Class A Common Stock. Such transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Class A Common Stock.

If the Underwriters create a short position in the Class A Common Stock in connection with the Offerings, i.e., if they sell more shares of Class A Common Stock than are set forth on the cover page of this Prospectus, the U.S. Representatives may reduce that short position by purchasing Class A Common Stock in the open market. The U.S. Representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above.

The U.S. Representatives may also impose a penalty bid on certain Underwriters and selling group members. This means that if the U.S. Representatives purchase shares of Class A Common Stock in the open market to reduce the Underwriters' short position or to stabilize the price of the Class A Common Stock, they may reclaim the amount of the selling concession from the Underwriters and selling group members who sold those shares as part of the Offerings.

In general, purchases of a security for the purpose of stabilization or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases. The imposition of a penalty bid might also have an effect on the price of the Class A Common Stock to the extent that it discourages resales of the Class A Common Stock.

Neither the Company nor any of the Underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Class A Common Stock. In addition, neither the Company nor any of the Underwriters makes any representation that the U.S. Representatives will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Each International Manager has agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any shares of Class A Common Stock to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which do not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Class A Common Stock in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of Class A Common Stock to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

[ALTERNATE PAGES FOR INTERNATIONAL PROSPECTUS]

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of Class A Common Stock, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or shares of Class A Common Stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of Class A Common Stock may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the shares of Class A Common Stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price set forth on the cover page hereof.

LEGAL MATTERS

Certain legal matters with respect to the validity of the Class A Common Stock offered hereby will be passed upon for the Company by Akerman, Senterfitt & Eidson, P.A., Miami, Florida. Certain attorneys employed by Akerman, Senterfitt & Eidson, P.A. own shares of Parent Common Stock. Certain legal matters relating to the Offerings will be passed upon for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York.

EXPERTS

The consolidated financial statements and schedule of the Company for each of the three years ended December 31, 1997, appearing in this Prospectus and Registration Statement, have been audited by Arthur Andersen LLP, independent certified public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

AVAILABLE INFORMATION

The Company has filed with the Commission a Registration Statement on Form S-1 under the 1933 Act with respect to the Class A Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain portions of which are omitted as permitted by the rules and regulations of the Commission. For further information pertaining to the Company and the Class A Common Stock offered hereby, reference is made to the Registration Statement, including the exhibits thereto and the financial statements, notes and schedules filed as a part thereof. Statements contained in this Prospectus regarding the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document, each such statement being qualified in all respects by such reference.

On the Offerings Closing Date, the Company will be subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, will file reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information, as well as the Registration Statement and the exhibits and schedules thereto, may be inspected, without charge, at the public reference facility maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices located at Seven World Trade Center, New York, New York 10048 and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material may also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such materials can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005 or on the Commission's site on the Internet at http://www.sec.gov.

[ALTERNATE PAGES FOR INTERNATIONAL PROSPECTUS]

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE CLASS A COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

IN THE PROSPECTUS, REFERENCES TO "DOLLARS" AND "$" ARE TO UNITED STATES DOLLARS.

TABLE OF CONTENTS

	PAGE
Prospectus Summary	3
Risk Factors	11
Background of the Offerings	18
Use of Proceeds	20
Dividend Policy	20
Capitalization	21
Dilution	22
Selected Financial Data	24
Unaudited Condensed Consolidated Pro Forma Financial Statements	25
Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Business	38
Management	50
Certain Transactions	56
Principal Stockholder	63
Description of Capital Stock	64
Shares Eligible for Future Sale	68
Certain United States Federal Tax Consequences For Non-United States Holders	70
Underwriting	73
Legal Matters	76
Experts	76
Available Information	76
Index to Financial Statements	F-1

51,000,000 SHARES

REPUBLIC SERVICES, INC. (LOGO)

CLASS A COMMON STOCK

PROSPECTUS

MERRILL LYNCH INTERNATIONAL

DEUTSCHE BANK

DONALDSON, LUFKIN & JENRETTE INTERNATIONAL

, 1998

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the various expenses in connection with the sale and distribution of the securities being registered hereby, other than underwriting discounts and commissions. All amounts are estimated except the Securities and Exchange Commission (the "Commission") registration fee, the National Association of Securities Dealers, Inc. ("NASD") registration fee and the New York Stock Exchange listing fee.

	PAYABLE BY THE REGISTRANT
SEC registration fee	$ 457,250
NASD filing fee	30,500
New York Stock Exchange original listing fee	245,600
Accounting fees and expenses	2,000,000
Legal fees and expenses	1,400,000
Printing and engraving expenses	1,150,000
Miscellaneous fees and expenses	216,650
Total	$5,500,000*

- ---------------

* Estimated.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law (the "DGCL") provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation, a "derivative action") if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

The Certificate of the Company, will be further amended and restated to provide that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, will be indemnified and held harmless by the Company to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith. Such right to indemnification includes the right to have the Company pay the expenses incurred in defending any such proceeding in advance of its final disposition, subject to the

provisions of the DGCL. Such rights are not exclusive of any other right which any person may have or thereafter acquire under any statute, provision of the Certificate, bylaws, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of such provision will in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Company thereunder in respect of any occurrence or matter arising prior to any such repeal or modification. The Certificate will also specifically authorize the Company to maintain insurance and to grant similar indemnification rights to employees or agents of the Company.

The DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for (i) any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) payments of unlawful dividends or unlawful stock repurchases or redemptions, or (iv) any transaction from which the director derived an improper personal benefit.

The Certificate will provide that a director of the Company will not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by the DGCL as amended from time to time, for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, which concerns unlawful payments of dividends, stock purchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. Neither the amendment nor repeal of such provision will eliminate or reduce the effect of such provision in respect of any matter occurring, or any cause of action, suit or claim that, but for such provision, would accrue or arise prior to such amendment or repeal.

The Underwriting Agreements provide for indemnification by the Underwriters of the registrant, its directors and officers, and by the registrant of the Underwriters, for certain liabilities, including liabilities arising under the 1933 Act, and affords certain rights of contribution with respect thereto.

The Separation and Distribution Agreement by and among the Company and Parent will provide for indemnification by the Company of Parent and its directors, officers and employees for certain liabilities, including liabilities under the 1933 Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

None.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits.

EXHIBIT NUMBER		DESCRIPTION
1.1	--	Form of U.S. Purchase Agreement.
3.1	--	Form of Amended and Restated Certificate of Incorporation of the Company.
3.2	--	Form of Amended and Restated Bylaws of the Company.
4.1	--	Form of the Company's Class A Common Stock Certificate.
5.1	--	Opinion of Akerman, Senterfitt & Eidson, P.A. re: legality of shares being registered.
10.1	--	Form of Separation and Distribution Agreement by and between the Company and Parent.
10.2	--	Form of Employee Benefits Agreement by and between the Company and Parent.
10.3	--	Form of Services Agreement by and between the Company and Parent.
10.4	--	Form of Tax Indemnification and Allocation Agreement by and between the Company and Parent.
10.5	--	Form of Republic Services, Inc. 1998 Stock Incentive Plan.

EXHIBIT NUMBER		DESCRIPTION
21.1	--	Subsidiaries of the Company.
23.1	--	Consent of Arthur Andersen LLP
23.3	--	Consent of Akerman, Senterfitt & Eidson, P.A. (included in Exhibit 5.1).
27.1	--	Financial Data Schedule for the Three Months Ended March 31, 1998 (for SEC use only).
27.2	--	Financial Data Schedule for the Three Months Ended March 31, 1997 (for SEC use only).
27.3	--	Financial Data Schedule for the Year Ended December 31, 1997 (for SEC use only).
27.4	--	Financial Data Schedule for the Year Ended December 31, 1996 (for SEC use only).
27.5	--	Financial Data Schedule for the Year Ended December 31, 1995 (for SEC use only).

(b) Financial Statement Schedule. The following financial statement schedule together with report of independent certified public accountants is filed on pages S-1 and S-2 herewith:

Financial Statement Schedule II, Valuation and Qualifying Accounts and Reserves, for Each of the Three Years Ended December 31, 1997.

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes to provide to the Underwriters at the closing of the Offerings specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fort Lauderdale, State of Florida, on June 29, 1998.

Republic Services, Inc.

By: /s/ H. WAYNE HUIZENGA
H. Wayne Huizenga
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ H. WAYNE HUIZENGA H. Wayne Huizenga	Chairman of the Board and Chief Executive Officer (principal executive officer)	June 29, 1998
* Harris W. Hudson	Vice Chairman and Director	June 29, 1998
* Michael S. Karsner	Chief Financial Officer (principal financial officer)	June 29, 1998
* Tod C. Holmes	Vice President -- Finance (principal accounting officer)	June 29, 1998

*By: /s/ H. WAYNE HUIZENGA
H. Wayne Huizenga as attorney-in-fact

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SCHEDULE

To Republic Services, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Republic Services, Inc. and subsidiaries included in this registration statement and have issued our report thereon dated June 29, 1998. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule included under Item 16(b) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,

June 29, 1998.

REPUBLIC SERVICES, INC.

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
SCHEDULE II
(IN MILLIONS)

	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO INCOME	ACCOUNTS WRITTEN OFF	OTHER(1)	BALANCE AT END OF YEAR
CLASSIFICATIONS					
Allowance for doubtful accounts:					
1997	$8.3	$4.1	$(4.1)	$5.3	$13.6
1996	7.2	2.6	(2.5)	1.0	8.3
1995	3.8	3.8	(1.0)	0.6	7.2

- ---

(1) Allowance of acquired businesses.

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
1.1	Form of U.S. Purchase Agreement.
3.1	Form of Amended and Restated Certificate of Incorporation of the Company.
3.2	Form of Amended and Restated Bylaws of the Company.
4.1	Form of the Company's Class A Common Stock Certificate.
5.1	Opinion of Akerman, Senterfitt & Eidson, P.A. re: legality of shares being registered.
10.1	Form of Separation and Distribution Agreement by and between the Company and Parent.
10.2	Form of Employee Benefits Agreement by and between the Company and Parent.
10.3	Form of Services Agreement by and between the Company and Parent.
10.4	Form of Tax Indemnification and Allocation Agreement by and between the Company and Parent.
10.5	Form of Republic Services, Inc. 1998 Stock Incentive Plan.
21.1	Subsidiaries of the Company.
23.1	Consent of Arthur Andersen LLP
23.3	Consent of Akerman, Senterfitt & Eidson, P.A. (included in Exhibit 5.1).
27.1	Financial Data Schedule for the Three Months Ended March 31, 1998 (for SEC use only).
27.2	Financial Data Schedule for the Three Months Ended March 31, 1997 (for SEC use only).
27.3	Financial Data Schedule for the Year Ended December 31, 1997 (for SEC use only).
27.4	Financial Data Schedule for the Year Ended December 31, 1996 (for SEC use only).
27.5	Financial Data Schedule for the Year Ended December 31, 1995 (for SEC use only).

EXHIBIT 1.1

- ---

- ---

REPUBLIC SERVICES, INC.

A Delaware corporation

51,000,000 Shares of Class A Common Stock

U.S. PURCHASE AGREEMENT

Dated: June _____, 1998

- ---

- ---

TABLE OF CONTENTS

PAGE

SECTION 1. Representations and Warranties....3
(a) Representations and Warranties by the Company....3
(i) Compliance with Registration Requirements....4
(ii) Independent Accountants....4
(iii) Financial Statements....5
(iv) No Material Adverse Change in Business....5
(v) Good Standing of the Company....5
(vi) Good Standing of Subsidiaries....6
(vii) Capitalization....6
(viii) Authorization of Agreement....6
(ix) Authorization and Description of Securities....6
(x) Absence of Defaults and Conflicts....7
(xi) Absence of Labor Dispute....7
(xii) Absence of Proceedings....8
(xiii) Accuracy of Exhibits....8
(xiv) Possession of Intellectual Property....8
(xv) Absence of Further Requirements....8
(xvi) Possession of Licenses and Permits....9
(xvii) Title to Property....9
(xviii) Compliance with Cuba Act....9
(xix) Investment Company Act....9
(xx) Environmental Laws....10
(xxi) Registration Rights....10
(xxii) Income Taxes....10
(xxiii) Internal Controls....11
(xxiv) Insurance....11
(xxv) Offering Material....11
(xxvi) Related Party Transactions....11
(xxvii) Solvency....11
(xxviii) Agreements Related to the Distribution....11
(b) Representations and Warranties by Parent....12
(i) Information in Registration Statement....12
(ii) Absence of Defaults and Conflicts....12
(iii) Absence of Further Requirements....13
(iv) Agreements Related to the Distribution....13
(v) Dividends to Parent....13
(vi) Absence of Taxable Distribution....13
(vii) Income Taxes....13
(c) Officer's Certificates....14

SECTION 2. Sale and Delivery to Underwriters; Closing....14
(a) Initial Securities....14
(b) Option Securities....14
(c) Payment....15
(d) Denominations; Registration....15

SECTION 3. Covenants of the Company....16
(a) Compliance with Securities Regulations and Commission Requests....16
(b) Filing of Amendments....16
(c) Delivery of Registration Statements....16
(d) Delivery of Prospectus....17
(e) Continued Compliance with Securities Laws....17
(f) Blue Sky Qualifications....17
(g) Rule 158....18
(h) Use of Proceeds....18
(i) Listing....18
(j) Restriction on Sale of Securities....18
(k) Reporting Requirements....18
(l) Compliance with NASD Rules....18

SECTION 4. Payment of Expenses....19
(a) Expenses....19
(b) Termination of Agreement....19

SECTION 5. Conditions of U.S. Underwriters' Obligations....20
(a) Effectiveness of Registration Statement....20
(b) Opinion of Counsel for Company....20
(c) Opinion of Counsel for U.S. Underwriters....20
(d) Company Officers' Certificate....21
(e) Parent Officers' Certificate....21
(f) Accountant's Comfort Letter....21
(g) Bring-down Comfort Letter....21
(h) Approval of Listing....21
(i) No Objection....21
(j) Lock-up Agreement....22
(k) Certain Agreements....22
(l) Purchase of Initial International Securities....22
(m) Additional Documents....22
(n) Conditions to Purchase of U.S. Option Securities....22
(i) Company Officers' Certificate....22
(ii) Parent Officers' Certificate....22
(iii) Opinion of Counsel for Company....23
(iv) Opinion of Counsel for U.S. Underwriters....23
(v) Bring-down Comfort Letter....23
(o) Termination of Agreement....23

SECTION 6. Indemnification....23

(a) Indemnification of U.S. Underwriters.....23
(b) Indemnification of Company, Directors and Officers.....24
(c) Actions against Parties; Notification.....25
(d) Settlement without Consent if Failure to Reimburse.....25
(e) Indemnification for Reserved Securities.....25

SECTION 7. Contribution.....26

SECTION 8. Representations, Warranties and Agreements to Survive Delivery.....27

SECTION 9. Termination Agreement.....27
(a) Termination; General.....27
(b) Liabilities.....28

SECTION 10. Default by One or More of the U.S. Underwriters.....28

SECTION 11. Notices.....28

SECTION 12. Parties.....29

SECTION 13 Governing Law and Time.....29

SECTION 14 Effect of Headings.....29

SCHEDULES

SCHEDULE A - LIST OF UNDERWRITERS.....SCH A-1

SCHEDULE B - PRICING INFORMATION.....SCH B-1

EXHIBITS A-1

EXHIBIT A - FORM OF OPINION OF COMPANY'S COUNSEL.....A-1

EXHIBIT B - FORM OF LOCK-UP LETTER.....B-1

REPUBLIC SERVICES, INC.

A Delaware corporation

Shares of Class A Common Stock

Par Value $0.01 Per Share

U.S. PURCHASE AGREEMENT

June _____, 1998

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Deutsche Bank Securities Inc.
Donaldson, Lufkin & Jenrette Securities Corporation
as U.S. Representatives of the several U.S. Underwriters
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

Republic Services, Inc., a Delaware corporation (the "Company") and Republic Industries, Inc., a Delaware corporation ("Parent"), confirm their agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other U.S. Underwriters named in Schedule A hereto (collectively, the "U.S. Underwriters", which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch, Deutsche Bank Securities Inc. and Donaldson, Lufkin & Jenrette Securities Corporation are acting as representatives (in such capacity, the "U.S. Representatives"), with respect to (i) the issue and sale by the Company and the purchase by the U.S Underwriters, acting severally and not jointly, of the respective numbers of shares of Class A Common Stock, par value $0.01 per share, of the Company ("Common Stock") set forth in Schedule A hereto, and (ii) the grant by the Company to the U.S. Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of 6,120,000 additional shares of Common Stock solely to cover over-allotments, if any. The aforesaid 40,800,000 shares of Common Stock (the "Initial U.S. Securities") to be purchased by

the U.S. Underwriters and all or any part of the 6,120,000 shares of Common Stock subject to the option described in Section 2(b) hereof (the "U.S. Option Securities") are hereinafter called, collectively, the "U.S. Securities."

It is understood that the Company is concurrently entering into an agreement dated the date hereof (the "International Purchase Agreement") providing for the offering by the Company of an aggregate of 10,200,000 shares of Common Stock (the "Initial International Securities") through arrangements with certain underwriters outside the United States and Canada (the "International Managers") for which Merrill Lynch International, Deutsche Bank AG London and Donaldson, Lufkin & Jenrette International are acting as lead managers (the "Lead Managers") and the grant by the Company to the International Managers, acting severally and not jointly, of an option to purchase all or any part of the International Managers' pro rata portion of up to 1,530,000 additional shares of Common Stock solely to cover over-allotments, if any (the "International Option Securities" and, together with the U.S. Option Securities, the "Option Securities"). The Initial International Securities and the International Option Securities are hereinafter called the "International Securities." It is understood that the Company is not obligated to sell and the U.S. Underwriters are not obligated to purchase, any Initial U.S. Securities unless all of the Initial International Securities are contemporaneously purchased by the International Managers.

The U.S. Underwriters and the International Managers are hereinafter collectively called the "Underwriters," the Initial U.S. Securities and the Initial International Securities are hereinafter collectively called the "Initial Securities," and the U.S. Securities, and the International Securities are hereinafter collectively called the "Securities."

The Underwriters will concurrently enter into an Intersyndicate Agreement of even date herewith (the "Intersyndicate Agreement") providing for the coordination of certain transactions among the Underwriters under the direction of Merrill Lynch & Co., Merrill Lynch (in such capacity, the "Global Coordinator").

The Company understands that the U.S. Underwriters propose to make a public offering of the U.S. Securities as soon as the U.S. Representatives deem advisable after this Agreement has been executed and delivered.

The Company and the U.S. Underwriters agree that up to 2,550,000 shares of the Initial U.S. Securities to be purchased by the U.S. Underwriters (the "Reserved Securities") shall be reserved for sale by the Underwriters to certain eligible employees and persons having business relationships with the Company, as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the National Association of Securities Dealers, Inc. (the "NASD") and all other applicable laws, rules and regulations. To the extent that such Reserved Securities are not orally confirmed for purchase by such eligible employees and persons having business relationships with the Company by the end of the first business day after the date of this Agreement, such Reserved Securities may be offered to the public as part of the public offering contemplated hereby.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-52505) covering the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), including the related preliminary prospectus or prospectuses. Promptly after execution and delivery of this Agreement, the Company will either (i) prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and paragraph (b) of Rule 424 ("Rule 424(b)") of the 1933 Act Regulations or (ii) if the Company has elected to rely upon Rule 434 ("Rule 434") of the 1933 Act Regulations, prepare and file a term sheet (a "Term Sheet") in accordance with the provisions of Rule 434 and Rule 424(b). Two forms of prospectus are to be used in connection with the offering and sale of the Securities: one relating to the U.S. Securities (the "Form of U.S. Prospectus") and one relating to the International Securities (the "Form of International Prospectus"). The Form of U.S. Prospectus is identical to the Form of International Prospectus, except for their respective front cover pages, "Underwriting" sections and back cover pages. The information included in any such prospectus or in any such Term Sheet, as the case may be, that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective (a) pursuant to paragraph (b) of Rule 430A is referred to as "Rule 430A Information" or (b) pursuant to paragraph (d) of Rule 434 is referred to as "Rule 434 Information." Each Form of U.S. Prospectus and Form of International Prospectus used before such registration statement became effective, and any prospectus that omitted, as applicable, the Rule 430A Information or the Rule 434 Information, that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." Such registration statement, including the exhibits thereto and schedules thereto at the time it became effective and including the Rule 430A Information and the Rule 434 Information, as applicable, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein referred to as the "Rule 462(b) Registration Statement," and after such filing the term "Registration Statement" shall include the Rule 462(b) Registration Statement. The final Form of U.S. Prospectus and the final Form of International Prospectus in the forms first furnished to the Underwriters for use in connection with the offering of the Securities are herein called the "U.S. Prospectus" and the "International Prospectus," respectively, and collectively, the "Prospectuses." If Rule 434 is relied on, the terms "U.S. Prospectus" and "International Prospectus" shall refer to the preliminary U.S. Prospectus dated June 15, 1998 and preliminary International Prospectus dated June 15, 1998, respectively, each together with the applicable Term Sheet and all references in this Agreement to the date of such Prospectuses shall mean the date of the applicable Term Sheet. For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the U.S. Prospectus, the International Prospectus or any Term Sheet or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

SECTION 1. REPRESENTATIONS AND WARRANTIES.

(a) REPRESENTATIONS AND WARRANTIES BY THE COMPANY. The Company represents and warrants to each U.S. Underwriter as of the date hereof, as of the Closing Time referred to in

Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b), hereof and agrees with each U.S. Underwriter, as follows:

(i) COMPLIANCE WITH REGISTRATION REQUIREMENTS. Each of the Registration Statement and any Rule 462(b) Registration Statement has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with.

At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), the Registration Statement, the Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectuses, any preliminary prospectuses and any supplement thereto or prospectus wrapper prepared in connection therewith, at their respective times of issuance and at the Closing Time, complied and will comply in all material respects with any applicable laws or regulations of foreign jurisdictions in which the Prospectuses and such preliminary prospectuses, as amended or supplemented, if applicable, are distributed in connection with the offer and sale of Reserved Securities. Neither the Prospectuses nor any amendments or supplements thereto, at the time the Prospectuses or any amendments or supplements thereto were issued and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If Rule 434 is used, the Company will comply with the requirements of Rule 434 and the Prospectuses shall not be "materially different," as such term is used in Rule 434, from the prospectuses included in the Registration Statement at the time it became effective. The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or the Prospectuses made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the U.S. Representatives or the Lead Managers expressly for use in the Registration Statement or the Prospectuses.

Each preliminary prospectus and the prospectuses filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and each preliminary prospectus and the Prospectuses delivered to the Underwriters for use in connection with this offering was identical to the

electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) INDEPENDENT ACCOUNTANTS. The accountants who certified the financial statements and supporting schedules included in the Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iii) FINANCIAL STATEMENTS. The financial statements included in the Registration Statement and the Prospectuses, together with the related schedules and notes, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules included in the Registration Statement present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Prospectuses present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. The pro forma financial statements and the related notes thereto included in the Registration Statement and the Prospectuses present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(iv) NO MATERIAL ADVERSE CHANGE IN BUSINESS. Since the respective dates as of which information is given in the Registration Statement and the Prospectuses, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(v) GOOD STANDING OF THE COMPANY. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectuses or as proposed to be conducted and to enter into and perform its obligations under this Agreement; and the

Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vi) GOOD STANDING OF SUBSIDIARIES. Each "significant subsidiary" of the Company (as such term is defined in Rule 1-02 of Regulation S-X) (each a "Subsidiary" and collectively, the "Subsidiaries") has been duly organized and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, has the corporate or limited liability company power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectuses and is duly qualified as a foreign corporation or limited liability company, as the case may be, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, all of the issued and outstanding capital stock or limited liability interests of each such Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock or limited liability interests of any Subsidiary was issued in violation of the preemptive or similar rights of any securityholder of such Subsidiary. The only subsidiaries of the Company are (a) the subsidiaries listed on Exhibit 21.1 to the Registration Statement and (b) certain other subsidiaries which, considered in the aggregate as a single subsidiary, do not constitute a "significant subsidiary" as defined in Rule 1-02 of Regulation S-X.

(vii) CAPITALIZATION. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectuses under the caption "Description of Capital Stock" (except for subsequent issuances, if any, pursuant to this Agreement or the International Purchase Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Prospectuses or pursuant to the exercise of convertible securities, warrants or options referred to in the Prospectuses). The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(viii) AUTHORIZATION OF AGREEMENT. This Agreement and the International Purchase Agreement have been duly authorized, executed and delivered by the Company.

(ix) AUTHORIZATION AND DESCRIPTION OF SECURITIES. The Securities to be purchased by the U.S. Underwriters and the International Managers from the Company have been duly authorized for issuance and sale to the U.S. Underwriters pursuant to this

Agreement and the International Managers pursuant to the International Purchase Agreement, respectively, and, when issued and delivered by the Company pursuant to the Agreement and the International Purchase Agreement, respectively, against payment of the consideration set forth herein and in the International Purchase Agreement, respectively, will be validly issued, fully paid and non-assessable; the Common Stock conforms to all statements relating thereto contained in the Prospectuses and such description conforms to the rights set forth in the instruments defining the same; no holder of the Securities will be subject to personal liability by reason of being such a holder; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company.

(x) ABSENCE OF DEFAULTS AND CONFLICTS. Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any subsidiary is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the International Purchase Agreement, the Separation and Distribution Agreement between the Company and Parent, dated as of _____, 1998 (the "Separation and Distribution Agreement"), the Tax Indemnification and Allocation Agreement between the Company and Parent, dated as of _____, 1998 (the "Tax Indemnification and Allocation Agreement"), the Services Agreement between the Company and Parent, dated as of _____, 1998 (the "Services Agreement") and the Employee Benefits Agreement between the Company and Parent, dated as of _____, 1998 (the "Employee Benefits Agreement") (the Separation and Distribution Agreement, the Tax Indemnification and Allocation Agreement, the Services Agreement and the Employee Benefits Agreement being collectively referred to herein as the "Intercompany Agreements") and the consummation of the transactions contemplated thereby, and in the Registration Statement (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described in the Prospectuses under the caption "Use of Proceeds") and compliance by the Company with its obligations under this Agreement, the International Purchase Agreement and the Intercompany Agreements have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any subsidiary or any of their assets,

properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company, Parent or any of their respective subsidiaries.

(xi) ABSENCE OF LABOR DISPUTE. No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any subsidiary's principal suppliers, manufacturers, customers or contractors, which, in any case, may reasonably be expected to result in a Material Adverse Effect.

(xii) ABSENCE OF PROCEEDINGS. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company, Parent or any of their respective subsidiaries, which is required to be disclosed in the Registration Statement (other than as disclosed therein), or which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in this Agreement and the International Purchase Agreement or the performance by the Company of its obligations hereunder or thereunder; the aggregate of all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xiii) ACCURACY OF EXHIBITS. There are no contracts or documents which are required to be described in the Registration Statement or the Prospectuses or to be filed as exhibits thereto which have not been so described and filed as required.

(xiv) POSSESSION OF INTELLECTUAL PROPERTY. The Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would result in a Material Adverse Effect.

(xv) ABSENCE OF FURTHER REQUIREMENTS. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities under this Agreement and the International Purchase Agreement or the consummation of the transactions contemplated by this Agreement and the International Purchase Agreement or in connection with the Intercompany Agreements, except (i) such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations and foreign or state securities or blue sky laws and (ii) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities are offered.

(xvi) POSSESSION OF LICENSES AND PERMITS. The Company and its subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; the Company and its subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xvii) TITLE TO PROPERTY. The Company and its subsidiaries have good and marketable title to all real property owned by the Company and its subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (a) are described in the Prospectuses or (b) do not, singly or in the aggregate, materially affect the value of such property as currently used or intended to be used and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company or any of its subsidiaries holds properties described in the Prospectuses, are in full force and effect, and neither the Company nor any subsidiary has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any subsidiary under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or such subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xviii) COMPLIANCE WITH CUBA ACT. The Company has complied with, and is and will be in compliance with, the provisions of that certain Florida act relating to disclosure

of doing business with Cuba, codified as Section 517.075 of the Florida statutes, and the rules and regulations thereunder (collectively, the "Cuba Act") or is exempt therefrom.

(xix) INVESTMENT COMPANY ACT. The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Prospectuses will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xx) ENVIRONMENTAL LAWS. Except as described in the Registration Statement and except as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings pending or, to the best of the Company's knowledge, threatened relating to any Environmental Law against the Company or any of its subsidiaries and (D) to the best of the Company's knowledge, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

(xxi) REGISTRATION RIGHTS. Except as disclosed in the Prospectuses, there are no persons with registration rights or other similar rights to have any securities registered pursuant to the Registration Statement, or otherwise registered by the Company under the 1933 Act.

(xxii) INCOME TAXES. All United States federal income tax returns of the Company and its subsidiaries required by law to be filed have been filed (taking into account extensions granted by the applicable federal governmental agency) and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. All other corporate franchise and income tax returns of the Company and its subsidiaries required to be filed pursuant to applicable

foreign, state or local law have been filed, except insofar as the failure to file such returns would not individually or in the aggregate have a Material Adverse Effect, and all taxes shown on such returns or otherwise assessed which are due and payable have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not have a material adverse effect on the condition (financial or otherwise), earnings, business affairs or business prospects of the Company and its subsidiaries, considered together as one enterprise.

(xxiii) INTERNAL CONTROLS. The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences.

(xxiv) INSURANCE. The Company and its subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect.

(xxv) OFFERING MATERIAL. The Company has not distributed and, prior to the later to occur of (i) the Closing Time and (ii) completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement, any preliminary prospectuses, the Prospectuses or other materials, if any, permitted by the 1933 Act and approved by the Global Coordinator.

(xxvi) RELATED PARTY TRANSACTIONS. There are no business relationships or related party transactions of the nature described in Item 404 of Regulation S-K involving the Company and any person described in such Item that are required to be disclosed in the Registration Statement and which have not been so disclosed.

(xxvii) SOLVENCY. Immediately prior to the Company's dividend to Parent of all of the issued and outstanding capital stock of Republic Resources Company, Inc. ("Resources") the Company was, and immediately after the Closing Time the Company will be, Solvent. As used herein, the term "Solvent" means, with respect to the Company on a particular date, that on such date (A) the fair market value of the assets of the Company is greater than the total amount of liabilities (including contingent liabilities) of the Company, (B) the present fair salable value of the assets of

the Company is greater than the amount that will be required to pay the probable liabilities of the Company on its debts as they become absolute and matured, (C) the Company is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature, and (D) the Company does not have unreasonably small capital.

(xxviii) AGREEMENTS RELATED TO THE DISTRIBUTION. The Company and its subsidiaries have all necessary corporate power and authority to execute, deliver and perform their respective obligations under the Intercompany Agreements; and such Intercompany Agreements have been duly authorized by the Company and its subsidiaries, will be substantially in the form heretofore delivered to you and, when executed and delivered by the Company and its subsidiaries and assuming due execution by Parent, will constitute a valid and binding obligation of the Company and its subsidiaries, enforceable against the Company and its subsidiaries in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization or other similar laws relating to or affecting enforcement of creditors' rights generally or by principles of equity; and at the Closing Time, the Company and its subsidiaries shall have duly executed and delivered such Agreements.

(b) REPRESENTATIONS AND WARRANTIES BY PARENT. Parent represents and warrants to each U.S. Underwriter as of the date hereof, as of the Closing Time referred to in Section 2(c) hereof, and as of each Date of Delivery (if any) referred to in Section 2(b), hereof and agrees with each U.S. Underwriter as follows:

(i) INFORMATION IN REGISTRATION STATEMENT. At the respective times the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), the Registration Statement, the Rule 462(b) Registration Statement and any amendments and supplements thereto did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. Neither the Prospectuses nor any amendments or supplements thereto, at the time the Prospectuses or any amendments or supplements thereto were issued and at the Closing Time (and, if any U.S. Option Securities are purchased, at the Date of Delivery), included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) ABSENCE OF DEFAULTS AND CONFLICTS. Neither Parent nor any of its subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which Parent or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of Parent or any subsidiary is subject (collectively, "Parent Agreements and Instruments") except for such

defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the International Purchase Agreement and the Intercompany Agreements and the consummation of the transactions contemplated thereby, and in the Registration Statement (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described in the Prospectuses under the caption "Use of Proceeds") and compliance by Parent with its obligations under this Agreement, the International Purchase Agreement and the Intercompany Agreements have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of Parent or any subsidiary pursuant to, the Parent Agreements and Instruments (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the charter or by-laws of Parent or any subsidiary or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over Parent or any subsidiary or any of their assets, properties or operations.

(iii) ABSENCE OF FURTHER REQUIREMENTS. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by Parent of its obligations hereunder, in connection with the offering, issuance or sale of the Securities under this Agreement and the International Purchase Agreement or the consummation of the transactions contemplated by this Agreement and the International Purchase Agreement or in connection with the Intercompany Agreements, except (i) such as have been already obtained or as may be required under the 1933 Act or the 1933 Act Regulations and foreign or state securities or blue sky laws and (ii) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities are offered.

(iv) AGREEMENTS RELATED TO THE DISTRIBUTION. Parent and its subsidiaries, have all necessary corporate power and authority to execute, deliver and perform their respective obligations under the Intercompany Agreements; and such Intercompany Agreements have been duly authorized by Parent and its subsidiaries, will be substantially in the form heretofore delivered to you and, when executed and delivered by Parent and its subsidiaries and assuming due execution by the Company, will constitute a valid and binding obligation of Parent and its subsidiaries, enforceable against Parent and its subsidiaries in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization or other similar laws relating to or affecting enforcement of creditors' rights generally or by principles of equity; and at the Closing Time, Parent and its subsidiaries shall have duly executed and delivered such Agreements.

(v) DIVIDENDS TO PARENT. The Company's dividends to Parent of (a) all of the issued and outstanding capital stock of Resources and (b) $2 billion paid by the issuance of unsecured promissory notes due April 12, 1999, were each declared and paid by the Company out of the Company's surplus or profits, as the case may be, in compliance with Section 170 of the Delaware General Corporation Law.

(vi) ABSENCE OF TAXABLE DISTRIBUTION. Pursuant to Section 355 of the Internal Revenue Code of 1986, as amended, no gain or loss was recognized to (and no amount was included in the income of) Parent or any its subsidiaries, including, without limitation the Company and Resources, upon the distribution of all of the issued and outstanding capital stock of Resources to Parent.

(vii) INCOME TAXES. All United States federal income tax returns of the affiliated group of which the Company and its subsidiaries are members and Parent is the common parent (the "Affiliated Group") required by law to be filed have been filed and all taxes shown by such returns, or which are otherwise due and payable by the Company and its subsidiaries, have been paid, except tax assessments, if any, as are being contested in good faith and as to which adequate reserves have been provided. Except as disclosed in the Prospectuses, all other franchise and income tax returns of each member of the Affiliated Group required to be filed pursuant to applicable foreign, state or local law have been filed, except insofar as the failure to file such returns would not have a Material Adverse Effect, and all taxes shown on such returns or which otherwise are due and payable have been paid, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company and its subsidiaries in respect of any income and corporate franchise tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income or corporate franchise tax for any years not finally determined, except as disclosed in the Prospectuses and except to the extent of any inadequacy that would not have a Material Adverse Effect. Neither the Company nor any of its subsidiaries (i) has been a member of an affiliated group filing consolidated federal income tax returns, other than the Affiliated Group, or (ii) as of the Closing Time will be a party to any tax sharing or similar agreement, other than the Tax Indemnification and Allocation Agreement.

(c) OFFICER'S CERTIFICATES. Any certificate signed by any officer of the Company, Parent or any of the Company's subsidiaries delivered to the Global Coordinator, the U.S. Representatives, or to counsel for the U.S. Underwriters shall be deemed a representation and warranty by the Company or Parent, as the case may be, to each U.S. Underwriter as to the matters covered thereby.

SECTION 2. SALE AND DELIVERY TO UNDERWRITERS; CLOSING.

(a) INITIAL SECURITIES. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each U.S. Underwriter, severally and not

jointly, and each U.S. Underwriter, severally and not jointly, agrees to purchase from the Company, at the price per share set forth in Schedule B, the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter, plus any additional number of Initial U.S. Securities which such U.S. Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof.

(b) OPTION SECURITIES. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the U.S. Underwriters, severally and not jointly, to purchase up to an additional 6,120,000 shares of Common Stock at the price per share set forth in Schedule B, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial U.S. Securities but not payable on the U.S. Option Securities. The option hereby granted will expire 30 days after the date hereof and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Initial U.S. Securities upon notice by the Global Coordinator to the Company setting forth the number of U.S. Option Securities as to which the several U.S. Underwriters are then exercising the option and the time and date of payment and delivery for such U.S. Option Securities. Any such time and date of delivery for the Option Securities (a "Date of Delivery") shall be determined by the Global Coordinator, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time, as hereinafter defined. If the option is exercised as to all or any portion of the U.S. Option Securities, each of the U.S. Underwriters, acting severally and not jointly, will purchase that proportion of the total number of U.S. Option Securities then being purchased which the number of Initial U.S. Securities set forth in Schedule A opposite the name of such U.S. Underwriter bears to the total number of Initial U.S. Securities, subject in each case to such adjustments as the Global Coordinator in its discretion shall make to eliminate any sales or purchases of fractional shares.

(c) PAYMENT. Payment of the purchase price for, and delivery of certificates for, the Initial Securities shall be made at the offices of Akerman, Senterfitt & Eidson, P.A., One Southeast Third Avenue, Miami, Florida, 33131-1704, or at such other place as shall be agreed upon by the Global Coordinator and the Company, at 9:00 A.M. (Eastern time) on the third (fourth, if the pricing occurs after 4:30 P.M. (Eastern time) on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Global Coordinator and the Company (such time and date of payment and delivery being herein called "Closing Time").

In addition, in the event that any or all of the U.S. Option Securities are purchased by the U.S. Underwriters, payment of the purchase price for, and delivery of certificates for, such U.S. Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Global Coordinator and the Company, on each Date of Delivery as specified in the notice from the Global Coordinator to the Company.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company, against delivery to the U.S. Representatives for

the respective accounts of the U.S. Underwriters of certificates for the U.S. Securities to be purchased by them. It is understood that each U.S. Underwriter has authorized the U.S. Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial U.S. Securities and the U.S. Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the U.S. Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial U.S. Securities or the U.S. Option Securities, if any, to be purchased by any U.S. Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such U.S. Underwriter from its obligations hereunder.

(d) DENOMINATIONS; REGISTRATION. Certificates for the Initial U.S. Securities and the U.S. Option Securities, if any, shall be in such denominations and registered in such names as the U.S. Representatives may request in writing at least one full business day before the Closing Time or the relevant Date of Delivery, as the case may be. The certificates for the Initial U.S. Securities and the U.S. Option Securities, if any, will be made available for examination and packaging by the U.S. Representatives in The City of New York not later than 10:00 A.M. (Eastern time) on the business day prior to the Closing Time or the relevant Date of Delivery, as the case may be.

SECTION 3. COVENANTS OF THE COMPANY. The Company covenants with each U.S. Underwriter as follows:

(a) COMPLIANCE WITH SECURITIES REGULATIONS AND COMMISSION REQUESTS. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A or Rule 434, as applicable, and will notify the Global Coordinator as soon as practicable, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectuses or any amended Prospectuses shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectuses or for additional information, and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes. The Company will promptly effect the filings necessary pursuant to Rule 424(b) and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) FILING OF AMENDMENTS. The Company will give the Global Coordinator notice of its intention to file or prepare any amendment to the Registration Statement

(including any filing under Rule 462(b)), any Term Sheet or any amendment, supplement or revision to either the prospectus included in the Registration Statement at the time it became effective or to the Prospectuses, will furnish the Global Coordinator with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Global Coordinator or counsel for the U.S. Underwriters shall reasonably object.

(c) DELIVERY OF REGISTRATION STATEMENTS. The Company has furnished or will deliver to the U.S. Representatives and counsel for the U.S. Underwriters, without charge, signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also deliver to the U.S. Representatives, without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the U.S. Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) DELIVERY OF PROSPECTUSES. The Company has delivered to each U.S. Underwriter, without charge, as many copies of each preliminary prospectus as such U.S. Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each U.S. Underwriter, without charge, during the period when the U.S. Prospectus is required to be delivered under the 1933 Act or the Securities Exchange Act of 1934 (the "1934 Act"), such number of copies of the U.S. Prospectus (as amended or supplemented) as such U.S. Underwriter may reasonably request. The U.S. Prospectus and any amendments or supplements thereto furnished to the U.S. Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) CONTINUED COMPLIANCE WITH SECURITIES LAWS. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement, the International Purchase Agreement and in the Prospectuses. If at any time when a prospectus is required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the U.S. Underwriters or for the Company, to amend the Registration Statement or amend or supplement any Prospectus in order that the Prospectuses will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend the Registration Statement or amend or supplement any Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly

prepare and file with the Commission, subject to Section 3(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectuses comply with such requirements, and the Company will furnish to the U.S. Underwriters such number of copies of such amendment or supplement as the U.S. Underwriters may reasonably request.

(f) BLUE SKY QUALIFICATIONS. The Company will use its best efforts, in cooperation with the U.S. Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Global Coordinator may designate and to maintain such qualifications in effect for a period of not less than one year from the later of the effective date of the Registration Statement and any Rule 462(b) Registration Statement; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement and any Rule 462(b) Registration Statement.

(g) RULE 158. The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(h) USE OF PROCEEDS. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Prospectuses under "Use of Proceeds."

(i) LISTING. The Company will use its best efforts to effect the listing of the Common Stock (including the Securities) on the New York Stock Exchange (the "NYSE").

(j) RESTRICTION ON SALE OF SECURITIES. During a period of 90 days from the date of the Prospectuses, the Company will not, without the prior written consent of the Global Coordinator, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any share of Common Stock or the Company's Class B Common Stock, par value $0.01 per share (the "Class B Common Stock") or any securities convertible into or exercisable or exchangeable for Common Stock and/or Class B Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock and/or the Class B Common

Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of such Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the Securities to be sold hereunder or under the International Purchase Agreement, (b) shares of Common Stock issued to a third party as consideration for the Company's acquisition from such third party of a non-hazardous solid waste business, (c) options to purchase shares of Common Stock granted under the Company's 1998 Stock Option Plan or (d) shares of Common Stock and/or Class B Common Stock issued and sold to Parent in connection with (A) the prepayment of the Affiliate Payable, the Resources Notes Payable and the remaining amounts outstanding of the Company Notes as described in the Prospectuses or (B) shares of Common Stock issued to Parent as consideration for the Company's acquisition from Parent of a non-hazardous solid waste business.

(k) REPORTING REQUIREMENTS. The Company, during the period when the Prospectuses are required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the rules and regulations of the Commission thereunder.

(l) COMPLIANCE WITH NASD RULES. The Company hereby agrees that it will ensure that the Reserved Securities will be restricted as required by the NASD or the NASD rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of this Agreement. The Underwriters will notify the Company as to which persons will need to be so restricted. At the request of the Underwriters, the Company will direct the transfer agent to place a stop transfer restriction upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Reserved Securities, the Company agrees to reimburse the Underwriters for any reasonable expenses (including without limitation, legal expenses) they incur in connection with such release.

SECTION 4. PAYMENT OF EXPENSES. (a) EXPENSES. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, any Agreement among Underwriters and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance and delivery of the certificates for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters and the transfer of the Securities between the U.S. Underwriters and the International Managers, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the printing and delivery to the Underwriters of copies of each preliminary prospectus, any Term Sheets and of the Prospectuses and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriters of copies of the Blue Sky Survey and any supplement thereto, (viii) the fees and expenses of any transfer agent or registrar for the Securities, (ix) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the NASD of the terms of the sale of the Securities, (x) the fees and expenses incurred in connection with the listing of the Securities on the NYSE and (xi) all costs and expenses of the Underwriters, including the fees and disbursements of counsel for the Underwriters, in connection with matters related to the Reserved Securities which are designated by the Company for sale to eligible employees and others having a business relationship with the Company.

(b) TERMINATION OF AGREEMENT. If this Agreement is terminated by the U.S. Representatives in accordance with the provisions of Section 5 or Section 9(a)(i) hereof, the Company shall reimburse the U.S. Underwriters for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the U.S. Underwriters.

SECTION 5. CONDITIONS OF U.S. UNDERWRITERS' OBLIGATIONS. The obligations of the several U.S. Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained in Section 1 hereof or in certificates of any officer of the Company or any subsidiary of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) EFFECTIVENESS OF REGISTRATION STATEMENT. The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and at Closing Time no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel to the U.S. Underwriters. A prospectus containing the Rule 430A Information shall have been filed

with the Commission in accordance with Rule 424(b) (or a post-effective amendment providing such information shall have been filed and declared effective in accordance with the requirements of Rule 430A) or, if the Company has elected to rely upon Rule 434, a Term Sheet shall have been filed with the Commission in accordance with Rule 424(b).

(b) OPINION OF COUNSEL FOR COMPANY. At Closing Time, the U.S. Representatives shall have received the opinion, dated as of Closing Time, of Akerman, Senterfitt & Eidson, P.A., counsel for the Company, in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters to the effect set forth in Exhibit A hereto and to such further effect as counsel to the U.S. Underwriters may reasonably request, based upon events occurring or information discovered after the date hereof.

(c) OPINION OF COUNSEL FOR U.S. UNDERWRITERS. At Closing Time, the U.S. Representatives shall have received the favorable opinion, dated as of Closing Time, of Fried, Frank, Harris, Shriver & Jacobson, counsel for the U.S. Underwriters, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters with respect to the matters pertaining to the Company set forth in clauses (i), (ii), (v), (vi) (solely as to preemptive or other similar rights arising by operation of law or under the charter or by-laws of the Company), (viii) through (x), inclusive, (xi), (xiii) (solely as to the information in the Prospectus under "Description of Capital Stock--Common Stock") and the matters set forth in the penultimate paragraph of Exhibit A hereto. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the U.S. Representatives which may include counsel to the Company. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and its subsidiaries and certificates of public officials.

(d) COMPANY OFFICERS' CERTIFICATE. At Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Prospectuses, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the U.S. Representatives shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated as of Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties in Section 1(a) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and

no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, are contemplated by the Commission.

(e) PARENT OFFICERS' CERTIFICATE. At Closing Time the U.S. Representatives shall have received a certificate of the President or a Vice President of Parent, dated as of Closing Time, to the effect that (i) the representations and warranties in Section 1(b) hereof are true and correct with the same force and effect as though expressly made at and as of Closing Time, and (ii) Parent has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to Closing Time.

(f) ACCOUNTANT'S COMFORT LETTER. At the time of the execution of this Agreement, the U.S. Representatives shall have received from Arthur Andersen LLP a letter dated such date, in form and substance satisfactory to the U.S. Representatives, together with signed or reproduced copies of such letter for each of the other U.S. Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectuses.

(g) BRING-DOWN COMFORT LETTER. At Closing Time, the U.S. Representatives shall have received from Arthur Andersen LLP a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (f) of this Section, except that the specified date referred to shall be a date not more than three business days prior to Closing Time.

(h) APPROVAL OF LISTING. At Closing Time, the Securities shall have been approved for listing on the NYSE, subject only to official notice of issuance.

(i) NO OBJECTION. The NASD has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements.

(j) LOCK-UP AGREEMENTS. At the date of this Agreement, the U.S. Representatives shall have received an agreement substantially in the form of Exhibit B hereto signed by Parent.

(k) CERTAIN AGREEMENTS. Each of the Separation and Distribution Agreement, the Tax Indemnification and Allocation Agreement, the Services Agreement and the Employee Benefits Agreement, shall have been entered into by Parent and for the Company, as the case may be, and shall be in full force and effect at Closing Time and each condition in each of the Intercompany Agreements required to be satisfied at or prior to Closing Time shall have been satisfied at or prior to Closing Time.

(l) PURCHASE OF INITIAL INTERNATIONAL SECURITIES. Contemporaneously with the purchase by the U.S. Underwriters of the Initial U.S. Securities under this Agreement, the

International Managers shall have purchased the Initial International Securities under the International Purchase Agreement.

(m) ADDITIONAL DOCUMENTS. At Closing Time and at each Date of Delivery, counsel for the U.S. Underwriters shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the U.S. Representatives and counsel for the U.S. Underwriters.

(n) CONDITIONS TO PURCHASE OF U.S. OPTION SECURITIES. In the event that the U.S. Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the U.S. Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company or any subsidiary of the Company hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the U.S. Representatives shall have received:

(i) COMPANY OFFICERS' CERTIFICATE. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) PARENT OFFICERS' CERTIFICATE. A certificate, dated such Date of Delivery, of the President or a Vice President of Parent confirming that the certificate delivered at the Closing Time pursuant to Section 5(e) hereof remains true and correct as of such Date of Delivery.

(ii) OPINION OF COUNSEL FOR COMPANY. The opinion of Akerman, Senterfitt & Eidson, P.A., counsel for the Company, in form and substance reasonably satisfactory to counsel for the U.S. Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iv) OPINION OF COUNSEL FOR U.S. UNDERWRITERS. The favorable opinion of Fried, Frank, Harris, Shriver & Jacobson, counsel for the U.S. Underwriters, dated such Date of Delivery, relating to the U.S. Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(v) BRING-DOWN COMFORT LETTER. A letter from Arthur Andersen LLP, in form and substance satisfactory to the U.S. Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the U.S. Representatives pursuant to Section 5(g) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than five days prior to such Date of Delivery.

(o) TERMINATION OF AGREEMENT. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of U.S. Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several U.S. Underwriters to purchase the relevant Option Securities, may be terminated by the U.S. Representatives by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. INDEMNIFICATION.

(a) INDEMNIFICATION OF U.S. UNDERWRITERS. The Company agrees to indemnify and hold harmless each U.S. Underwriter and each person, if any, who controls any U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included in any preliminary prospectus or the Prospectuses (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of (A) the violation of any applicable laws or regulations of foreign jurisdictions where Reserved Securities have been offered and (B) any untrue statement or alleged untrue statement of a material fact included in the supplement or prospectus wrapper material distributed in Canada and the United Kingdom in connection with the reservation and sale of the Reserved Securities to eligible directors, officers, employees, business associates and related persons of the Company or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, when considered in conjunction with the Prospectuses or preliminary prospectuses, not misleading.

(iii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company; and

(iv) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof, to the extent that any such expense is not paid under (i), (ii) or (iii) above;

PROVIDED, HOWEVER, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any U.S. Underwriter through the U.S. Representatives expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the U.S. Prospectus (or any amendment or supplement thereto).

(b) INDEMNIFICATION OF COMPANY, DIRECTORS AND OFFICERS. Each U.S. Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information and the Rule 434 Information, if applicable, or any preliminary prospectus or the U.S. Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such U.S. Underwriter through the U.S. Representatives expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the U.S. Prospectus (or any amendment or supplement thereto).

(c) ACTIONS AGAINST PARTIES; NOTIFICATION. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the

extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by Merrill Lynch, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) SETTLEMENT WITHOUT CONSENT IF FAILURE TO REIMBURSE. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a) (iii) or (iv) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) INDEMNIFICATION FOR RESERVED SECURITIES. In connection with the offer and sale of the Reserved Securities, the Company agrees, promptly upon a request, in writing to indemnify and hold harmless the Underwriters from and against any and all losses, liabilities, claims, damages and expenses incurred by them as a result of the failure of eligible directors, officers, employees, business associates and related persons of the Company to pay for and accept delivery of Reserved Securities which, by the end of the first business day following the date of this Agreement, were subject to a properly confirmed agreement to purchase.

SECTION 7. CONTRIBUTION. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the U.S. Underwriters on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the U.S Underwriters on the other hand in connection with the statements or omissions, or in connection with any violation of the nature referred to in Section 6(a)(ii)(A) hereof, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the U.S. Underwriters on the other hand in connection with the offering of the U.S. Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the U.S. Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the U.S. Underwriters, in each case as set forth on the cover of the U.S. Prospectus, or, if Rule 434 is used, the corresponding location on the Term Sheet, bear to the aggregate initial public offering price of the U.S. Securities as set forth on such cover.

The relative fault of the Company on the one hand and the U.S. Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the U.S. Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or any violation of the nature referred to in Section 6(a)(ii)(A) hereof.

The Company and the U.S. Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the U.S. Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no U.S. Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the U.S. Securities underwritten by it and distributed to the public were offered to the public exceeds the

amount of any damages which such U.S. Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls a U.S. Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such U.S. Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The U.S. Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial U.S. Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any U.S. Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of the Securities to the U.S. Underwriters.

SECTION 9. TERMINATION OF AGREEMENT.

(a) TERMINATION; GENERAL. The U.S. Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the U.S. Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the U.S. Representatives, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission, or the NYSE, or if trading generally on the American Stock Exchange or the NYSE or in the Nasdaq National Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority, or (iv) if a banking moratorium has been declared by either Federal or New York authorities.

(b) LIABILITIES. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 10. DEFAULT BY ONE OR MORE OF THE U.S. UNDERWRITERS. If one or more of the U.S. Underwriters shall fail at Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the U.S. Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting U.S. Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the U.S. Representatives shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of U.S. Securities to be purchased on such date, each of the non-defaulting U.S. Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting U.S. Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the number of U.S. Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the U.S. Underwriters to purchase and of the Company to sell the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting U.S. Underwriter.

No action taken pursuant to this Section shall relieve any defaulting U.S. Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the U.S. Underwriters to purchase and the Company to sell the relevant U.S. Option Securities, as the case may be, either the U.S. Representatives or the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term " U.S. Underwriter" includes any person substituted for a U.S. Underwriter under this Section 10.

SECTION 11. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the U.S. Underwriters shall be directed to the U.S. Representatives at North Tower, World Financial Center, New York, New York 10281-1201, attention of [ ]; with a copy to Valerie Ford Jacob, Esq., Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004; and notices to the Company shall

be directed to it at Republic Services, Inc., 110 S.E. Sixth Street, Fort Lauderdale, Florida 33301, attention of David A. Barclay, General Counsel; with a copy to Jonathan L. Awner, Esq., Akerman, Senterfitt & Eidson, P.A., One S.E. Third Avenue, Miami, Florida 33131.

SECTION 12. PARTIES. This Agreement shall each inure to the benefit of and be binding upon the U.S. Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the U.S. Underwriters and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the U.S. Underwriters and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any U.S. Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 13. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 14. EFFECT OF HEADINGS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the U.S. Underwriters, the Company and Parent in accordance with its terms.

Very truly yours,

REPUBLIC INDUSTRIES, INC.

By

Title:

REPUBLIC SERVICES, INC.

By

Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH & CO.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
DEUTSCHE BANK SECURITIES INC.
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By

Authorized Signatory

For themselves and as U.S. Representatives of the other U.S. Underwriters named in Schedule A hereto

EXHIBIT 3.1

FORM OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF REPUBLIC SERVICES, INC.

The name of the Corporation (which is hereinafter referred to as the "Corporation") is "Republic Services, Inc."

The original certificate of incorporation was filed with the Secretary of State of the State of Delaware on December 20, 1996, under the name "Republic Waste Companies Holding Co."

This Amended and Restated Certificate of Incorporation (the "Certificate") has been duly proposed by resolutions adopted and declared advisable by the Board of Directors of the Corporation, duly adopted by the sole stockholder of the Corporation and duly executed and acknowledged by the officers of the Corporation in accordance with Sections 103, 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

The text of the Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I
NAME

The name of the corporation is: "Republic Services, Inc."

ARTICLE II
REGISTERED AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the DGCL.

ARTICLE IV
CAPITAL STOCK

SECTION 1. GENERAL.

(a) Immediately upon the effectiveness of this Certificate, the total number of shares of stock which the Corporation shall have authority to issue will be 800,000,000, consisting of 750,000,000 shares of Common Stock, par value $.01 per share (the "Common Stock"), and 50,000,000 shares of Preferred Stock, par value $.01 per share (the "Preferred Stock"). The Common Stock of the Corporation shall be divided into two classes, consisting of Class A Common Stock and Class B Common Stock, which shall be designated by the Board as Class A Common Stock or Class B Common Stock at the time of issuance in accordance with Section 2(b) hereof. The Preferred Stock may be issued in one or more series having such designations as may be fixed by the Board of Directors (the "Board").

(b) Immediately upon the effectiveness of this Certificate, each share of unclassified common stock of the Corporation, par value $.01 per share, that is issued and outstanding immediately prior to such effectiveness, shall automatically be changed into and reclassified as [101,046,225] shares of Class B Common Stock.

SECTION 2. COMMON STOCK.

(a) ISSUANCE AND CONSIDERATION. Any unissued or treasury shares of the Common Stock may be issued for such consideration as may be fixed in accordance with applicable law from time to time by the Board of Directors.

(b) DESIGNATION. Of the 750,000,000 authorized shares of Common Stock of the Corporation, 250,000,000 shares are initially designated as shares of Class A Common Stock, 125,000,000 shares are initially designated as shares of Class B Common Stock and 375,000,000 shares are not yet designated. The number of shares designated as Class A Common Stock or Class B Common Stock may be increased or decreased from time to time by a resolution or resolutions adopted by the Board or any duly authorized committee thereof and in accordance with provisions herein below without the consent of the holders of any outstanding shares of Common Stock or Preferred Stock. Except as otherwise set forth below in this Article IV, the powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions of the Class A Common Stock and Class B Common Stock shall be identical in all respects. Every reference in this Certificate to a majority or other proportion of shares of Common Stock, Class A Common Stock or Class B Common Stock with respect to approval or voting, shall refer to such majority or other proportion of the votes to which such shares of Common Stock, Class A Common Stock or Class B Common Stock, as the case may be, are entitled.

(c) CONVERSION PRIOR TO THE DISTRIBUTION. Prior to the Distribution (as defined below), shares of Class B Common Stock shall be convertible into shares of Class A Common Stock as follows:

(1) OPTIONAL CONVERSION. The Initial Holder (as defined below) of shares of Class B Common Stock shall be entitled, at any time or from time to time, to convert all or any portion of its shares of Class B Common Stock into shares of Class A Common Stock on a one-for-one basis. In this Certificate, the term "Initial Holder" means Republic Industries, Inc., a Delaware corporation.

(2) AUTOMATIC CONVERSION.

(i) Any shares of Class B Common Stock transferred by the Initial Holder or any of its subsidiaries to any person, other than the Initial Holder or any of its subsidiaries, shall automatically convert into shares of Class A Common Stock on a one-for-one basis, except for the distribution of Class B Common Stock to stockholders of the Initial Holder as part of the Distribution. In this Certificate, the term "Distribution" means the distribution of all shares of Common Stock held by the Initial Holder as a dividend to the stockholders of the Initial Holder on a tax-free basis under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to a private letter ruling from the Internal Revenue Service satisfactory to the Initial Holder (the "Letter Ruling").

(ii) All shares of Class B Common Stock shall also automatically convert into shares of Class A Common Stock on a one-for-one basis if the number of outstanding shares of Class B Common Stock falls below 20% of the aggregate number of outstanding shares of Common Stock.

(d) CONVERSION FOLLOWING THE DISTRIBUTION. Following the Distribution, shares of Class B Common Stock shall be convertible into shares of Class A Common Stock and shares of Class A Common Stock shall be convertible into shares of Class B Common Stock as follows:

(1) OPTIONAL CONVERSION. Following the Distribution, (i) shares of Class A Common Stock will be convertible, at the option of the holder thereof on a one-for-one basis into shares of Class B Common Stock on the date on which any person or group of persons other than the Initial Holder or any of its subsidiaries (the "Offeror") makes an offer, which the Board deems to be a bona fide offer, to the

holders of Class B Common Stock to purchase 20% or more of the issued and outstanding shares of such Class B Common Stock for cash or securities or other property without making a similar offer for shares of the Class A Common Stock, unless prior to the date of the Distribution (the "Distribution Date"), the Initial Holder delivers to the Corporation an opinion of counsel reasonably satisfactory to the Corporation to the effect that such conversion right would adversely affect the Initial Holder's ability to obtain the Letter Ruling and (ii) shares of Class B Common Stock will be convertible, at the option of the holder thereof on a one-for-one basis into shares of Class A Common Stock on the date on which any person or group of persons other than the Initial Holder or any of its subsidiaries makes an offer, which the Board deems to be a bona fide offer, to purchase 20% or more of the issued and outstanding shares of such Class A Common Stock for cash or securities or other property without making a similar offer for shares of the Class B Common Stock, unless prior to the Distribution Date, the Initial Holder delivers to the Corporation an opinion of counsel reasonably satisfactory to the Corporation to the effect that such conversion right would adversely affect the Initial Holder's ability to obtain the Letter Ruling. The Corporation will provide notice in writing to all holders of Common Stock of any offer referred to in the foregoing clauses (i) and (ii). Such notice shall be provided by mailing notice of such offer, first class postage prepaid, to each holder of the class of Common Stock then entitled to be converted, at such holder's address as it appears on the transfer books of the Corporation. The shares of Common Stock of one class may only be so converted to the other class during the period in which such bona fide offer is in effect. Any shares of Common Stock so converted and not acquired by the Offeror prior to the termination, rescission or completion of the offer will automatically reconvert to shares of the class from which it was converted upon such termination, rescission or completion.

(2) AUTOMATIC CONVERSION.

(i) Shares of Class B Common Stock shall automatically convert into shares of Class A Common Stock on a one-for-one basis on the fifth anniversary of the Distribution Date, unless prior to the Distribution Date, the Initial Holder delivers to the Corporation an opinion of counsel reasonably satisfactory to the Corporation to the effect that such automatic conversion would adversely affect the Initial Holder's ability to obtain the Letter Ruling. If such opinion is received, approval of such conversion shall be submitted to a vote of the holders of the Common Stock as soon as practicable after the fifth anniversary of the Distribution Date, unless the Initial Holder delivers to the Corporation an opinion of counsel reasonably satisfactory to the Corporation prior to such fifth anniversary that such vote would adversely affect the tax-free status of the

Distribution. Approval of such conversion shall require the affirmative vote of the holders of a majority of the shares of both the Class A Common Stock and Class B Common Stock present in person or by proxy, voting together as a single class, with each share entitled to one vote for such purpose.

(ii) In addition, following the Distribution, if any person or persons acting together as a group acquires 20% or more of the outstanding shares of Class B Common Stock, all shares of Class B Common Stock held by such person or group shall automatically be converted into shares of Class A Common Stock on a one-for-one basis, unless prior to the Distribution Date, Parent delivers to the Corporation an opinion of counsel reasonably satisfactory to the Corporation to the effect that such automatic conversion would adversely affect the Initial Holder's ability to obtain the Letter Ruling.

(e) CONVERSION PROCEDURES.

(1) RESERVATION OF SHARES. The Corporation shall at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock for the purpose of effecting any conversion of the Common Stock pursuant to Sections 2(c) and 2(d), such number of shares of Common Stock deliverable upon any such conversion.

(2) NOTICE. The Corporation shall provide notice of any automatic conversion of shares of Common Stock to holders of record thereof not less than 30 nor more than 60 days prior to the date fixed for such conversion; PROVIDED, HOWEVER, that if the timing or nature of the effectiveness of an automatic conversion makes it impracticable to provide at least 30 days' notice, the Corporation shall provide such notice as soon as practicable. Such notice shall be provided by mailing notice of such conversion first class postage prepaid, to each holder of record of the Common Stock, at such holder's address as it appears on the transfer books of the Corporation; provided, however, that no failure to give such notice nor any defect therein shall affect the validity of the automatic conversion of any such shares of Common Stock. Each such notice shall state, as appropriate, the following:

(i) the automatic conversion date;

(ii) the number of outstanding shares of Common Stock that are to be converted automatically;

(iii) the place or places where certificates for such shares are to be surrendered for conversion; and

(iv) that upon conversion, no dividends will be declared on the shares of Common Stock so converted following such conversion date.

(3) RIGHTS UPON CONVERSION. Immediately upon conversion, the rights of the holders of shares of Class A Common Stock or Class B Common Stock, as the case may be, shall cease and such holders shall be treated for all purposes as having become the record owners of such shares of the class of Common Stock issuable upon such conversion; provided, however, that such persons shall be entitled to receive when paid any dividends declared on the Class A Common Stock or Class B Common Stock, as the case may be, as of a record date preceding the time of such conversion and unpaid as of the time of such conversion.

(4) SURRENDER OF CERTIFICATES FOR CONVERSION. Any conversion pursuant to Sections 2(c) and 2(d) hereof may be effected at the office of the Corporation or any transfer agent for the Common Stock and at such other place or places, if any, as the Board may designate. Upon conversion pursuant to Sections 2(c) and 2(d) hereof, the Corporation shall make no payment or adjustment on account of dividends accrued or in arrears on Common Stock surrendered for conversion or on account of any dividends on Common Stock issuable on such conversion. Before any holder of Common Stock shall be entitled to convert the same into any other class of stock pursuant to Sections 2(c) and 2(d) hereof, such holder shall surrender the certificate or certificates for such Common Stock at the office of said transfer agent (or other place as provided above). Such certificate(s), if the Corporation shall so request, shall be duly endorsed to the Corporation or in blank or accompanied by proper instruments of transfer to the Corporation or in blank (such endorsements or instruments of transfer to be in form satisfactory to the Corporation).

In addition, if any holder elects to convert shares of Common Stock pursuant to Section 2(c)(1) or 2(d)(1) hereof, the certificates surrendered by such holder shall also be accompanied by a written notice to the Corporation at said office stating that such holder elects to convert all or a specified number of the shares of the Common Stock represented by such certificate(s) in accordance with such Section and stating the name(s) in which such holder desires the certificate(s) representing the stock to be issued. In the case of an election to convert pursuant to Section 2(d)(1), such written notice shall also state the name(s) of the Offeror making the offer entitling such holder to convert such Common Stock.

(5) DELIVERY OF CONVERTED STOCK CERTIFICATES. As promptly as practicable after the time of conversion, upon the delivery to the Corporation of certificates formerly representing shares of Class A Common Stock or Class B Common Stock, as the case may be, the Corporation shall deliver or cause to be delivered, to or upon the written order of the record holder of such surrendered certificates, a certificate or certificates representing the number of fully paid and nonassessable shares of the class into which such shares were converted in accordance with the provisions of Sections 2(c) and 2(d) hereof.

(6) RECONVERSION LEGEND. Any certificate of Common Stock issued in connection with a conversion pursuant to Section 2(d)(1) hereof shall bear a legend substantially to the effect that any share of Common Stock so converted but not acquired by the Offeror prior to the termination, rescission or completion of the offer will automatically reconvert to a share of the class from which it was so converted upon such termination, rescission or completion.

(7) TAXES ON CONVERSION. The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of one class of Common Stock on the conversion of shares of the other class of Common Stock pursuant to Sections 2(d)(1) and 2(d)(2); provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any registration of transfer involved in the issue or delivery of shares of one class of Common Stock in a name other than that of the registered holder of the other class of Common Stock converted, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(f) VOTING. Holders of Class A Common Stock shall be entitled to one vote per share while holders of Class B Common Stock shall be entitled to five votes per share on all matters submitted to a vote of the stockholders, including the election of directors; provided, however, that with respect to any proposed conversion of the shares of Class B Common Stock into shares of Class A Common Stock that is submitted to a vote of the holders of the Common Stock pursuant to Section 2(d)(2)(i), every holder of a share of Common Stock, irrespective of class, shall have one vote in person or by proxy for each share of Common Stock standing in his or her name on the transfer books of the Corporation. Except as otherwise required by law or this Article IV, Section 2(f) or provided in any resolution adopted by the Board with respect to any series of Preferred Stock, the holders of Common Stock will possess all voting power and the holders of Class A Common Stock and Class B Common Stock shall vote together as a single class. Except as otherwise provided by law, and subject to any voting rights granted holders of any Preferred Stock, amendments to the Certificate must be approved by a majority of the votes entitled to be cast by all outstanding shares of Class A Common Stock and Class B Common Stock, voting together as a single

class, PROVIDED, HOWEVER, amendments to the Certificate that would alter or change the powers, preferences or special rights of the Class A Common Stock or Class B Common Stock so as to affect them adversely must also be approved by a majority of the outstanding shares of the class that is adversely affected by such amendment, voting as a separate class.

(g) DIVIDENDS. Subject to any preferential rights of any outstanding series of Preferred Stock created by the Board from time to time, the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to such cash dividends as may be declared from time to time by the Board from funds available therefor which dividends are not required to be declared on both classes, PROVIDED that holders of shares of Class A Common Stock shall be entitled to receive an equal pro rata share of any amounts received by holders of shares of Class B Common Stock. In addition, in connection with any stock dividend that may be declared by the Board from time to time, holders of Class A Common Stock shall be entitled to receive such dividend only in shares of Class A Common Stock while holders of Class B Common Stock shall be entitled to receive such dividend either in shares of Class A Common Stock or in shares of Class B Common Stock as may be determined by the Board. Neither the shares of Class A Common Stock nor the shares of Class B Common Stock may be reclassified, subdivided or combined unless such reclassification, subdivision or combination occurs simultaneously and in the same proportion for each class.

(h) LIQUIDATION. Subject to any preferential rights of any outstanding series of Preferred Stock created from time to time by the Board, upon liquidation, dissolution or winding up of the Corporation, the holders of shares of Class A Common Stock and Class B Common Stock shall be entitled to receive pro rata all assets of the Corporation available for distribution to such holders.

(i) OTHER RIGHTS. In the event of any merger or consolidation of the Corporation with or into another company in connection with the which shares of Common Stock are converted into or exchangeable for shares of stock, other securities or property (including cash), all holders of Common Stock, regardless of class, will be entitled to receive the same kind and amount of shares of stock and other securities and property (including cash).

SECTION 3. PREFERRED STOCK. The Preferred Stock may be issued from time to time in one or more series. The Board is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate of designations pursuant to the DGCL (hereinafter referred to as a "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, privileges, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding);

(c) whether dividends, if any, shall be cumulative or noncumulative, and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;

(d) the rate of any dividends (or method of determining such dividends) payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates or the method for determining the date or dates upon which such dividends shall be payable;

(e) the price or prices (or method of determining such price or prices) at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events, if any;

(f) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices at which, the form of payment of such price or prices (which may be cash, property or rights, including securities of the same or another corporation or other entity) for which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(g) the amount payable out of the assets of the Corporation to the holders of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(h) provisions, if any, for the conversion or exchange of the shares of such series, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock, or any other security, of the Corporation, or any other corporation or other entity, and the price or prices or rate or rates of conversion or exchange and any adjustments applicable thereto, and all other terms and conditions upon which such conversion or exchange may be made;

(i) restrictions on the issuance of shares of the same series or of any other class or series, if any; and

(j) the voting rights, if any, of the holders of shares of the series.

ARTICLE V
BOARD OF DIRECTORS

The Board of Directors shall consist of one or more members. The number of directors shall be fixed by, or in the manner provided in, the Bylaws. At the first annual meeting of stockholders and at each annual meeting of stockholders thereafter, the respective terms of all of the directors then serving in office shall expire at the meeting, and successors to the directors shall be elected to hold office until the next succeeding annual meeting. Existing directors may be nominated for election each year for a successive term, in the manner provided in the Bylaws. Each director shall hold office for the term for which such director is elected and qualified or until the successor of such director shall have been elected and qualified or until his earlier resignation, removal from office or death. Except as may otherwise be provided in this Certificate or in the Bylaws of the Corporation, as the same may be amended from time to time, the Board of Directors shall have all powers and authority which may be granted to a board of directors of a corporation under the DGCL, including but not limited to the following:

(a) to adopt, amend or repeal the Bylaws of the Corporation;

(b) to authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation;

(c) to set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created;

(d) to designate one or more committees;

(e) to sell, lease or exchange all or substantially all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money of property including shares of stock in, and/or other securities of, any other corporation or corporations, as the Board of Directors shall deem expedient and for the best interest of the Corporation, when and as authorized by the shareholders entitled to vote thereon;

(f) to provide indemnification for directors, officers, employees, and/or agents of the Corporation to the fullest extent permitted by law, subject however, to the rules against limitation on liability of directors as set forth in the DGCL, as amended form time to time; and

(g) to determine from time to time whether and to what extent, and at what times and places and under what conditions and regulations, the accounts and books of the Corporation or any of them, shall be opened to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the DGCL or authorized by the Board of Directors, or by a resolution of the stockholders.

ARTICLE VI
LIMITED LIABILITY; INDEMNIFICATION

SECTION 1. LIMITED LIABILITY OF DIRECTORS. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except, if required by the DGCL, as amended from time to time, for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. Neither the amendment nor repeal of Section 1 of this Article VI shall eliminate or reduce the effect of Section 1 of this Article VI in respect of any matter occurring, or any cause of action, suit or claim that, but for Section 1 of this Article VI would accrue or arise, prior to such amendment or repeal.

SECTION 2. INDEMNIFICATION AND INSURANCE.

(a) RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss reasonably incurred or suffered by such person in connection therewith.

(b) PAYMENT OF EXPENSES. The right to indemnification conferred in this Section shall be a contract right and shall include the right to have the Corporation pay the expenses incurred in defending any such proceeding in advance of its final disposition; any advance payments shall be paid by the Corporation within 20 calendar days after the receipt by the

Corporation of a statement or statements from the claimant requesting such advance or advances from time to time. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to have the Corporation pay the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(c) NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Certificate, bylaw, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of this Article shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(d) INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

(e) SEVERABILITY. If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

IN WITNESS WHEREOF, said Republic Services, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by and attested by its this day of _____,1998.

By:

Name:

Title:

ATTEST:

By:

Name:

Title:

EXHIBIT 3.2

FORM OF

AMENDED AND RESTATED

BYLAWS

OF

REPUBLIC SERVICES, INC.

ARTICLE I

OFFICES

SECTION 1.1 REGISTERED OFFICE. The registered office of Republic Services, Inc., a Delaware corporation (the "Corporation"), shall be located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

SECTION 1.2 OFFICES. The Corporation may establish or discontinue, from time to time, such other offices and places of business within or without the State of Delaware as the Board of Directors deems proper for the conduct of the Corporation's business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.1 ANNUAL MEETING. An annual meeting of stockholders for the purpose of electing directors and transacting such other business as may come before it shall be held at such place, within or without the State of Delaware, on such date and at such time as shall be designated by the Board of Directors or the President.

SECTION 2.2 SPECIAL MEETINGS. Special meetings of stockholders, unless otherwise prescribed by statute, may be called by the Board of Directors or by the President. Business transacted at any special meeting of the stockholders shall be limited to the purposes stated in the notice.

SECTION 2.3 NOTICE OF MEETINGS. Written notice of each meeting of stockholders shall be given to each stockholder of record entitled to vote at the meeting at the stockholder's address as it appears on the stock books of the Corporation. The notice shall state the time and the place of the

meeting and shall be given not less than ten (10) nor more than sixty (60) days before the day of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is being called. Whenever notice is required to be given hereunder, a written waiver of notice signed by the stockholder entitled to notice, whether before or after the time stated in the notice, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when a person attends for the express purpose of objecting, at the beginning of the meeting, to the transaction or any business because the meeting is not lawfully called or convened.

SECTION 2.4 QUORUM AND ADJOURNMENT. The presence, in person or by proxy, of the holders of a majority of the voting power of the outstanding shares of stock entitled to vote on every matter that is to be voted on, without regard to class or series, shall constitute a quorum at all meetings of the stockholders. In the absence of a quorum, the holders of a majority of the voting power of such shares of stock present in person or by proxy may adjourn such meeting, from time to time, without notice other than announcement at the meeting (unless otherwise required by law), until a quorum shall attend. At any meeting reconvened after such adjournment at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called, but only those stockholders entitled to vote at the meeting as originally called shall be entitled to vote at any reconvened meeting, unless a new record date for such meeting is fixed.

SECTION 2.5 OFFICERS AT STOCKHOLDERS' MEETINGS. The Chairman of the Board of Directors shall preside at all meetings of stockholders. In his absence, the chairman shall be elected as the first order of business by the holders of a majority of the shares of stock in attendance and entitled to vote at the meeting.

SECTION 2.6 LIST OF STOCKHOLDERS ENTITLED TO VOTE. At least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by or for the Secretary and shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. Such list shall be available for inspection at the meeting.

SECTION 2.7 FIXING DATE FOR STOCKHOLDERS OF RECORD. In order that the Corporation may identify the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which

shall not be less than ten (10) days nor more than sixty (60) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice of the meeting is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or any officer or agent of the Corporation having custody of the minute books of the Corporation. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 2.8 VOTING AND PROXIES. Subject to the provisions for fixing the date for stockholders of record:

(a) Except as otherwise specified in the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), each stockholder shall at every meeting of the stockholders be entitled to one vote for each share of stock held by that stockholder having voting rights as to the matter being voted upon.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for that stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy expressly provides for a longer period.

(c) Each matter properly presented to any meeting of stockholders shall be decided by the affirmative vote of the holders of a majority of the voting power of the shares of stock present in person or by proxy and entitled to vote on the matter.

SECTION 2.9 INSPECTORS OF ELECTION. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting

and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 2.10 CONDUCT OF MEETINGS. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 2.11 CONSENT OF STOCKHOLDERS IN LIEU OF MEETING. Any action that may be taken at any annual or special meeting of stockholders may be taken without a meeting, without a prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the stockholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of such action without a meeting by less than unanimous written consent shall be given to each stockholder who did not consent thereto in writing.

ARTICLE III

DIRECTORS

SECTION 3.1 NUMBER AND TERM OF OFFICE. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. The number of directors that

shall constitute the whole Board shall be fixed from time to time by resolution of the stockholders or the Board of Directors and shall consist of not more than twelve (12) members. At the first annual meeting of stockholders and at each annual meeting of stockholders thereafter, the respective terms of all of the directors then serving in office shall expire at the meeting, and successors to the directors shall be elected to hold office until the next succeeding annual meeting. Existing directors may be nominated for election each year for a successive term, in the manner provided in these Amended and Restated Bylaws (the "Bylaws"). Each director shall hold office for the term for which he is elected and qualified or until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death. The Board of Directors may from time to time establish minimum qualifications for eligibility to become a director. Those qualifications may include, but shall not be limited to, a prerequisite stock ownership in the Corporation.

SECTION 3.2 PLACE OF MEETINGS. Meetings of the Board of Directors may be held at any place, within or without the State of Delaware, from time to time as designated by the Chairman of the Board or by the body or person calling such meeting.

SECTION 3.3 ANNUAL MEETINGS. As soon as practicable after each annual meeting of stockholders and without further notice, the directors elected at such meeting shall hold the annual meeting of the Board of Directors at the place at which such meeting of stockholders took place, provided a majority of the whole Board of Directors is present. If such a majority is not present, such meeting may be held at any other time or place which may be specified in a notice given in the manner provided for special meetings of the Board of Directors or in a waiver of notice thereof.

SECTION 3.4 REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at such times as may be determined by the Board of Directors. No notice shall be required for any regular meeting.

SECTION 3.5 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the Chairman of the Board, the Chief Executive Officer or the President. Notice of any special meeting shall be mailed to each director at that director's residence or usual place of business not later than three (3) days before the day on which the meeting is to be held, or shall be given to that director by telegraph, telecopier or other method of electronic transmission, by overnight express mail service, personally, or by telephone, not later than twenty-four (24) hours before the time of such meeting. Notice of any meeting of the Board of Directors need not be given to any director if that director signs a written waiver thereof either before or after the time stated therein. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 3.6 ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of such committee, as the case may be, consent thereto

in writing, and the writing or writings are filed with the minutes of the Board of Directors or of such committee.

SECTION 3.7 PRESIDING OFFICER AND SECRETARY AT MEETINGS. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board of Directors, or in his or her absence, by the Vice Chairman of the Board, the Chief Executive Officer or the President, in that order, and if none is present, then by such member of the Board of Directors as shall be chosen at the meeting.

SECTION 3.8 QUORUM. A majority of the total authorized number of directors shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of those present (or if only one be present, then that one) may adjourn the meeting, without notice other than announcement at the meeting, until such time as a quorum is present. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 3.9 MEETING BY TELEPHONE. Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall constitute presence in person at such meeting.

SECTION 3.10 COMPENSATION. Directors shall receive such compensation and expense reimbursements for their services as directors or as members of committees as set by the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

SECTION 3.11 RESIGNATIONS. Any director, member of a committee or officer of the Corporation may resign at any time by giving written notice thereof to the Chairman of the Board or the President. Such resignation shall be effective at the time of its receipt, unless a date certain is specified for it to take effect. Acceptance of any resignation shall not be necessary to make it effective.

SECTION 3.12 REMOVAL OF DIRECTORS. No director may be removed without cause before the expiration of his or her term of office except by vote of the stockholders at a meeting called for such a purpose.

SECTION 3.13 FILLING OF VACANCIES. In case of a vacancy created by an increase in the number of directors or any vacancy created by death, removal, or resignation, the vacancy or vacancies may be filled either (a) by the Board of Directors, or (b) by the stockholders. In the case of a director appointed to fill a vacancy created by an increase in the number of directors, the director so appointed shall hold office for the term to which his predecessor was elected or until his successor is elected. In the case of a director appointed to fill a vacancy created by the death, removal or

resignation of a director, the newly appointed director shall hold office for the term to which his predecessor was elected or until his successor is elected.

ARTICLE IV

COMMITTEES

The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each such committee to consist of one or more directors of the Corporation. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in such resolution or resolutions and to the extent permitted by law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matter: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law of the state of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing the Bylaws of the Corporation.

ARTICLE V

THE OFFICERS

SECTION 5.1 DESIGNATION. The Corporation shall have such officers with such titles and duties as set forth in these Bylaws or in a resolution of the Board of Directors adopted on or after the effective date of these Bylaws.

SECTION 5.2 ELECTION AND QUALIFICATION. The officers of the Corporation shall be elected by the Board of Directors and, if specifically determined by the Board of Directors, may consist of a Chairman of the Board, Vice Chairman of the Board, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, one or more Vice Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers, and such other officers and agents as the Board of Directors may deem advisable. None of the officers of the Corporation need be directors.

SECTION 5.3 TERM OF OFFICE. Officers shall be chosen in such manner and shall hold their office for such term as determined by the Board of Directors. Each officer shall hold office from the time of his or her election and qualification to the time at which his or her successor is elected and qualified, or until his or her earlier resignation, removal or death.

SECTION 5.4 RESIGNATION. Any officer of the Corporation may resign at any time by giving written notice of such resignation to the Chairman of the Board of Directors or to the President. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Chairman of the Board of Directors or the President. The acceptance of such resignation shall not be necessary to make it effective.

SECTION 5.5 REMOVAL. Any officer may be removed at any time, with or without cause, by the Board of Directors.

SECTION 5.6 COMPENSATION. The compensation of each officer shall be determined by the Board of Directors.

SECTION 5.7 THE CHAIRMAN AND THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS. Unless otherwise specifically determined by resolution by the Board of Directors, the Chairman of the Board and the Vice Chairman of the Board shall be officers of the Corporation. The Chairman of the Board shall, subject to the direction and oversight of the Board, oversee the business plans and policies of the Corporation, and shall oversee the implementation of those business plans and policies. The Chairman shall report to the Board, shall preside at meetings of the Board of Directors and of its Executive Committee, and shall have general authority to execute bonds, deeds and contracts in the name of and on behalf of the Corporation. In the absence or disability of the Chairman, the Vice Chairman shall be vested with and shall perform all powers and duties of the Chairman.

SECTION 5.8 CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall, subject to the direction of the Board, establish and implement the business plans, policies and procedures of the Corporation. The Chief Executive Officer shall report to the Chairman of the Board, shall preside over meetings of the Board in the absence of the Chairman or Vice Chairman of the Board, and shall have general authority to execute bonds, deeds and contracts in the name of and on behalf of the Corporation and in general to exercise all the powers generally appertaining to the Chief Executive Officer of a corporation.

SECTION 5.9 PRESIDENT, CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER. The President, the Chief Operating Officer and the Chief Financial Officer shall have such duties as shall be assigned to each from time to time by the Chairman of the Board, the Chief Executive Officer and by the Board. During the absence of the Chairman of the Board of the Vice Chairman of the Board or during their inability to act, the President shall exercise the powers and shall perform the duties of the Chairman of the Board, subject to the direction of the Board of Directors.

SECTION 5.10 VICE PRESIDENT. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him or her by the Board of Directors.

SECTION 5.11 SECRETARY. The Secretary shall attend meetings of the Board of Directors and stockholders and record votes and minutes of such proceedings, subject to the direction of the Chairman; assist in issuing calls for meetings of stockholders and directors; keep the seal of the Corporation and affix it to such instruments as may be required from time to time; keep the stock transfer books and other books and records of the Corporation; act as stock transfer agent for the Corporation; attest the Corporation's execution of instruments when requested and appropriate; make such reports to the Board of Directors as are properly requested; and perform such other duties incident to the office of Secretary and those that may be otherwise assigned to the Secretary from time to time by the President or the Chairman of the Board of Directors.

SECTION 5.12 TREASURER. The Treasurer shall have custody of all corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit or disburse all moneys and other property in the name and to the credit of the Corporation as may be designated by the President or the Board of Directors. The Treasurer shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform other duties incident to the office of Treasurer as the President or the Board of Directors shall from time to time designate.

SECTION 5.13 OTHER OFFICERS. Each other officer of the Corporation shall have such powers and shall perform such duties as shall be assigned to him or her by the Board of Directors.

ARTICLE VI

CERTIFICATES OF STOCK, TRANSFER OF STOCK AND REGISTERED STOCKHOLDERS

SECTION 6.1 STOCK CERTIFICATES. The interest of each holder of stock of the Corporation shall be evidenced by a certificate or certificates signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the secretary or an Assistant Secretary of the Corporation certifying the number of shares owned by the holder thereof in the Corporation. Any of or all of the signatures on the certificate may be a facsimile. If any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the Corporation with the same effect as if he/she were such officer, transfer agent or registrar at the date of issuance.

SECTION 6.2 CLASSES/SERIES OF STOCK. The Corporation may issue one or more classes of stock or one or more series of stock within any class thereof, as stated and expressed in the Certificate of Incorporation or of any amendment thereto, any or all of which classes may be stock with par value or stock without par value. The powers, designations, preferences and relative,

participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, in accordance with the General Corporation Law of the State of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 6.3 TRANSFER OF STOCK. Subject to the transfer restrictions permitted by Section 202 of the General Corporation Law of the State of Delaware and to stop transfer orders directed in good faith by the Corporation to any transfer agent to prevent possible violations of federal or state securities laws, rules or regulations, the shares of stock of the Corporation shall be transferable upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives, and upon such transfer the old certificates shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other persons as the directors may designate, by whom they shall be cancelled, and new certificates shall be issued. A record shall be made of each transfer and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer.

SECTION 6.4 HOLDERS OF RECORD. Prior to due presentment for registration of transfer, the Corporation may treat the holder of record of a share of its stock as the complete owner thereof exclusively entitled to vote, to receive notifications and otherwise entitled to all the rights and powers of a complete owner thereof, notwithstanding notice of the contrary.

SECTION 6.5 LOST, STOLEN, DESTROYED, OR MUTILATED CERTIFICATES. A new certificate of stock may be issued to replace a certificate theretofore issued by the Corporation, alleged to have been lost, stolen, destroyed or mutilated, and the Board of Directors or the President may require the owner of the lost or destroyed certificate or his or her legal representatives, to give such sum as they may direct to indemnify the Corporation against any expense or loss it may incur on account of the alleged loss of any such certificate.

SECTION 6.6 DIVIDENDS. Subject to the provisions of the Certificate of Incorporation and applicable law, the directors may, out of funds legally available therefor at any annual, regular, or special meeting, declare dividends upon the capital stock of the Corporation as and when they deem expedient. Dividends may be paid in cash, in property, or in shares of stock of the Corporation. Before declaring any dividends there may be set apart out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time in their discretion deem proper working capital to serve as a reserve fund to meet contingencies or as equalizing dividends or for such other purposes as the directors shall deem in the best interest of the Corporation.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 FISCAL YEAR. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

SECTION 7.2 CORPORATE SEAL. The corporate seal shall be in such form as the Board of Directors may from time to time prescribe and the same may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

SECTION 7.3 SEVERABILITY. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the remaining provisions hereof.

ARTICLE VIII

AMENDMENT OF BYLAWS

These Bylaws may be made, altered, or repealed, or new bylaws may be adopted by the stockholders or the Board of Directors.

EXHIBIT 4.1

FORM OF
CLASS A COMMON STOCK CERTIFICATE

NUMBER SHARES

RSG

CLASS A COMMON STOCK — REPUBLIC SERVICES, INC. INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE — CLASS A COMMON STOCK

THIS CERTIFICATE IS TRANSFERABLE IN CHARLOTTE, NC AND NEW YORK, NY

CUSIP 760759 10 0

THIS CERTIFIES THAT

SEE REVERSE FOR CERTAIN DEFINITIONS

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF THE CLASS A COMMON STOCK,
PAR VALUE $.01, OF

REPUBLIC SERVICES, INC.

transferable on the books of the Corporation in person or by duly authorized attorney upon this Certificate properly endorsed. This Certificate and the shares evidenced hereby are issued under and shall be subject to all provisions of the Certificate of Incorporation of the Corporation and any amendments thereto, copies of which are on file with the Corporation and the Transfer Agent, to all of which the holder by acceptance hereof, assents. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signature of its duly authorized officers.

Dated:

/s/ Harris W. Hudson
VICE CHAIRMAN AND SECRETARY

[SEAL]
REPUBLIC SERVICES, INC.
CORPORATE SEAL 1996 DELAWARE

/s/ H. Wayne Huizenga
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Countersigned and Registered:
FIRST UNION NATIONAL BANK
(CHARLOTTE, NC)
Transfer Agent
and Registrar

By
Authorized Signature

REPUBLIC SERVICES, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE,PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT-_____ Custodian_____
TEN ENT - as tenants by the entireties	(Cust) (Minor) under Uniform Gifts to Minors Act_____
JT TEN - as joint tenants with right of survivorship and not as tenants in common	(State)

Additional abbreviations may also be used though not in the above list.

For value received,_____,hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

_____

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

_____

_____

_____ shares

of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated_____

_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED: _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17AD-15.

EXHIBIT 5.1

AKERMAN, SENTERFITT & EIDSON, P.A.
ONE SOUTHEAST THIRD AVENUE
MIAMI, FLORIDA 33131
(305) 374-5600

June 29, 1998

Republic Services, Inc.
110 S.E. Sixth Street
Ft. Lauderdale, FL 33301

Gentlemen:

Republic Services, Inc., a Delaware corporation (the "Company"), has filed with the Securities and Exchange Commission a Registration Statement on Form S-1, as amended (Registration No. 333-52505) (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Act"). Such Registration Statement relates to the sale by the Company of up to 51,000,000 shares (the "Shares") of the Company's Class A Common Stock, $0.01 par value per share. We have acted as counsel to the Company in connection with the preparation and filing of the Registration Statement.

In connection with the Registration Statement, we have examined, considered and relied upon copies of the following documents: (i) the Company's Amended and Restated Certificate of Incorporation, and the Company's Amended and Restated Bylaws; (ii) resolutions of the Company's Board of Directors authorizing the offering and the issuance of the Shares to be sold by the Company and related matters; (iii) the Registration Statement and schedules and exhibits thereto; and (iv) such other documents and instruments that we have deemed necessary for the expression of the opinions herein contained. In making the foregoing examinations we have assumed, without investigation, the genuineness of all signatures and the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as copies, and the veracity of the documents. As to various questions of fact material to the opinion expressed below, we have relied solely upon the representations or certificates of officers and/or directors of the Company and upon documents, records and instruments furnished to us by the Company, without independently verifying the accuracy of such certificates, documents, records or instruments.

Based upon the foregoing examination, and subject to the qualifications set forth below, we are of the opinion that the Shares have been duly and validly authorized and, when issued, delivered and paid for in accordance with the terms of the Underwriting Agreement filed as Exhibit 1.1 to the Registration Statement, will be validly issued, fully paid and non-assessable.

Although we have acted as counsel to the Company in connection with the preparation and filing of the Registration Statement, our engagement has been limited to certain matters about which we have been consulted. Consequently, there may exist matters of a legal nature involving the Company in which we have not been consulted and have not represented the Company. We express no opinion as to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware and the laws of the States of Florida. The opinions expressed herein concern only the effect of the General Corporation Law of the State of Delaware and of the laws (excluding the principles of conflict of laws) of the State of Florida and as currently in effect. This opinion letter is limited to the matters stated herein and no opinions may be implied or inferred beyond the matters expressly stated herein. The opinions expressed herein are given as of this date, and we assume no obligation to update or supplement our opinions to reflect any facts or circumstances that may come to our attention or any change in law that may occur or become effective at a later date.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the caption "Legal Matters" in the prospectus comprising a part of the Registration Statement. In giving such consent, we do not thereby admit that we are included within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

Sincerely,

AKERMAN, SENTERFITT & EIDSON, P.A.

/s/ Akerman, Senterfitt & Eidson, P.A.

EXHIBIT 10.1

FORM OF
SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement"), dated as of June ___, 1998 is by and among REPUBLIC INDUSTRIES, INC., a Delaware corporation ("Parent"), and REPUBLIC SERVICES, INC., a Delaware corporation and wholly owned subsidiary of Parent (the "Company"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I hereof.

WHEREAS, the Board of Directors of Parent has determined that it is in the best interests of Parent and its stockholders, pursuant to one overall integrated plan, (i) to separate the Company, which comprises the Parent's solid waste services businesses and operations (the "Solid Waste Services Business"), from Parent's other services and operations (the "Separation"), (ii) to cause the Company to consummate an initial public offering (the "IPO") of the Company's common stock, and (iii) in connection with the IPO, to distribute to Parent's stockholders on a tax-free basis all of the outstanding shares of the Company's common stock owned by Parent at the time of such distribution (the "Distribution"); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation, the IPO and the Distribution and certain other agreements that will govern certain matters relating to such transactions and the relationship of Parent and the Company following the consummation of such transactions.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement the following terms shall have the following meanings:

1.1 "Action" means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

1.2 "Affiliate" of any Person means a Person that controls, is controlled by, or is under common control with such Person. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

1.3 "Ancillary Agreements" means the Employee Benefits Agreement, the Services Agreement, the Tax Indemnification and Allocation Agreement, the Lease and such additional agreements between Parent and the Company and other related documents as may be necessary to complete the Separation, the IPO and the Distribution.

1.4 "Applicable Deadline" has the meaning set forth in Section 11.3(b).

1.5 "Arbitration Act" means the United States Arbitration Act, 9 U.S.C. Sections 1-14, as the same may be amended from time to time.

1.6 "Arbitration Demand Notice" has the meaning set forth in Section 11.3(a).

1.7 "Assets" means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments;

(g) all deposits, letters of credit and performance and surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(i) all domestic and foreign copyrights, trade names, trademarks, service marks and registrations and applications for any of the foregoing, trade secrets, other proprietary information and licenses from third Persons granting the right to use any of the foregoing;

(j) all computer applications, programs and other software, including operating software, network software, systems documentation and instructions;

(k) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vender data, correspondence and lists, product literature, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(l) all prepaid expenses, trade accounts and other accounts and notes receivables;

(m) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(n) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(o) all licenses (including radio and similar licenses), permits, approvals and authorizations which have been issued by any Governmental Authority;

(p) all cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(q) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

1.8 "Class A Common Stock" means the Class A Common Stock of the Company, $.01 par value per share, entitled to one vote per share.

1.9 "Class B Common Stock" means the Class B Common Stock of the Company, $.01 par value per share, entitled to five votes per share.

1.10 "Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

1.11 "Commission" means the Securities and Exchange Commission.

1.12 "Consents" means any consents, waivers or approvals from, or notification requirements to, any third parties.

1.13 "Company Assets" has the meaning set forth in Section 2.3.

1.14 "Company Balance Sheet" means the consolidated balance sheet of the Company, including the notes thereto, as of March 31, 1998.

1.15 "Company Business" means: (a) the Solid Waste Services Business, including without limitation, the business and operations of Parent and the Company or Affiliates consisting principally of the solid waste collection and disposal service to municipal, residential, commercial and industrial customers, and the ownership and operation of transfer stations, materials recycling facilities and solid waste landfills; and (b) any terminated, divested or discontinued businesses or operations that at the time of termination, divestiture or discontinuation primarily related to the Solid Waste Service Business as then conducted.

1.16 "Company Common Stock" means collectively the Class A Common Stock and Class B Common Stock.

1.17 "Company Contracts" means the following contracts and agreements relating to the Company Business to which Parent or any of its Affiliates is a party or by which it or any of its Affiliates or any of their respective Assets is bound, whether or not in writing, except for any such contract or agreement that is contemplated to be retained by Parent or any member of the Parent Group pursuant to any provision of this Agreement or any Ancillary Agreement:

(a) any supply or vendor or customer contracts or agreements entered into in the name of, or expressly on behalf of, any division, business unit or member of the Company Group;

(b) any federal, state and local government and other contract and agreement and any other government contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the Company Group that relates primarily to the Company Business;

(c) any contract or agreement representing capital or operating equipment lease obligations reflected on the Company Balance Sheet, including obligations as lessee;

(d) any contract or agreement that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to the Company or any member of the Company Group; and

(e) any guarantee, indemnity, representation, warranty or other Liability of any member of the Company Group or the Parent Group in respect of any other Company Contract, any Company Liability or the Company Business (including guarantees of financing incurred by customers or other third parties in connection with purchases of products or services from the Company Business).

1.18 "Company Group" means the Company, each Subsidiary of the Company and each other Person that is controlled directly or indirectly by the Company immediately after the Offerings Closing Date.

1.19 "Company Indemnitees" has the meaning set forth in Section 6.3.

1.20 "Company Liabilities" has the meaning set forth in Section 2.4.

1.21 "Distribution Agent" means the distribution agent to be appointed by Parent to effect the Distribution.

1.22 "Distribution Date" means the date determined pursuant to Section 4.1 on which the Distribution occurs.

1.23 "Distribution Time" means 5:00 p.m., Eastern Standard Time or Eastern Daylight Time (whichever shall be then in effect), on the Distribution Date.

1.24 "Effective Date" means the date on which the Registration Statement is declared effective by the Commission.

1.25 "Employee Benefits Agreement" means the Employee Benefits Agreement, dated as of the date hereof, by and between Parent and the Company.

1.26 "Environmental Law" means any federal, state, local, foreign or international law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, common law (including tort and environmental nuisance law), legal doctrine, order, judgment, decree, injunction, requirement or agreement with any Governmental Authority, now or hereafter in effect relating to health, safety, pollution or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or to emissions, discharges, releases or threatened releases of any substance currently or at any time hereafter listed, defined, designated or classified as hazardous, toxic, waste, radioactive or dangerous, or otherwise regulated, under any of the foregoing, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substances, including the Comprehensive Environmental

Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act and the Resource Conservation and Recovery Act and comparable provisions in state, local, foreign or international law.

1.27 "Environmental Liabilities" means all Liabilities relating to, arising out of or resulting from any Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, governmental response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses (including allocated costs of in-house counsel and other personnel), interest, fines, penalties or other monetary sanctions in connection therewith.

1.28 "Escalation Notice" has the meaning set forth in Section 11.2.

1.29 "Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

1.30 "Excluded Assets" has the meaning set forth in Section 2.3(b).

1.31 "Excluded Liabilities" has the meaning set forth in Section 2.4(b).

1.32 "Governmental Approvals" means any notices, reports or other filings to be made, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

1.33 "Governmental Authority" shall mean any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

1.34 "Group" means any of the Parent Group or the Company Group, as the context requires.

1.35 "Indemnifying Party" has the meaning set forth in Section 6.4(a).

1.36 "Indemnitee" has the meaning set forth in Section 6.4(a).

1.37 "Indemnity Payment" has the meaning set forth in Section 6.4(a).

1.38 "Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow

charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

1.39 "Insurance Policies" means the insurance policies written by insurance carriers unaffiliated with Parent pursuant to which the Company or one or more of its Subsidiaries (or their respective officers or directors) will be insured parties after the Offerings Closing Date.

1.40 "Insurance Proceeds" means those monies:

(a) received by an insured from an insurance carrier;

(b) paid by an insurance carrier on behalf of the insured; or

(c) received (including by way of set off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including deductibles, reserves and retrospectively rated premium adjustments) and net of any costs or expenses (including allocated costs of in-house counsel and other personnel) paid by such insured or incurred by such insured in the collection thereof.

1.41 "Letter Ruling" means a private letter ruling from the Internal Revenue Service in form and substance satisfactory to Parent to the effect, among other things, that the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Code.

1.42 "Lease" means the lease, dated as of the date hereof, between a Subsidiary of the Parent and the Company for certain space located at 110 S.E. 6th Street, Ft. Lauderdale, FL.

1.43 "Liabilities" means any and all liabilities, including Environmental Liabilities, OFLs, losses, claims, charges, debts, demands, actions, causes of action, suits, damages, obligations, payments, costs and expenses, sums of money, accounts, reckonings, bonds, specialties, indemnities and similar obligations, exonerations, covenants, contracts, controversies, agreements, promises, doings, omissions, variances, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any law, rule, regulation, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel), whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including

those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

1.44 "Offerings Closing" means the receipt by the Company of the net proceeds of the IPO in accordance with the terms of the Underwriting Agreement.

1.45 "Offerings Closing Date" means the first time at which any shares of the Class A Common Stock are sold to the Underwriters pursuant to the IPO, in accordance with the terms of the Underwriting Agreement.

1.46 "OFLs" mean operating financial liabilities, comprising all liabilities of any Person of a financial nature with third parties existing on the date hereof or entered into or established between the date hereof and the Offerings Closing Date, including any of the following:

(a) foreign exchange contracts;

(b) letters of credit;

(c) guarantees of third party loans to customers;

(d) surety bonds (excluding surety for workers' compensation self-insurance);

(e) interest support agreements on third party loans to customers;

(f) performance bonds or guarantees issued by third parties;

(g) swaps or other derivatives contracts; and

(h) recourse arrangements on the sale of receivables or notes.

1.47 "Parent Business" means (a) the business and operations of the Parent Group, excluding the Company Business; and (b) any terminated, divested or discontinued businesses or operations that at the time of termination, divestiture or discontinuation primarily related to the business and operations set forth in clause (a) above, as then conducted.

1.48 "Parent Common Stock" means the Common Stock, $.01 par value per share, of Parent.

1.49 "Parent Group" means Parent, each Subsidiary of Parent and each other Person that is controlled directly or indirectly by Parent immediately after the Offerings Closing Date, other than any member of the Company Group.

1.50 "Parent Indemnitees" has the meaning set forth in Section 6.2.

1.51 "Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

1.52 "Prime Rate" means the rate which _____ (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its prime lending rate, as in effect from time to time.

1.53 "Prospectus" means each preliminary, final or supplemental prospectus forming a part of the Registration Statement.

1.54 "Record Date" means the close of business on the date to be determined by the Parent Board of Directors as the record date for determining stockholders of Parent entitled to receive shares of the Company Common Stock in the Distribution.

1.55 "Registration Statement" means the registration statement on Form S-1 filed under the Securities Act, pursuant to which the Class A Common Stock to be issued in the IPO will be registered, together with all amendments thereto.

1.56 "Required Distribution Percentage" means in accordance with Section 368(c) of the Code, the stock of the Company (a) possessing at least 80% of the total combined voting power of all classes of voting stock of the Company and (b) equal to at least 80% of the total number of shares of each class of non-voting stock of the Company.

1.57 "Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

1.58 "Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

1.59 "Services Agreement" means the Services Agreement, dated as of the date hereof, by and between Parent and the Company.

1.60 "Subsidiary" of any Person means any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries; provided, however that no Person that is not directly

or indirectly wholly owned by any other Person shall be a Subsidiary of such other Person unless such other Person controls, or has the right, power or ability to control, that Person.

1.61 "Tax Indemnification and Allocation Agreement" means the Tax Indemnification and Allocation Agreement, dated as of the date hereof, by and between Parent and the Company.

1.62 "Taxes" has the meaning set forth in the Tax Indemnification and Allocation Agreement.

1.63 "Third Party Claim" has the meaning set forth in Section 6.5(a).

1.64 "Underwriters" means the U.S. Underwriters named in Schedule A to the U.S. Purchase Agreement and the International Managers named in Schedule A to the International Purchase Agreement entered into in connection with the IPO.

1.65 "Underwriting Agreements" means the U.S. Purchase Agreement and the International Purchase Agreement to be entered into among the Company, Parent and the Underwriters with respect to the IPO.

ARTICLE II
THE SEPARATION

2.1 THE SEPARATION. Upon the terms and subject to the conditions contained in this Agreement, Parent and Company shall effect the corporate reorganization transactions set forth on SCHEDULE 2.1 attached hereto as part of one overall integrated plan, the effect of which is intended to be (a) the tax-free distribution pursuant to Section 355 of the Code by the Company to Parent of Republic Resources Company, Inc., a Delaware corporation and indirect wholly owned subsidiary of the Company ("Resources"), (b) the satisfaction of the requirement that the Company and Parent each be engaged in the "active conduct of a trade or business" (as defined in the Code) in order for the Distribution to qualify as a tax-free distribution pursuant to Section 355 of the Code, and (c) the tax-free distribution pursuant to Section 355 of the Code by Parent to Parent's stockholders of all of the Company Common Stock owned by Parent at the time of such distribution (the "Distribution").

2.2 TRANSFER OF ASSETS AND ASSUMPTION OF LIABILITIES.

(a) Effective on or before the Offerings Closing Date, Parent hereby agrees to assign, transfer, convey and deliver to the Company, and agrees to cause each member of the Parent Group to assign, transfer, convey and deliver to the Company, and the Company hereby agrees to accept from Parent and each member of the Parent Group, all of Parent's and Parent Group's respective right, title and interest in all of the Company Assets.

(b) Effective on or before the Offerings Closing Date, the Company hereby agrees to assume and agrees faithfully to perform and fulfill all of the Company Liabilities, in accordance with their respective terms. The Company shall thereafter be responsible for all of the Company Liabilities, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the date hereof, regardless of where or against whom such Liabilities are asserted or determined (including any Company Liabilities arising out of claims made by Parent's directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Parent Group or the Company Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the Parent Group or the Company Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(c) Effective on or before the Offerings Closing Date, Company hereby agrees to assign, transfer, convey and deliver to the Parent and agrees to cause each member of the Company Group to assign, transfer, convey and deliver to the Parent, and the Parent hereby agrees to accept from Company and each member of the Company Group, all of the Company's and the Company Group's respective right, title and interest in all of the Excluded Assets.

(d) Effective on or before the Offerings Closing Date, Parent hereby agrees to assume and agrees faithfully to perform and fulfill all of the Excluded Liabilities, in accordance with their respective terms. Parent agrees that it shall thereafter be solely responsible for all of the Excluded Liabilities, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the date hereof, regardless of where or against whom such Liabilities are asserted or determined (including any Excluded Liabilities arising out of claims made by the Company's directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Company Group or the Parent Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of law, fraud or misrepresentation by any member of the Company Group of the Parent Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(e) In the event that at any time or from time to time (whether prior to or after the Offerings Closing Date), any party hereto (or any member of such party's respective Group), shall receive or otherwise possess any Asset that is allocated to any other Person pursuant to this Agreement or any Ancillary Agreement, such party shall promptly transfer, or cause to be transferred, such Asset to the Person so entitled thereto. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person.

2.3 COMPANY ASSETS AND EXCLUDED ASSETS.

(a) For purposes of this Agreement, "Company Assets" shall mean (without duplication):

(i) any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be transferred to the Company or any other member of the Company Group, including without limitation those Assets set forth on SCHEDULE 2.3(A)(I) hereto;

(ii) except as otherwise expressly provided in this Agreement or any Ancillary Agreement, all tenant improvements, fixtures, furniture, office equipment, servers, artwork and other tangible property (other than equipment subject to capital or operating equipment leases, which will be transferred or retained based on whether the associated capital or operating equipment lease is or is not a Company Contract) located as of the date hereof on any real property that is covered by the Lease referred to in Section 2.7(d);

(iii) any and all Company Contracts;

(iv) all issued and outstanding shares of capital stock of the Subsidiaries of Parent listed on SCHEDULE 2.3(A)(IV) hereto;

(v) any and all Assets reflected in the Company Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the Company Balance Sheet;

(vi) any and all Assets owned or held immediately prior to the Offerings Closing Date by Parent or any of its Subsidiaries that are used primarily in the Company Business. The intention of this clause (vi) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a Company Asset. No Asset shall be deemed to be a Company Asset solely as a result of this clause (vi) if such Asset is within the category or type of Asset expressly covered by the subject matter of an Ancillary Agreement. In addition, no Asset shall be deemed a Company Asset solely as a result of this clause (vi) unless a claim with respect thereto is made by Company on or [prior to the first anniversary of] the Offerings Closing Date.

Notwithstanding the foregoing, the Company Assets shall not in any event include the Excluded Assets referred to in Section 2.3(b) below.

(b) For the purposes of this Agreement, "Excluded Assets" shall mean any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be retained by Parent or any other member of the Parent Group, including without limitation all of the capital stock of Resources owned by the Company and those Assets set forth on SCHEDULE 2.3(B) hereto.

2.4 COMPANY LIABILITIES AND EXCLUDED LIABILITIES.

(a) For the purposes of this Agreement, "Company Liabilities" shall mean (without duplication):

(i) any and all Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement as Liabilities to be assumed by the Company or any member of the Company Group, including without limitation those Liabilities set forth on SCHEDULE 2.4(A)(I) hereto, and all agreements, obligations and Liabilities of any member of the Company Group under this Agreement or any of the Ancillary Agreements;

(ii) all Liabilities (other than Taxes dealt with in the Tax Indemnification and Allocation Agreement), whether arising before, on or after the Offerings Closing Date, including any employee-related Liabilities and Environmental Liabilities, primarily relating to, arising out of or resulting from:

(A) the operation of the Company Business, as conducted at any time prior to, on or after the Offerings Closing Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(B) the operation of any business conducted by any member of the Company Group at any time after the Offerings Closing Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority)); or

(C) any Company Assets (including any Company Contracts and any real property and leasehold interests);

(iii) all Liabilities reflected as liabilities or obligations of the Company in the Company Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Company Balance Sheet.

Notwithstanding the foregoing, the Company Liabilities shall not include the Excluded Liabilities referred to in Section 2.4(b) below.

(b) For the purposes of this Agreement, "Excluded Liabilities" shall mean (i) any and all Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be retained or assumed by Parent or any other member of the Parent Group, including without limitation those Liabilities set forth on SCHEDULE 2.4(B) hereto, (ii) all agreements and obligations of any member of the Parent Group under this Agreement, any of the Ancillary Agreements or the Underwriting Agreements and (iii) all Liabilities relating to, arising out of or resulting from the Parent Business.

2.5 TERMINATION OF AGREEMENTS.

(a) Except as set forth in Section 2.5(b), in furtherance of the releases and other provisions of Section 5.1 hereof, the Company and each member of the Company Group, on the one hand, and Parent and each member of the Parent Group, on the other hand, hereby agrees to terminate, any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among the Company and/or any member of the Company Group, on the one hand, and Parent and/or any member of the Parent Group, on the other hand, on or before the Offerings Closing Date; PROVIDED, HOWEVER, that to the extent any such agreement, arrangement, commitment or understanding is inconsistent with any Ancillary Agreement, such termination shall be effective as of the date of effectiveness of the applicable Ancillary Agreement. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Offerings Closing Date (or, to the extent contemplated by the proviso to the immediately preceding sentence, after the effective date of the applicable Ancillary Agreement). Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.5(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the parties hereto or any of the members of their respective Groups); (ii) any agreements, arrangements, commitments or understandings listed or described on SCHEDULE 2.5(B)(II); (iii) any agreements, arrangements, commitments or understandings to which any Person other than the parties hereto and their respective Affiliates is a party (it being understood that to the extent that the rights and obligations of the parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute Company Assets or Company Liabilities, they shall be assigned pursuant to Section 2.2); (iv) any intercompany accounts payable or accounts receivable accrued as of the Offerings Closing Date that are reflected in the books and records of the parties or otherwise documented in writing in accordance with past practices; and (v) any other agreements, arrangements, commitments or understandings that this Agreement or any Ancillary Agreement expressly contemplates will survive the Offerings Closing Date.

2.6 DOCUMENTS RELATING TO OTHER TRANSFERS OF ASSETS AND ASSUMPTION OF LIABILITIES.

(a) COMPANY ASSETS AND COMPANY LIABILITIES. In furtherance of the assignment, transfer and conveyance of the Company Assets and the assumption of the Company Liabilities set forth in Section 2.2 (a) and (b), simultaneously with the execution and delivery hereof or as promptly as practicable thereafter, (i) Parent shall execute and deliver, and shall cause each member of the Parent Group to execute and deliver, such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of Parent's, and Parent Group's

right, title and interest in and to Company Assets to the Company and (ii) the Company shall execute and deliver, to Parent and Parent Group such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of Company Liabilities by the Company.

(b) EXCLUDED ASSETS AND EXCLUDED LIABILITIES. In furtherance of the assignment, transfer and conveyance of the Excluded Assets and the Excluded Liabilities set forth in Section 2.2 (c) and (d), simultaneously with the execution and delivery hereof or as promptly as practicable thereafter, (i) Company shall execute and deliver, and shall cause each member of the Company Group to execute and deliver, such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of the Company's and the Company Group's right, title and interest in and to the Excluded Assets to Parent and (ii) Parent shall execute and deliver, to the Company and the Company Group such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments as and to the extent necessary to evidence the valid and effective assumption of Excluded Liabilities by Parent.

2.7 OTHER ANCILLARY AGREEMENTS. Effective on or before the Offerings Closing Date, each of Parent and the Company shall execute and deliver each of the following Ancillary Agreements:

(a) the Services Agreement;

(b) the Employee Benefits Agreement;

(c) the Tax Indemnification and Allocation Agreement; and

(d) the Lease.

2.8 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

(a) Each of Parent (on behalf of itself and each member of the Parent Group) and the Company (on behalf of itself and each member of the Company Group) understands and agrees that, except as expressly set forth herein or in any Ancillary Agreement, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement, any Ancillary Agreement or otherwise, is representing or warranting in any way as to (i) the Assets, businesses or Liabilities transferred or assumed as contemplated hereby or thereby, (ii) any consents or approvals required in connection therewith, (iii) the value or freedom from any Security Interests of, or any other matter concerning, any Assets of such party, or as to the absence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any party, or (iv) as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof. Except as may expressly be set forth herein or in any Ancillary

Agreement, all such Assets are being transferred on an "as is," "where is" basis (and, in the case of any real property, by means of a quitclaim or similar form deed or conveyance) and the respective transferees shall bear the economic and legal risks that any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest.

2.9 GOVERNMENTAL APPROVALS AND CONSENTS.

(a) Each of Parent and the Company shall use their reasonable best efforts to obtain the Governmental Approvals and Consents as set forth on SCHEDULE 2.9(A) required to assign, transfer, convey and deliver the Company Assets to the Company and the Excluded Assets to Parent.

(b) If and to the extent that the valid, complete and perfected transfer or assignment (or novation of any federal government contract) to the Company Group of any Company Assets (or from the Company Group of any Excluded Assets) would be a violation of applicable laws or require any Consent or Governmental Approval in connection with the Separation, the IPO or the Distribution, then, unless Parent shall otherwise determine, the transfer or assignment to or from the Company Group, as the case may be, of such Company Assets or Excluded Assets, respectively, shall be automatically deemed deferred and any such purported transfer or assignment shall remain pending until such time as all legal impediments are removed and/or such Consents or Governmental Approvals have been obtained. Notwithstanding the foregoing, such Asset shall be deemed a Company Asset for purposes of determining whether any Liability is a Company Liability.

(c) If the transfer or assignment of any Assets intended to be transferred or assigned hereunder, is not consummated prior to or at the Offerings Closing Date, whether as a result of the provisions of Section 2.9(b) or for any other reason, then the Person retaining such Asset shall thereafter hold such Asset for the use and benefit, insofar as reasonably possible, of the Person entitled thereto (at the expense of the Person entitled thereto). In addition, the Person retaining such Asset shall take such other actions as may be reasonably requested by the Person to whom such Asset is to be transferred in order to place such Person, insofar as reasonably possible, in the same position as if such Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Company Assets (or such Excluded Assets, as the case may be), including possession, use, risk of loss, potential for gain, and dominion, control and command over such Assets, are to inure from and after the Offerings Closing Date to the Company Group (or the Parent Group, as the case may be).

(d) If and when the Consents and/or Governmental Approvals, the absence of which caused the deferral of transfer of any Asset pursuant to Section 2.9(b), are obtained, the transfer of the applicable Asset shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) The Person retaining an Asset due to the deferral of the transfer of such Asset shall not be obligated, in connection with the foregoing, to expend any money unless the necessary

funds are advanced by the Person entitled to the Asset, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person entitled to such Asset.

2.10 NOVATION OF ASSUMED COMPANY LIABILITIES.

(a) Each of Parent and the Company, at the request of the other, shall use its reasonable best efforts to obtain, or to cause to be obtained, any Consent or Governmental Approval required to novate (including with respect to any Governmental Authority contract) or assign all Company Liabilities, or to obtain in writing the unconditional release of all parties to such Company Liabilities other than any member of the Company Group, so that, in any such case, the members of the Company Group will be solely responsible for such Liabilities; PROVIDED, HOWEVER, that none of Parent or the Company shall be obligated to pay any consideration therefor to any third party from whom such Consents or Governmental Approvals, are requested other than filing and other fees required by applicable law.

(b) If Parent and the Company are unable to obtain, or to cause to be obtained, any such required Consent or Governmental Approval, the applicable member of the Parent Group, as the case may be, shall continue to be bound by such Company Liability and, unless not permitted by law or the terms thereof, the Company shall, as agent or subcontractor for Parent, or such other Person, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of Parent, or such other Person, as the case may be, thereunder from and after the date hereof, and the Company shall indemnify each Parent Indemnitee and hold each of them harmless against any Liabilities arising in connection therewith. Parent shall, without further consideration, pay and remit, or cause to be paid or remitted, to the Company promptly all money, rights and other consideration received by it or any member of Parent Group in respect of such performance (unless any such consideration is an Excluded Asset). If and when any such Consent or Governmental Approval shall be obtained or such Liability shall otherwise become assignable or able to be novated, Parent shall thereafter assign, or cause to be assigned, such Liability or any rights or obligations of any member of Parent Group to the Company or to another member of the Company Group specified by the Company without payment of further consideration and the Company shall assume, or shall cause such other member of the Company Group to assume, without the payment of any further consideration, such Liability.

2.11 NOVATION OF ASSUMED LIABILITIES OTHER THAN COMPANY LIABILITIES.

(a) Each of Parent and the Company at the request of the other, shall use their reasonable best efforts to obtain, or to cause to be obtained, any Consent or Governmental Approval required to novate (including with respect to any Governmental Authority Contract) or assign all Liabilities of any nature whatsoever that do not constitute Company Liabilities, or to obtain in writing the unconditional release of all parties to such Liabilities other than any member of the Parent Group, so that, in any such case, the members of the Parent Group will be solely responsible for such Liabilities; provided, however, that none of Parent and the Company shall be obligated to

pay any consideration therefor to any third party from whom such consents, approvals, substitutions and amendments are requested other than filing fees required by applicable law.

(b) If Parent and the Company are unable to obtain, or to cause to be obtained, any such required Consent or Governmental Approval, the applicable member of the Company Group shall continue to be bound by such Excluded Liability and, unless not permitted by law or the terms thereof, Parent shall cause a member of the Parent Group, as agent or subcontractor for such member of the Company Group, to pay, perform and discharge fully all the obligations or other Liabilities of such member of the Company Group thereunder from and after the date hereof, and Parent shall indemnify each Company Indemnitee and hold each of them harmless against any Liabilities arising in connection therewith. Company shall cause each member of the Company Group without further consideration, to pay and remit, or cause to be paid or remitted, to Parent or to another member of the Parent Group specified by Parent promptly all money, rights and other consideration received by it or any member of the Company Group in respect of such performance. If and when any such Consent or Governmental Approval shall be obtained or such Liability shall otherwise become assignable or able to be novated, the Company shall promptly assign, or cause to be assigned, such Liability or any rights or obligations of any member of the Company Group to Parent or to another member of the Parent Group specified by Parent without payment of further consideration and Parent, without the payment of any further consideration shall, or shall cause such other member of the Parent Group to, assume such Liability.

ARTICLE III
THE IPO AND ACTIONS PENDING THE IPO

3.1 TRANSACTIONS PRIOR TO THE IPO. Subject to the conditions specified in Section 3.3, Parent and the Company shall use their reasonable best efforts to consummate the IPO of shares of Class A Common Stock, including without limitation, taking the following actions:

(a) The Company shall file such amendments or supplements to the Registration Statement, as may be necessary in order to cause the same to become and remain effective as required by the Underwriters, the Underwriting Agreements, the Commission or federal, state or foreign securities laws. Parent and the Company shall also cooperate in preparing and filing with the Commission and causing to become effective a registration statement registering the Class A Common Stock under the Exchange Act, and any registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the IPO, the Separation, the Distribution or the other transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Parent and the Company shall enter into the Underwriting Agreements, in form and substance reasonably satisfactory to the Company and shall comply with their obligations thereunder.

(c) Parent and the Company shall consult with each other and the Underwriters regarding the timing, pricing and other material matters with respect to the IPO.

(d) The Company shall use its reasonable best efforts to take all such action as may be necessary or appropriate under state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the IPO.

(e) The Company shall prepare, file and use reasonable best efforts to seek to make effective, an application for listing of the Class A Common Stock issued in the IPO on the New York Stock Exchange ("NYSE"), subject to official notice of issuance.

(f) The Company shall participate in the preparation of materials and presentations as the Underwriters shall deem necessary or desirable.

(g) The Company shall pay all third party costs, fees and expenses relating to the IPO, all of the reimbursable expenses of the Underwriters pursuant to the Underwriting Agreements, all of the costs of producing, printing, mailing and otherwise distributing the Prospectus, as well as the Underwriters' discount as provided in the Underwriting Agreements.

(h) The Company shall repay outstanding amounts owed to Resources and an Affiliate of Parent by issuing Class A Common Stock as payment to such parties as set forth on SCHEDULE 2.1 hereto.

3.2 PROCEEDS OF THE IPO. All of the proceeds (net of the underwriting discount) of the IPO received by the Company will be used to prepay to the holders of such notes in part certain amounts outstanding under the Company's $2 billion in aggregate principle amount of unsecured promissory notes issued to Parent in April 1998 (the "Company Notes"). In addition, all of the proceeds (net of underwriting discount) from the exercise of the over allotment options set forth in the Underwriting Agreements shall also be used to prepay the Company Notes. In the event amounts remain outstanding under the Company Notes after the exercise, if any, of the over-allotment options, the Company shall prepay all such remaining amounts by issuing to each holder of Company Notes that number of shares of Class A Common Stock determined by dividing (a) the remaining amount owed to each such holder of Company Notes, by (b) the initial public offering price of the Class A Common Stock.

3.3 CONDITIONS PRECEDENT TO CONSUMMATION OF THE IPO. As soon as practicable after the date of this Agreement, the parties hereto shall use their reasonable best efforts to satisfy the following conditions to the consummation of the IPO. The obligations of Parent to consummate the IPO shall be conditioned on the satisfaction, or waiver by Parent, of the following conditions:

(a) The Registration Statement shall have been filed and declared effective by the Commission, and there shall be no stop-order in effect with respect thereto.

(b) Parent and the Company shall have effected their corporate reorganization transactions set forth on SCHEDULE 2.1 attached hereto.

(c) The actions and filings with regard to state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) described in Section 3.1(d) shall have been taken and, where applicable, have become effective or been accepted.

(d) The Class A Common Stock to be issued in the IPO shall have been accepted for listing on the NYSE, subject to official notice of issuance.

(e) Parent and the Company shall have executed the Underwriting Agreements and all conditions to the obligations of Parent, the Company and the Underwriters thereunder shall have been satisfied or waived by the Underwriters.

(f) Parent shall be satisfied in its sole discretion that all conditions to permit the Distribution to qualify as a tax-free distribution to Parent, the Company and Parent's stockholders shall, to the extent determinable as of the Offerings Closing Date, be satisfied and there shall be no event or condition that is likely to cause any of such conditions not to be satisfied as of the time of the Distribution or thereafter.

(g) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the IPO or the Distribution or any of the other transactions contemplated by this Agreement or any Ancillary Agreement shall be in effect.

(h) Such other actions as the parties hereto may, based upon the advice of counsel, reasonably request to be taken prior to the Separation and the IPO in order to assure the successful completion of the Separation and the IPO and the other transactions contemplated by this Agreement shall have been taken.

(i) This Agreement shall not have been terminated.

ARTICLE IV
THE DISTRIBUTION

4.1 THE DISTRIBUTION.

(a) Subject to Section 4.3 hereof, Parent and the Company will take all reasonable steps necessary and appropriate to cause all conditions to the Distribution to be satisfied and to effect the Distribution. The Board of Directors of Parent will have the sole discretion to determine the Distribution Date at any time commencing after the Offerings Closing Date and ending on or prior to such date as is three months following the receipt of the Letter Ruling. Parent will consummate the Distribution no later than December 31, 1999, subject to the satisfaction or waiver by the Parent's Board, in its sole discretion, of the conditions set forth in Section 4.3.

(b) On or prior to the Distribution Date, Parent will deliver to the Agent for the benefit of holders of record of Parent Common Stock on the Record Date, stock certificates, endorsed by Parent in blank, representing all of the outstanding shares of the Company Common Stock then owned by Parent or any member of the Parent Group, and shall cause the transfer agent for the shares of Parent Common Stock to instruct the Distribution Agent to distribute on the Distribution Date the appropriate number of such shares of the Company Common Stock to each such holder or designated transferee or transferees of such holder.

(c) Subject to Section 4.4, each holder of Parent Common Stock on the Record Date (or such holder's designated transferee or transferees) will be entitled to receive in the Distribution a number of shares of such Company Common Stock (rounded down to the nearest whole share) equal to the number of shares of Parent Common Stock held by such holder on the Record Date multiplied by a fraction the numerator of which is the number of shares of the Company Common Stock beneficially owned by Parent or any other member of the Parent Group on the Record Date and the denominator of which is the number of shares of Parent Common Stock plus warrants outstanding on the Record Date.

(d) The Company and Parent, as the case may be, will provide to the Distribution Agent all share certificates and any information required in order to complete the Distribution on the basis specified above.

4.2 ACTIONS PRIOR TO THE DISTRIBUTION.

(a) The Company and Parent agree that, after the Offerings Closing Date and prior to the Distribution Date, none of the parties will take, or permit any of its Affiliates to take, any action which reasonably could be expected to prevent the Distribution from qualifying as a tax-free distribution to Parent and Parent's stockholders pursuant to Section 355 of the Code. The parties will also take any reasonable actions necessary in order for the Distribution to qualify as a tax-free distribution to Parent and Parent's stockholders pursuant to Section 355 of the Code. Without limiting the foregoing, after the Offerings Closing Date and prior to the Distribution Date, the

Company will not issue or grant, directly or indirectly, any shares of its capital stock or any rights, warrants, options or other securities to purchase or acquire (whether upon conversion, exchange or otherwise) any shares of its capital stock (whether or not then exercisable, convertible or exchangeable), without the prior consent of Parent if such issuance or grant would either reduce Parent's ownership of the Company's capital stock below the Required Distribution Percentage or otherwise prevent the Distribution from qualifying as a tax-free distribution to Parent and Parent's stockholders in accordance with Section 355 of the Code.

(b) Parent and the Company shall prepare and mail, prior to the Distribution Date, to the holders of Parent Common Stock, such information concerning the Company, its business, operations and management, the Distribution and such other matters as Parent shall reasonably determine and as may be required by law. Parent and Company will prepare, and the Company will, to the extent required under applicable law, file with the Commission any such documentation that Parent determines is necessary or desirable to effectuate the Distribution and Parent and the Company shall each use its reasonable best efforts to obtain all necessary approvals from the Commission with respect thereto as soon as practicable.

(c) Parent and the Company shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Distribution.

(d) Parent and Company will cooperate and prepare and file with the Internal Revenue Service the request for the Letter Ruling along with any accompanying statements, financial data or other information deemed necessary or advisable by Parent and the Company. Neither Parent nor the Company may file any supplement or amendment to such request or, if such Letter Ruling is issued, to such Letter Ruling without the consent of the other party, which consent may not be unreasonably withheld.

(e) Parent and the Company shall take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 4.3 (subject to Section 4.3(d)) to be satisfied and to effect the Distribution on the Distribution Date.

(f) The Company shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the Company Common Stock to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

4.3 CONDITIONS TO DISTRIBUTION. Parent shall be obligated to consummate the Distribution no later than December 31, 1999, subject to the satisfaction, or waiver by the Parent's Board in its sole discretion, of the conditions set forth below.

(a) the Letter Ruling shall have been obtained, and shall continue in effect, to the effect that, among other things, the Distribution will qualify as a tax-free distribution for federal income tax purposes under Section 355 of the Code and the Distribution by Parent of Company

Common Stock to stockholders of Parent will not result in recognition of any income, gain or loss for federal income tax purposes to Parent or Parent's stockholders, and such ruling shall be in form and substance satisfactory to Parent, in its sole discretion, including but not limited to the effect that the general acquisition growth strategies of Parent and the Company would not cause the Distribution to be taxable to Parent or its stockholder and that such growth strategies would not be impeded by completing the Distribution;

(b) any material Governmental Approvals and Consents necessary to consummate the Distribution shall have been obtained and be in full force and effect;

(c) no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Parent shall have occurred or failed to occur that prevents the consummation of the Distribution; and

(d) no other events or developments shall have occurred subsequent to the Offerings Closing Date that, in the judgment of the Parent's Board, would result in the Distribution having a material adverse effect on Parent or on the stockholders of Parent.

The foregoing conditions are for the sole benefit of Parent and shall not give rise to or create any duty on the part of Parent or the Parent's Board of Directors to waive or not waive any such condition.

4.4 FRACTIONAL SHARES. As soon as practicable after the Distribution Date, Parent shall direct the Distribution Agent to determine the number of whole shares and fractional shares of the Company Common Stock allocable to each holder of record or beneficial owner of Parent Common Stock as of the Record Date, to aggregate all such fractional shares and sell the whole shares obtained thereby at the direction of Parent either to Parent, in open market transactions or otherwise, in each case at then prevailing trading prices, and to cause to be distributed to each such holder or for the benefit of each such beneficial owner, in lieu of any fractional share, such holder's or owner's ratable share of the proceeds of such sale, after making appropriate deductions of the amount required to be withheld for federal income tax purposes and after deducting an amount equal to all brokerage charges, commissions and transfer taxes attributed to such sale. Parent and the Agent shall use their reasonable best efforts to aggregate the shares of Parent Common Stock that may be held by any beneficial owner thereof through more than one account in determining the fractional share allocable to such beneficial owner.

4.5 COMPANY BOARD OF DIRECTORS. Parent and the Company shall each take all actions which may be required to elect or otherwise appoint as directors of the Company, on or prior to the Distribution Date, persons to be designated by a nominating committee of the Company's Board of Directors (which nominating committee shall be comprised of individuals, if any, who are at such time not officers of Parent or Company) as additional or substitute members of the Board of Directors of the Company on the Distribution Date.

4.6 TERMINATION OF OBLIGATIONS UNDER THIS ARTICLE IV. Except as provided in Article XIII, the obligations of the Company and Parent under this Article IV, or under any other provision of this Agreement relating to the Distribution or the Letter Ruling shall terminate on the earliest to occur of the following events:

(a) The Distribution Date does not occur on or prior to December 31, 1999, or such other date as determined by Parent and the Company;

(b) The Parent's ownership of shares of Company Common Stock is less that the Required Distribution Percentage or otherwise prevents a distribution of Company Common Stock from qualifying as a tax-free distribution to Parent and Parent's stockholders under Section 355 of the Code; or

(c) The mutual consent of Parent and the Company.

If this Article IV is terminated in accordance with this Section 4.6, the other provisions of this Agreement and any Ancillary Agreement not related to the Distribution or Letter Ruling shall remain in full force and effect, but such termination shall not affect the parties' obligations under Section 14.9.

ARTICLE V
REGISTRATION RIGHTS

5.1 DEMAND REGISTRATION.

(a) GENERAL. At any time commencing after the Offerings Closing Date, upon the request of Parent made at any time after such date but prior to December 31, 2002, the Company shall use its best efforts to file, as promptly as practicable, a registration statement under the Securities Act (the "Demand Registration Statement") including such shares of Company Common Stock then held by Parent or any Subsidiary of Parent, as requested by Parent to be so registered. Parent shall have the right to request up to [three] Demand Registration Statements, provided that the Company shall have no obligation to file any such Demand Registration Statement on or prior to a sixty (60) day period following the filing of any other registration statement by the Company (other than the Registration Statement or any other registration statements on Form S-4 or Form S-8 or another form available for registration of securities other than for sale to the public for cash). The Company shall use its best efforts to cause each Demand Registration Statement to be declared effective by the Commission as promptly as practicable. If a Demand Registration Statement shall be withdrawn by the Company before effectiveness, it shall not be counted against Parent's right to request three such registrations.

(b) LIMITATIONS OF DEMAND REGISTRATION RIGHTS. The Company may, by written notice to Parent, for a period of up to forty-five (45) days from the date of written notice, delay the filing or effectiveness of any of the Demand Registration Statements in the event that (1) the Company is engaged in any activity or transaction that the Company desires to keep confidential for business reasons, (2) the Company's Board of Directors determines in good faith that the disclosure of such information would be detrimental to the Company, and (3) the Company's Board of Directors determines in good faith that the public disclosure requirements imposed on the Company under the Securities Act in connection with any Demand Registration Statement would require disclosure of such activity or transaction. If the Company delays a Demand Registration Statement, the Company shall, as promptly as practicable following the termination of the circumstances which entitled the Company to do so, provide notice to Parent of the termination of such circumstances and take such actions as necessary to file or reinstate the effectiveness of a Demand Registration Statement. If as a result thereof the prospectus included in a Demand Registration Statement has been amended to comply with the requirements of the Securities Act, the Company shall enclose such revised prospectus with the notice to Parent given pursuant to this paragraph (b), and Parent shall make no offers or sales of shares pursuant to a Demand Registration Statement other than by means of such revised prospectus.

(c) DEMAND REGISTRATION PROCEDURES.

(i) In connection with the filing by the Company of a Demand Registration Statement, the Company shall furnish to Parent as many copies of the prospectus, including each preliminary prospectus, in conformity with the requirements of the Securities act as Parent shall reasonably request for the purpose of effecting the plan of distribution set forth therein.

(ii) The Company shall use its best efforts to register or qualify the shares of Company Common Stock covered by a Demand Registration Statement under the securities laws of such state as Parent shall reasonably request; provided, however, that the Company shall not be required in connection with this paragraph (c) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction.

(iii) If the Company has delivered preliminary or final prospectuses to Parent and after having done so the prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify Parent and, if requested by the Company, Parent shall immediately return all prospectuses to the Company. The Company shall promptly provide Parent with revised prospectuses.

(iv) At the request of Parent, the Company shall sign an underwriting agreement in customary for with a managing underwriter selected by Parent and reasonably, satisfactory to the Company, and shall cooperate with such managing underwriter in all reasonable respects to facilitate the distribution contemplated by Parent, including without limitation making available the books, records and personnel of the Company for the purpose of the underwriter's "due diligence" and providing customary legal opinions and auditors' comfort letters.

5.2 INCIDENTAL REGISTRATION. After the IPO, if the Company at any time (other than on Forms S-4 or S-8 or any successors to such forms, pursuant to Section 5.1 hereof) proposes to register any Company Common Stock under the Securities Act for sale to the public (which, for this purpose shall include the registration generally of securities under a universal shelf registration statement), each such time it will give written notice to Parent of its intention so to do. Upon the written request of Parent, received by the Company within 15 days after the giving of any such notice by the Company, the Company will use its best efforts to cause shares of Company Common Stock held by Parent or any Subsidiary of Parent as to which registration shall have been so requested to be included in the securities to be covered by such registration statement (the "Incidental Registration Statement") proposed to be filed by the Company. In the event that any registration pursuant to this Section 5.2 shall be, in whole or in part, an underwritten public offering, the number of such shares held by Parent to be included in such an underwriting may be reduced if and to the extent that the managing underwriter shall be of the opinion that such inclusion would adversely affect the marketing of those securities to be sold by the Company therein. In the event other holders of shares of Company Common Stock also have registration rights as a result of the filing of such Incidental Registration Statement, any such reduction shall be done pro rata with such other holders. Notwithstanding the foregoing provisions, the Company may withdraw any Incidental Registration Statement referred to in this Section without thereby incurring any liability to the Parent, if the Board of Directors of the Company determines in good faith that it is in the Company's best interest to do so.

5.3 REGISTRATION ON FORM S-3. If at any time (i) Parent requests that the Company file a registration statement pursuant to Section 5.1 hereof on Form S-3 (the "Form S-3 Registration Statement") or any successor form thereto for a public offering of all or any portion of the shares of Company Common Stock then held by Parent or a Subsidiary of Parent, and (ii) the Company is a registrant entitled to use Form S-3 or any successor form thereto to register such shares, then the Company shall use its best efforts to register under the Securities Act on Form S-3 or any successor thereto, for public sale in accordance with the method of disposition specified in such notice provided by Parent, the number of shares of Company Common Stock of the Company specified therein. Whenever the Company is required by this Section 5.3 to use its best efforts to effect a Form S-3 Registration Statement, each of the limitations and procedures of Section 5.1 shall apply to such Registration, PROVIDED, HOWEVER, that there shall be no limitation on the number of such registrations on Form S-3 which may be requested and obtained under this Section 5.3.

5.4 EXPENSES. The offering expenses incurred in complying with Sections 5.1, 5.2 and 5.3 shall be paid as follows:

(a) Offering expenses in connection with a Demand Registration Statement shall be paid by Parent; provided, that in the event of any other shares of Company Common Stock are included in a Demand Registration Statement in addition to the shares of Company Common Stock held by Parent, the Company shall pay its pro rata portion of the offering expenses equal to the offering expenses multiplied by a fraction, the numerator of which is the number of any shares of

Company Common Stock included in the Demand Registration Statement other than the shares held by Parent and a denominator of which is the total number of shares of Company Common Stock included in the Demand Registration Statement; and

(b) Offering expenses in connection with an Incidental Registration Statement shall be paid by the Company; provided, that in the event shares of Company Common Stock held by Parent are included in the Incidental Registration Statement, Parent shall pay its pro rata portion of the offering expenses equal to the offering expenses multiplied by a fraction, the numerator of which is the number of such shares of Company Common Stock held by Parent and included in the Incidental Registration Statement and the denominator of which is the total number of shares of Company Common Stock included in such Incidental Registration Statement.

5.5 REQUIREMENTS OF PARENT. The Company shall not be required to include any share of Company Common Stock owned by Parent in a Demand Registration Statement or an Incidental Registration Statement unless:

(a) Parent furnishes to the Company in writing such information regarding the Parent as the Company may reasonably request in writing in connection with such Demand Registration Statement or the Incidental Registration Statement, as the case may be, or as shall be required in connection therewith under applicable securities laws; and

(b) Parent shall have provided to the Company its written agreement to report to the Company sales made pursuant to the Demand Registration Statement or the Incidental Registration Statement, as the case may be.

ARTICLE VI
MUTUAL RELEASES; INDEMNIFICATION

6.1 RELEASE OF PRE-CLOSING CLAIMS.

(a) Except as provided in Section 6.1(c), effective as of the Offerings Closing Date, the Company does hereby, for itself and each other member of the Company Group, their respective Affiliates (other than any member of the Parent Group), successors and assigns, and all Persons who at any time prior to the Offerings Closing Date have been stockholders, directors, officers, agents or employees of any member of the Company Group (in each case, in their respective capacities as such), remise, release and forever discharge Parent, the members of the Parent Group its respective Affiliates (other than any member of the Company Group), successors and assigns, and all Persons who at any time prior to the Offerings Closing Date have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or

arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Offerings Closing Date, including in connection with the transactions and all other activities to implement any of the Separation, the IPO and the Distribution.

(b) Except as provided in Section 6.1(c), effective as of the Offerings Closing Date, Parent does hereby, for itself and each other member of the Parent Group its respective Affiliates (other than any member of the Company Group), successors and assigns, and all Persons who at any time prior to the Offerings Closing Date have been stockholders, directors, officers, agents or employees of any member of the Parent Group (in each case, in their respective capacities as such), remise, release and forever discharge the Company, the respective members of the Company Group, their respective Affiliates (other than any member of the Parent Group), successors and assigns, and all Persons who at any time prior to the Offerings Closing Date have been stockholders, directors, officers, agents or employees of any member of the Company Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Offerings Closing Date, including in connection with the transactions and all other activities to implement any of the Separation, the IPO and the Distribution.

(c) Nothing contained in Section 6.1(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.5(b), in each case in accordance with its terms. In addition, nothing contained in Section 6.1(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Parent Group or the Company Group that is specified in Section 2.5(b) or any other Liability specified in such Section 2.5(b);

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of any other Group prior to the Offerings Closing Date;

(iv) any Liability for unpaid amounts for products or services or refunds owing on products or services due on a value-received basis for work done by a member of one Group at the request or on behalf of a member of another Group;

(v) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement for claims brought against the parties by third Persons, which Liability shall be governed by the provisions of this Article VI and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(vi) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 6.1; provided that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any Person with respect to any Liability to the extent that such Person would be released with respect to such Liability by this Section 6.1 but for the provisions of this clause (vi).

(d) The Company shall not make, and shall not permit any member of the Company Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Parent, or any member of the Parent Group or any other Person released pursuant to Section 6.1(a), with respect to any Liabilities released pursuant to Section 6.1(a). Parent shall not, and shall not permit any member of the Parent Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against the Company or any member of the Company Group, or any other Person released pursuant to Section 6.1(b), with respect to any Liabilities released pursuant to Section 6.1(b).

(e) It is the intent of each of Parent and the Company by virtue of the provisions of this Section 6.1 to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Offerings Closing Date, between or among the Company or any member of the Company Group, on the one hand, and Parent, or any member of the Parent Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Offerings Closing Date), except as expressly set forth in Section 6.1(c). At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

6.2 INDEMNIFICATION BY COMPANY. Except as provided in Section 6.4, the Company shall indemnify, defend and hold harmless Parent, each member of the Parent Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Parent Indemnitees"), from and against any and all Liabilities of the Parent Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of the Company or any other member of the Company Group or any other Person to pay, perform or otherwise promptly discharge any Company Liabilities, or any of the Company Contract in accordance with their respective terms, whether prior to or after the Offerings Closing Date or the date hereof;

(b) the Company Business, any Company Liability, any Exclusive Contingent Liability of the Company or any Company Contract; and

(c) any breach by the Company or any member of the Company Group of this Agreement or any of the Ancillary Agreements.

6.3 INDEMNIFICATION BY PARENT. Except as provided in Section 6.4, Parent shall indemnify, defend and hold harmless the Company, each member of the Company Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Company Indemnitees"), from and against any and all Liabilities of the Company Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of Parent or any other member of the Parent Group or any other Person to pay, perform or otherwise promptly discharge any Excluded Liability or any Liabilities of the Parent Group other than the Company Liabilities, whether prior to or after the Offerings Closing Date or the date hereof;

(b) the Parent Business, any Excluded Liability, any Exclusive Contingent Liability of Parent or any Liability of the Parent Group other than the Company Liabilities;

(c) any breach by Parent or any member of the Parent Group of this Agreement or any of the Ancillary Agreements; and

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein no misleading, with respect to any information in any Registration Statement, any Demand Registration Statement, Incidental Registration Statement or any prospectus contained therein, or any amendment or supplement to such Registration Statement, Demand Registration Statement, Incidental Registration Statement or prospectus based upon or in conformity with information furnished in writing to the Company by or on behalf of Parent which related to Parent, Parent's business, its operations or its relationship with the Company.

6.4 INDEMNIFICATION OBLIGATIONS NET OF INSURANCE PROCEEDS AND OTHER AMOUNTS.

(a) The parties intend that any Liability subject to indemnification or reimbursement pursuant to this Article VI or Article VII will be net of Insurance Proceeds that actually reduce the amount of the Liability. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any

Liability and subsequently receives Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Nothing contained in this Agreement or any Ancillary Agreement shall obligate any member of any Group to seek to collect or recover any Insurance Proceeds.

6.5 PROCEDURES FOR INDEMNIFICATION OF THIRD PARTY CLAIMS.

(a) If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Parent Group or the Company Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 6.2 or 6.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within 20 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee to give notice as provided in this Section 6.5(a) shall not relieve the Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and, unless the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 6.5(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election to assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate reasonably in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee. With respect to any such third party action assumed by the Indemnifying Party, the parties agree to provide each other with all material information that they request relating to the handling of such matter.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnitee of its election as provided in Section 6.5(b), such Indemnitee may defend such Third Party Claim at the cost and expense (including allocated costs of in-house counsel and other personnel) of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnitee may settle or compromise any Third Party Claim without the consent of the Indemnifying Party.

(e) Notwithstanding anything to the contrary in this Section 6.5, the Indemnifying Party shall have no right to settle or compromise any action for which it has assumed the defense of (i) to the extent the settlement or compromise provides for any injunctive or other equitable relief against the Indemnified Party or otherwise provides for any continuing obligations of any nature against the Indemnified Party or loss of rights of the Indemnified Party, and (ii) unless such settlement or compromise includes an unconditional release of the Indemnified Party from all liability arising out of such action and does not include a statement as to an admission of fault, culpability or failure to act by or on behalf of the Indemnified Party.

(f) The provisions of this Section 6.5 and Section 6.6 shall not apply to Taxes which are covered by the Tax Indemnification and Allocation Agreement.

6.6 ADDITIONAL MATTERS.

(a) Any claim on account of a Liability which does not result from a Third Party Claim shall be asserted by written notice given by an Indemnitee to an Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense (including allocated costs of in-house counsel and other personnel) of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall

endeavor to substitute the Indemnifying Party for the named defendant. If such substitution cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts' fees and all other external expenses, and the allocated costs of in-house counsel and other personnel), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

6.7 REMEDIES CUMULATIVE. The remedies provided in this Article VI shall be cumulative and, subject to the provisions of Article XI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

6.8 SURVIVAL OF INDEMNITIES. The rights and obligations of each of Parent and the Company and their respective Indemnitee under this Article VI shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VII
CONTINGENT LIABILITIES AND CONTINGENT GAINS

7.1 CONTINGENT CLAIMS COMMITTEE. The Company and Parent shall establish a Contingent Claims Committee, comprising one representative designated from time to time by each of Parent and the Company, which Committee shall establish procedures to resolve disagreements among the parties as to contingent gains and contingent liabilities.

7.2 SHARED CONTINGENT LIABILITIES. The Company and Parent will have the exclusive responsibility for any contingent liability that primarily relates to the Company Business or the Parent Business, respectively, or is expressly assigned to the Company or Parent, respectively (an "Exclusive Contingent Liability"). The parties shall share responsibility for the following contingent liabilities (the "Shared Contingent Liabilities"): (i) any contingent liabilities that are not Exclusive Contingent Liabilities and (ii) those liabilities as set forth on SCHEDULE 7.2 hereto. With respect to any Shared Contingent Liability, the Company and Parent shall allocate responsibility therefor based upon their respective market capitalizations (reduced in the case of Parent to reflect Company Common Stock held by Parent) on the Offerings Closing Date or on such other methodology to be established by the Contingent Claims Committee. Parent will assume the defense of, and may seek to settle or compromise, any third party claim that is a Shared Contingent Liability, and the Company and Parent shall share the costs and expenses thereof.

7.3 CONTINGENT GAINS. The Company and Parent will have the exclusive right to any benefit received with respect to any contingent gain that primarily relates to the business of, or that is expressly assigned to, the Company or Parent, respectively (an "Exclusive Contingent Gain"). Each of the Company and Parent will have sole and exclusive authority to manage, control and otherwise determine all matters whatsoever with respect to an Exclusive Contingent Gain that

primarily relates to its respective business. The parties will share any benefit that may be received from any contingent gain other than any Exclusive Contingent Gain (a "Shared Contingent Gain") based upon their respective market capitalizations on the Offerings Closing Date (reduced in the case of Parent to reflect Company Common Stock held by Parent) or on such other methodology to be established by a Contingent Claims Committee. Parent will have the sole and exclusive authority to manage, control and otherwise determine all matters whatsoever with respect to any Shared Contingent Gain. Parent may elect not to pursue any Shared Contingent Gain for any reason whatsoever (including a different assessment of the merits of any action, claim or right or any business reasons that are in the best interest of Parent without regard to the best interests of the Company) and Parent will have no liability to any Person (including the Company) as a result of any such determination.

ARTICLE VIII
INSURANCE MATTERS

8.1 PAYMENTS; TRANSITION COVERAGE. The Company agrees that it will pay to Parent $43,000 per month (prorated on a daily basis for any partial month) in respect of the period from the date hereof until the Distribution Date, such amount to be payable in arrears by the 10th day of the next succeeding month, in respect of Insurance Policies under which the Company will continue to have coverage following the date hereof. The Company further agrees to pay to Parent an amount equal to five percent of incurred losses for claims adjustment services to be rendered by Parent for automobile liability and general liability claims. Parent and the Company agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Distribution Date and for the treatment of any Insurance Policies that will remain in effect following the Offerings Closing Date on a mutually agreeable basis. In no event shall Parent, any other member of the Parent Group or any Parent Indemnitees have liability or obligation whatsoever to any member of the Company Group in the event that any Insurance Policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or inadequate to cover any Liability of any member of the Company Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

8.2 SUCCESSORS-IN-INTEREST RIGHTS.

(a) Except as otherwise provided in any Ancillary Agreement, the parties intend by this Agreement that the Company and each other member of the Company Group be successors-in-interest to all rights that any member of the Company Group may have as of the Offerings Closing Date as a subsidiary, affiliate, division or department of Parent prior to the Offerings Closing Date under any policy of insurance issued to Parent by any insurance carrier unaffiliated with Parent or under any agreements related to such policies executed and delivered prior to the Offerings Closing Date, including any rights such member of the Company Group may have, as an insured or additional named insured, subsidiary, affiliate, division or department, to avail itself of any such policy of insurance or any such agreements related to such policies as in effect

prior to the Offerings Closing Date. At the request of the Company, Parent shall take all reasonable steps, including the execution and delivery of any instruments, to effect the foregoing; PROVIDED, HOWEVER, that Parent shall not be required to pay any amounts, waive any rights or incur any Liabilities in connection therewith.

(b) Except as otherwise contemplated by any Ancillary Agreement, after the Offerings Closing Date, none of Parent or the Company or any member of their respective Groups shall, without the consent of the other, provide any such insurance carrier with a release, or amend, modify or waive any rights under any such policy or agreement, if such release, amendment, modification or waiver would adversely affect any rights or potential rights of any member of the other Group thereunder; PROVIDED, HOWEVER, that the foregoing shall not (A) preclude any member of any Group from presenting any claim or from exhausting any policy limit, (B) require any member of any Group to pay any premium or other amount or to incur any Liability, or (C) require any member of any Group to renew, extend or continue any policy in force. Each of the Company and Parent will share such information as is reasonably necessary in order to permit the other to manage and conduct its insurance matters in an orderly fashion.

8.3 NO ASSIGNMENT. This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Parent Group in respect of any Insurance Policy or any other contract or policy of insurance.

8.4 NO LIABILITY. The Company does hereby, for itself and each other member of the Company Group, agree that no member of the Parent Group or any Parent Indemnitees shall have any Liability whatsoever as a result of the insurance policies and practices of Parent and its Affiliates as in effect at any time prior to the Offerings Closing Date, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

8.5 ADDITIONAL INSURANCE. Nothing in this Agreement shall be deemed to restrict any member of the Company Group from acquiring at its own expense any other insurance policy in respect of any Liabilities or covering any period.

ARTICLE IX
CERTAIN BUSINESS MATTERS

9.1 NON-COMPETE; BUSINESS OPPORTUNITIES.

(a) The Parent agrees that neither it or any Parent Subsidiary will, directly or indirectly, compete with the Company in the Company Business (as presently conducted) anywhere

in North America from the Distribution Date until five (5) years after the Distribution Date or, if the Distribution does not occur, until January 1, [2005].

(b) The Company agrees that neither it or any Company Subsidiary will compete, directly or indirectly, with Parent in the Parent Business (as presently conducted) anywhere in North America from the Distribution Date until five (5) years after the Distribution Date or, if the Distribution does not occur, until January 1, [2005].

(c) No member of either Group shall have any duty to refrain from doing business with any potential or actual supplier or customer of any member of any other Group.

(d) Each of Parent and the Company is aware that from time to time certain business opportunities may arise which either Group may be financially able to undertake, and which are, from their nature, in the line of both Group business and are of practical advantage to both Groups. In connection therewith, the parties agree that if prior to (but not following) the Distribution Date, any of Parent or the Company acquires knowledge of an opportunity that meets the foregoing standard with respect to both Groups, none of Parent or the Company shall have any duty to communicate or offer such opportunity to the other and may pursue or acquire such opportunity for itself, or direct such opportunity to any other Person, unless (i) such opportunity relates primarily to the Parent Business, or the Company Business, in which case the party that acquires knowledge of such opportunity shall use its reasonable best efforts to communicate and offer such opportunity to Parent or the Company, respectively, or (ii) such opportunity relates both to the Parent Business and the Company Business but not primarily to either one, in which case such party shall use its reasonable best efforts to communicate and offer such opportunity to the Company. Notwithstanding the foregoing, no party shall be required to so communicate or offer any such opportunity if it would result in the breach of any contract or agreement or violate any applicable law, rule or regulation of any Governmental Authority, and no party shall have any obligation to finance (or provide any other assistance whatsoever) to any other party in connection with any such opportunity. In the event the foregoing clause (i) or (ii) is applicable, no party, other than the party to whom the opportunity must be offered in accordance with such clauses, shall pursue or acquire such opportunity for itself, or direct such opportunity to any other Person, unless the party to whom the opportunity is required to be offered does not within a reasonable period of time begin to pursue, or does not thereafter continue to pursue, such opportunity diligently and in good faith.

9.2 WARRANTS. Under the terms of certain outstanding warrants to purchase Parent Common Stock, persons who hold such warrants and do not exercise them prior to the record date for the Distribution will be entitled to receive upon exercise of such warrants, in addition to shares of Parent Common Stock, a number of shares of Company Common Stock, based on the same ratio used to determine the number of shares of Company Common Stock to be distributed for each outstanding share of Parent Common Stock on the record date for the Distribution. If necessary, Parent will reserve shares of Company Common Stock held by it at the time of the Distribution to be delivered to holders of warrants upon exercise of such warrants following the record date for the

Distribution Date. The Company will not be required to issue any additional shares of Company Common Stock to such warrant holders.

ARTICLE X
EXCHANGE OF INFORMATION; CONFIDENTIALITY

10.1 AGREEMENT FOR EXCHANGE OF INFORMATION; ARCHIVES.

(a) Each of Parent and the Company, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, at any time before or after the Distribution Date, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities or tax laws) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative, tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, tax or other similar requirements, or (iii) to comply with its obligations under this Agreement, any Ancillary Agreement or any Liability; PROVIDED, HOWEVER, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) After the Offerings Closing Date, the Company shall have access during regular business hours (as in effect from time to time) to the documents and objects of historic significance that relate to the Company Business that are located in the Parent archives. The Company may obtain copies (but not originals) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for bona fide business purposes, provided that the Company shall cause any such objects to be returned promptly in the same condition in which they were delivered to the Company and the Company shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to Parent. The Company shall pay $125 per hour for archives research services (subject to increase from time to time to reflect rates then in effect for Parent generally). Nothing herein shall be deemed to restrict the access of any member of the Parent Group to any such documents or objects or to impose any liability on any member of the Parent Group if any such documents or objects are not maintained or preserved by Parent.

(c) After the date hereof, (i) the Company shall maintain in effect at its own cost and expense adequate systems and controls to the extent necessary to enable the members of the Parent Group to satisfy their respective reporting, accounting, audit and other obligations, and (ii) the Company shall provide, or cause to be provided, to Parent in such form as Parent shall request, at no charge to Parent, all financial and other data and information as Parent determines necessary

or advisable in order to prepare Parent financial statements and reports or filings with any Governmental Authority.

10.2 OWNERSHIP OF INFORMATION. Any Information owned by one Group that is provided to a requesting party pursuant to Section 10.1 shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

10.3 COMPENSATION FOR PROVIDING INFORMATION. The party requesting such Information agrees to reimburse the other party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting party. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other agreement between the parties, such costs shall be computed in accordance with the providing party's standard methodology and procedures.

10.4 RECORD RETENTION. To facilitate the possible exchange of Information pursuant to this Article X and other provisions of this Agreement after the Distribution Date, the parties agree to use their reasonable best efforts to retain all Information in their respective possession or control on the Distribution Date in accordance with the policies of Parent as in effect on the Offerings Closing Date. No party will destroy, or permit any of its Subsidiaries to destroy, any Information which the other party may have the right to obtain pursuant to this Agreement prior to the third anniversary of the date hereof without first using its reasonable best efforts to notify the other party of the proposed destruction and giving the other party the opportunity to take possession of such information prior to such destruction; PROVIDED, HOWEVER, that in the case of any Information relating to Taxes or to Environmental Liabilities, such period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof).

10.5 LIMITATION OF LIABILITY. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct by the party providing such Information. No party shall have any liability to any other party if any Information is destroyed after reasonable best efforts by such party to comply with the provisions of Section 10.4.

10.6 OTHER AGREEMENTS PROVIDING FOR EXCHANGE OF INFORMATION. The rights and obligations granted under this Article X are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

10.7 PRODUCTION OF WITNESSES; RECORDS; COOPERATION.

(a) After the Offerings Closing Date, except in the case of an adversarial Action by one party against another party (which shall be governed by such discovery rules as may be

applicable under Article XI or otherwise), each party hereto shall use its reasonable best efforts to make available to the other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(b) If an Indemnifying Party or Parent chooses to defend or to seek to compromise or settle any Third Party Claim, or if any party chooses to prosecute or otherwise evaluate or to pursue any Contingent Gain, the other parties shall make available to such Indemnifying Party, Parent or such other party, as the case may be, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions, Contingent Liabilities and Contingent Gains.

(d) Without limiting any provision of this Section, each of the parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect any intellectual property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the parties to provide witnesses pursuant to this Section 10.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 10.7(a)).

(f) In connection with any matter contemplated by this Section 10.7, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent

practicable any applicable attorney-client privilege or work product immunity of any member of any Group.

10.8 CONFIDENTIALITY.

(a) Subject to Section 10.9, each of Parent and the Company, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to Parent's confidential and proprietary information pursuant to policies in effect as of the Offerings Closing Date, all Information concerning each such other Group that is either in its possession (including Information in its possession prior to any of the date hereof, the Offerings Closing Date or the Distribution Date) or furnished by any such other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such party or any member of such Group or any of their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party (or any member of such party's Group) which sources are not themselves bound by a confidentiality obligation), or (iii) independently generated without reference to any proprietary or confidential Information of the other party.

(b) Each party agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 10.9. Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

10.9 PROTECTIVE ARRANGEMENTS. In the event that any party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of any other party (or any member of any other party's Group) that is subject to the confidentiality provisions hereof, such party shall notify the other party prior to disclosing or providing such Information and shall cooperate at the expense of the requesting party in seeking any reasonable protective arrangements requested by such other party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to

the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority.

ARTICLE XI
ARBITRATION; DISPUTE RESOLUTION

11.1 AGREEMENT TO ARBITRATE; WAIVER OF JURY TRIAL. Except as otherwise specifically provided in any Ancillary Agreement, the procedures for discussion, negotiation and arbitration set forth in this Article XI shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Ancillary Agreement, or the transactions contemplated hereby or thereby (including all actions taken in furtherance of the transactions contemplated hereby or thereby on or prior to the date hereof), or the commercial or economic relationship of the parties relating hereto or thereto, between or among any member of the Parent Group and the Company Group. Each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article XI shall be the sole and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and with respect thereto, hereby irrevocably waives any right to commence any Action in or before any Governmental Authority as well as any right to a trial by jury for any action, except as expressly provided in Sections 11.7(b) and 11.8 and except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards.

11.2 ESCALATION.

(a) It is the intent of the parties to use their respective reasonable best efforts to resolve expeditiously any dispute, controversy or claim between or among them with respect to the matters covered hereby that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in person meeting involving representatives of the parties at a senior level of management of the parties (or if the parties agree, of the appropriate strategic business unit or division within such entity). A copy of any such Escalation Notice shall be given to the General Counsel, or like officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedures for such discussions or negotiations between the parties may be established by the parties from time to time; PROVIDED, HOWEVER, that the parties shall use their reasonable best efforts to meet within 30 days of the Escalation Notice.

(b) The parties may, by mutual consent, retain a mediator to aid the parties in their discussions and negotiations by informally providing advice to the parties. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. The mediator may be chosen from a list of mediators previously selected by the parties or by other agreement of the

parties. Costs of the mediation shall be borne equally by the parties involved in the matter, except that each party shall be responsible for its own expenses. Mediation is not a prerequisite to a demand for arbitration under Section 11.3.

11.3 DEMAND FOR ARBITRATION.

(a) At any time after the first to occur of (i) the date of the meeting actually held pursuant to the applicable Escalation Notice or (ii) 45 days after the delivery of an Escalation Notice, any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Escalation Notice) may, unless the Applicable Deadline has occurred, make a written demand (the "Arbitration Demand Notice") that the dispute be resolved by binding arbitration, which Arbitration Demand Notice shall be given to the parties to the dispute, controversy or claim in the manner set forth in Section 14.5. In the event that any party shall deliver an Arbitration Demand Notice to another party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering an Escalation Notice. No party may assert that the failure to resolve any matter during any discussions or negotiations, the course of conduct during the discussions or negotiations or the failure to agree on a mutually acceptable time, agenda, location or procedures for the meeting, in each case, as contemplated by Article XI, is a prerequisite to a demand for arbitration under this Section 11.3. In the event that any party delivers an Arbitration Demand Notice with respect to any dispute, controversy or claim that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such disputes, controversies and claims shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrator in his or her sole discretion determines that it is impracticable or otherwise inadvisable to do so.

(b) Except as may be expressly provided in any Ancillary Agreement, any Arbitration Demand Notice may be given until one year and 45 days after the later of the occurrence of the act or event giving rise to the underlying claim or the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the party asserting the claim (as applicable and as it may in a particular case be specifically extended by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the expiration of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Sections 11.7(d) and 11.8, upon delivery of an Arbitration Demand Notice pursuant to Section 11.3(a) prior to the Applicable Deadline, the dispute, controversy or claim shall be decided by a sole arbitrator in accordance with the rules set forth in this Article XI.

11.4 ARBITRATORS.

(a) Within 15 days after a valid Arbitration Demand Notice is given, the parties involved in the dispute, controversy or claim referenced therein shall attempt to select a sole arbitrator satisfactory to all such parties.

(b) In the event that such parties are not able jointly to select a sole arbitrator within such 15-day period, such parties shall each appoint an arbitrator within 30 days after delivery of the Arbitration Demand Notice. If one party appoints an arbitrator within such time period and the other party or parties fail to appoint an arbitrator within such time period, the arbitrator appointed by the one party shall be the sole arbitrator of the matter.

(c) In the event that a sole arbitrator is not selected pursuant to paragraph (a) or (b) above and, instead, two arbitrators are selected pursuant to paragraph (b) above, the two arbitrators will, within 30 days after the appointment of the later of them to be appointed, select an additional arbitrator who shall act as the sole arbitrator of the dispute. After selection of such sole arbitrator, the initial arbitrators shall have no further role with respect to the dispute. In the event that the arbitrators so appointed do not, within 30 days after the appointment of the later of them to be appointed, agree on the selection of the sole arbitrator, any party involved in such dispute may apply to the Center for Public Resources ("CPR") to select the sole arbitrator, which selection shall be made by such organization within 30 days after such application. Any arbitrator selected pursuant to this paragraph (c) shall be disinterested with respect to any of the parties and the matter and shall be reasonably competent in the applicable subject matter.

(d) The sole arbitrator selected pursuant to paragraph (a), (b) or (c) above will set a time for the hearing of the matter which will commence no later than 90 days after the date of appointment of the sole arbitrator pursuant to paragraph (a), (b) or (c) above and which hearing will be no longer than 30 days (unless in the judgment of the arbitrator the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than 90 days). The final decision of such arbitrator will be rendered in writing to the parties not later than 60 days after the last hearing date, unless otherwise agreed by the parties in writing.

(e) The place of any arbitration hereunder will be Fort Lauderdale, Florida, unless otherwise agreed by the parties.

11.5 HEARINGS. Within the time period specified in Section 11.4(d), the matter shall be presented to the arbitrator at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrator or both the parties. If the arbitrator deems it to be essential to a fair resolution of the dispute, live cross-examination or direct examination may be permitted, but is not generally contemplated to be necessary. The arbitrator shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrator may, in his or her discretion, set time and other limits on the presentation of each party's case, its memoranda

or other submissions, and refuse to receive any proffered evidence, which the arbitrator, in his or her discretion, finds to be cumulative, unnecessary, irrelevant or of low probative nature. Except as otherwise set forth herein, any arbitration hereunder will be conducted in accordance with the CPR Rules for Non-Administered Arbitration of Business Disputes then prevailing (except that the fee schedule of CPR will not apply). Except as expressly set forth in Section 11.8(b), the decision of the arbitrator will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at an annual rate of the Prime Rate plus 2% per annum. To the extent that the provisions of this Agreement and the prevailing rules of the CPR conflict, the provisions of this Agreement shall govern.

11.6 DISCOVERY AND CERTAIN OTHER MATTERS.

(a) Any party involved in the applicable dispute may request limited document production from the other party or parties of specific and expressly relevant documents, with the reasonable expenses of the producing party incurred in such production paid by the requesting party. Any such discovery (which rights to documents shall be substantially less than document discovery rights prevailing under the Federal Rules of Civil Procedure) shall be conducted expeditiously and shall not cause the hearing provided for in Section 11.5 to be adjourned except upon consent of all parties involved in the applicable dispute or upon an extraordinary showing of cause demonstrating that such adjournment is necessary to permit discovery essential to a party to the proceeding. Depositions, interrogatories or other forms of discovery (other than the document production set forth above) shall not occur except by consent of the parties involved in the applicable dispute. Disputes concerning the scope of document production and enforcement of the document production requests will be determined by written agreement of the parties involved in the applicable dispute or, failing such agreement, will be referred to the arbitrator for resolution. All discovery requests will be subject to the parties' rights to claim any applicable privilege. The arbitrator will adopt procedures to protect the proprietary rights of the parties and to maintain the confidential treatment of the arbitration proceedings (except as may be required by law). Subject to the foregoing, the arbitrator shall have the power to issue subpoenas to compel the production of documents relevant to the dispute, controversy or claim.

(b) The arbitrator shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement or any Ancillary Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Ancillary Agreement; it being understood, however, that the arbitrator will have full authority to implement the provisions of this Agreement or any Ancillary Agreement, and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the arbitrator shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award punitive or treble damages. It is the intention of the parties that in rendering a decision the arbitrator give effect to the applicable provisions of this

Agreement and
the Ancillary Agreements and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrator's award).

(c) If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrator may hear and determine the controversy upon evidence produced by the appearing party.

(d) Arbitration costs will be borne equally by each party involved in the matter, except that each party will be responsible for its own attorney's fees and other costs and expenses, including the costs of witnesses selected by such party.

11.7 CERTAIN ADDITIONAL MATTERS.

(a) Any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(b) Prior to the time at which an arbitrator is appointed pursuant to Section 11.4, any party may seek one or more temporary restraining orders in a court of competent jurisdiction if necessary in order to preserve and protect the status quo. Neither the request for, or grant or denial of, any such temporary restraining order shall be deemed a waiver of the obligation to arbitrate as set forth herein and the arbitrator may dissolve, continue or modify any such order. Any such temporary restraining order shall remain in effect until the first to occur of the expiration of the order in accordance with its terms or the dissolution thereof by the arbitrator.

(c) Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of Article X, except as may be required in order to enforce any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

(d) In the event that at any time the sole arbitrator shall fail to serve as an arbitrator for any reason, the parties shall select a new arbitrator who shall be disinterested as to the parties and the matter in accordance with the procedures set forth herein for the selection of the initial arbitrator. The extent, if any, to which testimony previously given shall be repeated or as to which the replacement arbitrator elects to rely on the stenographic record (if there is one) of such testimony shall be determined by the replacement arbitrator.

11.8 LIMITED COURT ACTIONS.

(a) Notwithstanding anything herein to the contrary, in the event that any party reasonably determines the amount in controversy in any dispute, controversy or claim (or any series of related disputes, controversies or claims) under this Agreement or any Ancillary Agreement is, or is reasonably likely to be, in excess of $25 million and if such party desires to commence an Action in lieu of complying with the arbitration provisions of this Article, such party shall so state in its Arbitration Demand Notice or by notice given to the other parties within 20 days after receipt of an Arbitration Demand Notice with respect thereto. If the other parties to the arbitration do not agree that the amount in controversy in such dispute, controversy or claim (or such series of related disputes, controversies or claims) is, or is reasonably likely to be, in excess of $25 million, the arbitrator selected pursuant to Section 11.4 hereof shall decide whether the amount in controversy in such dispute, controversy or claim (or such series of related disputes, controversies or claims) is, or is reasonably likely to be, in excess of $25 million. The arbitrator shall set a date that is no later than ten days after the date of his or her appointment for submissions by the parties with respect to such issue. There shall not be any discovery in connection with such issue. The arbitrator shall render his or her decision on such issue within five days of such date so set by the arbitrator. In the event that the arbitrator determines that the amount in controversy in such dispute, controversy or claim (or such series of related disputes, controversies or claims) is or is reasonably likely to be in excess of $25 million, the provisions of Sections 11.4(d) and (e), 11.5, 11.6, 11.7 and 11.10 hereof shall not apply and on or before (but, except as expressly set forth in Section 11.8(b), not after) the tenth business day after the date of such decision, any party to the arbitration may elect, in lieu of arbitration, to commence an Action with respect to such dispute, controversy or claim (or such series of related disputes, controversies or claims) in any court of competent jurisdiction. If the arbitrator does not so determine, the provisions of this Article (including with respect to time periods) shall apply as if no determinations were sought or made pursuant to this Section 11.8(a).

(b) In the event that an arbitration award in excess of $25 million is issued in any arbitration proceeding commenced hereunder, any party may, within 60 days after the date of such award, submit the dispute, controversy or claim (or series of related disputes, controversies or claims) giving rise thereto to a court of competent jurisdiction, regardless of whether such party or any other party sought to commence an Action in lieu of proceeding with arbitration in accordance with Section 11.8(a). In such event, the applicable court may elect to rely on the record developed in the arbitration or, if it determines that it would be advisable in connection with the matter, allow the parties to seek additional discovery or to present additional evidence. Each party shall be entitled to present arguments to the court with respect to whether any such additional discovery or evidence shall be permitted and with respect to all other matters relating to the applicable dispute, controversy or claim (or series of related disputes, controversies or claims).

(c) No party shall raise as a defense the statute of limitations if the applicable Arbitration Demand Notice was delivered on or prior to the Applicable Deadline and, if applicable, if the matter is submitted to a court of competent jurisdiction within the 10-day period or 60-day period specified in Section 11.8(a) or Section 11.8(b), respectively.

11.9 CONTINUITY OF SERVICE AND PERFORMANCE. Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article XI with respect to all matters not subject to such dispute, controversy or claim.

11.10 LAW GOVERNING ARBITRATION PROCEDURES. The interpretation of the provisions of this Article XI, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 14.2.

ARTICLE XII
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

12.1 FURTHER ASSURANCES.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its reasonable best efforts, prior to, on and after the Offerings Closing Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Offerings Closing Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Company Assets and the assignment and assumption of the Company Liabilities, the transfers of the Excluded Assets and the assignment and assumption of the Excluded Liabilities, and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title, free and clear of any Security Interest, to Company Assets or Excluded Assets, or as the case may be, if and to the extent it is practicable to do so.

(c) On or prior to the Offerings Closing Date, Parent and the Company in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions which are reasonably necessary or desirable to be taken by Parent or the Company, or any other Subsidiary of Parent, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Parent and the Company and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of the Company or any member of the Company Group, on the one hand, or of Parent, or any member of the Parent Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of any other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any third Person arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

(e) Prior to the Offerings Closing Date, if one or more of the parties identifies any commercial or other service that is needed to assure a smooth and orderly transition of the businesses in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which one or more of the other parties will provide such service.

ARTICLE XIII
TERMINATION

This Agreement may be terminated at any time prior to the Distribution Date as provided in Section 4.6, or by Parent at any time prior to the Offerings Closing Date. If this Agreement is terminated prior to the Offerings Closing Date, no party hereto (or any of its respective directors or officers) will have any liability or further obligation to any other party. In the event of any termination of this Agreement on or after the Offerings Closing Date in accordance with Section 4.6, only the provisions of this Agreement that obligate the parties to pursue the Distribution, or take, or refrain from taking, actions which would or might prevent the Distribution from qualifying for tax-free treatment under Section 355 of the Code, will terminate and the other provisions hereof and of each Ancillary Agreement will remain in full force and effect, including, without limitation Section 14.9.

ARTICLE XIV
MISCELLANEOUS

14.1 COUNTERPARTS; ENTIRE AGREEMENT; CORPORATE POWER.

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(b) This Agreement, and the Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

(c) Parent represents on behalf of itself and each other member of the Parent Group, the Company represents on behalf of itself and each other member of the Company Group:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each party hereto acknowledges that it and each other party hereto is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each party hereto expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such party to the same extent as if it were signed manually and agrees that at the reasonable request of any other party hereto at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

14.2 GOVERNING LAW. Except as set forth in Section 11.10, this Agreement and, unless expressly provided therein, each Ancillary Agreement, shall be governed by and construed and interpreted in accordance with the laws of the State of Florida.

14.3 ASSIGNABILITY. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto, respectively, and their respective successors and assigns; PROVIDED, HOWEVER, that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other parties hereto or thereto.

14.4 THIRD PARTY BENEFICIARIES. Except for the indemnification rights under this Agreement of any Parent Indemnitee or Company Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the parties and are not intended to confer upon any Person except the parties any rights or remedies hereunder, and (b) there are no third party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

14.5 NOTICES. All notices or other communications under this Agreement or any Ancillary Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person or (b) deposited in the United States mail or private express mail, postage prepaid, addressed to the principal executive office of the other party to the attention of such party's chief executive officer with a copy to such party's general counsel. Any party may, by notice to the other party, change the address to which such notices are to be given.

14.6 SEVERABILITY. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

14.7 FORCE MAJEURE. No party shall be deemed in default of this Agreement or any Ancillary Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement or any Ancillary Agreement results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any failure in electrical or air conditioning equipment. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay.

14.8 PUBLICITY. Prior to the Distribution, each of the Company and Parent shall consult with each other prior to issuing any press releases or otherwise making public statements with respect to the IPO, the Distribution or any of the other transactions contemplated hereby and prior to making any filings with any Governmental Authority with respect thereto.

14.9 EXPENSES. Except as expressly set forth in this Agreement (including Section 3.1(g) and Section 5.4 hereof) or in any Ancillary Agreement, whether or not the IPO or the Distribution is consummated, all third party fees, costs and expenses paid or incurred in connection with the Distribution will be paid by Parent. Parent and the Company shall share all of the fees, costs and expenses in connection with the Letter Ruling as if such amounts were Shared Contingent Liabilities subject to Section 7.2 hereof.

14.10 HEADINGS. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

14.11 SURVIVAL. Except as expressly set forth in any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and liability for the breach of any obligations contained herein, shall survive each of the Separation, the IPO and the Distribution.

14.12 WAIVERS OF DEFAULT. Waiver by any party of any default by the other party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of the other party.

14.13 SPECIFIC PERFORMANCE. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

14.14 AMENDMENTS.

(a) No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

(b) Without limiting the foregoing, the parties anticipate that, prior to the Offerings Closing Date, some or all of the Schedules to this Agreement may be amended or supplemented and, in such event, such amended or supplemented Schedules shall be attached hereto in lieu of the original Schedules.

14.15 INTERPRETATION. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement). Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified. The word "including" and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean "including, without limitation," unless the context otherwise requires or unless otherwise specified. The word "or" shall not be exclusive.

IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

REPUBLIC INDUSTRIES, INC.

By: ----------
Name: ----------
Title: ----------

REPUBLIC SERVICES, INC.

By: ----------
Name: ----------
Title: ----------

LIST OF SCHEDULES

Schedule 2.1	Certain Corporate Reorganization Transactions
Schedule 2.3(a)(i)	Certain Company Assets
Schedule 2.3(a)(iv)	Subsidiaries of the Company
Schedule 2.3(b)	Certain Excluded Assets
Schedule 2.4(a)(i)	Certain Company Liabilities
Schedule 2.4(b)	Certain Excluded Liabilities
Schedule 2.5(b)(ii)	Non-Terminated Agreements
Schedule 2.9(a)	Governmental Approvals and Consents
Schedule 7.2	Shared Contingent Liabilities

EXHIBIT 10.2

FORM OF
EMPLOYEE BENEFITS AGREEMENT

This EMPLOYEE BENEFITS AGREEMENT (the "Agreement"), dated as of June ___, 1998, between Republic Industries, Inc., a Delaware corporation ("Parent"), and Republic Services, Inc., a Delaware corporation and, as of the date hereof, a wholly owned subsidiary of Parent ("Company").

WHEREAS, Parent and Company have entered into a Separation and Distribution Agreement (the "Distribution Agreement") which contemplates (i) the separation of Company, which comprises Parent's solid waste services businesses and operations (the "Company Business"), from Parent's other businesses and operations (the "Separation"), (ii) the consummation of an initial public offering (the "IPO") of the Company's Class A common stock, and (iii) following the IPO, the distribution by Parent of all shares of common stock of Company owned by Parent to Parent's stockholders at the time of such distribution (the "Distribution"); and

WHEREAS, the Distribution Agreement contemplates the execution and delivery of this Agreement, the purpose of which is to set forth certain matters regarding the treatment of employee benefits as a result of, and in connection with, the Separation.

NOW, THEREFORE, in consideration of the mutual agreement, provisions and covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, terms shall have the meaning set forth in the Distribution Agreement, unless otherwise expressly provided herein. In addition, the following terms shall have the following meanings:

"Company Employee" means (a) any individual who, on or immediately prior to the Distribution Date, is employed by Parent or any Parent Subsidiary or is on a leave of absence approved by Parent or any Parent Subsidiary and who, immediately after the Distribution Date, is employed by Company or any Company Subsidiary or who is continuing on a leave of absence approved by Company or any Company Subsidiary, and (b) any individual whose employment is transferred from Parent or any Parent Subsidiary to Company or any Company Subsidiary within three hundred and sixty five days after the Distribution Date.

"Company Subsidiary" means any corporation, partnership or other entity directly or indirectly controlled by Company.

"Distribution Date" means the date upon which the Distribution is consummated in accordance with the Distribution Agreement.

"Former Company Employee" means any individual who was an employee of the Company or was engaged in Company Business with Parent but terminated such employment prior to the Distribution Date.

"Parent Subsidiary" means any corporation, partnership or other entity directly or indirectly controlled by Parent, other than Company and Company Subsidiaries.

"Transfer Date" means, (i) with respect to any Company Employee described in clause (a) of the definition of Company Employee, the Distribution Date, and (ii) with respect to any Company Employee described in clause (b) of the definition of Company Employee, the effective date on which such Company Employee's employment is transferred from Parent or any Parent Subsidiary to Company or any Company Subsidiary.

ARTICLE II

CERTAIN BENEFIT PLAN MATTERS

2.1 CERTAIN COMPANY PLANS; ASSUMPTIONS OF OBLIGATIONS BY COMPANY.

(a) Except as otherwise provided herein, Company hereby agrees to establish as of the Distribution Date employee benefit plans (the "Company Plans") having substantially the same terms and provisions as the employee benefit plans of Parent listed on SCHEDULE 2.1 hereto (the "Parent Plans"). Except as otherwise provided herein, the Company agrees to assume and to pay, perform, fulfill and discharge, in accordance with their respective terms, all liabilities relating to each Company Employee and certain Former Company Employees arising under such Parent Plans. The Company acknowledges and agrees that Parent is making no representations or warranties hereunder or otherwise that the costs to Company of providing benefits under the Company Plans (including without limitation costs of premiums and other charges to third party service providers) will be the same as the corresponding costs heretofore incurred by Parent. Nothing in this Agreement shall be construed to prevent the Company from altering or discontinuing any Company Plans established by it pursuant to this Section 2.

(b) Until the Distribution Date, such Company Employees and certain Former Company Employees are referenced in Section 2.1(a) above will continue to participate in the Parent Plans, and the Company shall bear the allocable share of the costs of benefits thereunder.

2.2 CERTAIN PAYMENTS BY PARENT. Parent hereby agrees to pay all insurance premiums or similar plan payments attributable to each participant who will become a Company Employee for the period ending on such participant's Transfer Date (or the end of the month thereafter if insurance premiums or third party administration deposits are paid on a monthly basis) under each Parent Plan listed on Schedule 2.2 hereto.

2.3 CERTAIN MEDICAL CLAIMS. Parent hereby agrees to retain all medical costs, including insurance premiums or the payment and reimbursement of claims, of each Company Employee and his or her covered dependents for claims which relate to conditions incurred on or prior to the Company Employee's Transfer Date with respect to expenses for medical services rendered to such persons during the period ending on such Transfer Date.

2.4 EMPLOYEES ON CERTAIN LEAVE. If any individual who becomes a Company Employee is on a leave of absence approved by Parent or any Parent Subsidiary on his or her Transfer Date, and continues on a leave approved by Company or any Company Subsidiary after the Transfer Date, then such leave shall continue under Company's leave policies; provided that the maximum aggregate amount and duration of such benefits as well as the duration of the leave shall not exceed such limits under the applicable Parent policy.

2.5 SAVINGS PLAN(S). The Company shall participate as a separate employer in the 401(k) plan currently maintained by the Parent. All liabilities associated with plans acquired via previous and current acquisition activity by either Parent and/or the Company related to the Company Business will become the liability of the Company as of the Distribution Date. Each Company Employee who is participating in one of the Parent Savings Plans immediately prior to his or her Transfer Date shall continue to participate in such Parent Savings Plan as of such Transfer Date. Each Company Employee who makes salary reduction contributions to a Parent Savings Plan during the calendar quarter in which his or her Transfer Date occurs, with respect to compensation paid on or before such Transfer Date, and who continues to be employed by Company or a Company Subsidiary at the end of such calendar year, will have matching contributions made to the Parent Savings Plans, by Parent and Company pro rata, with respect to those contributions, as of the end of such calendar quarter.

2.7 INCENTIVE PLAN. Company shall assume certain employee stock incentive obligations, pursuant to its 1998 Stock Inventive Plan (the "Stock Incentive Plan") to be adopted prior to the Offerings Closing Date, a copy of which is attached hereto as SCHEDULE 2.7.

(a) Following the Distribution, the Company intends to issue substitute options under the Stock Incentive Plan (collectively "Substitute Options") in substitution for grants of options to purchase Parent Common Stock granted under Parent's stock option plans as of the Distribution Date (collectively, "Parent Stock Options") which are held by Company Employees on the Distribution Date. With certain exceptions, Parent Stock Options held by individuals employed by Parent as of the Distribution Date and Parent Stock Options held by individuals who will not continue their employment after the Distribution Date with any of Parent, the Company or any of

their subsidiaries, including individuals who have retired prior to such date, will remain outstanding as Parent Stock Options, with an appropriate antidilution adjustment to reflect the Distribution.

(b) The Substitute Options will provide for the purchase of a number of shares of the Class A Common Stock of the Company (the "Class A Common Stock") equal to the number of shares of Parent Common Stock subject to such Parent Stock Options as of the Distribution Date, multiplied by the Ratio (as defined below), rounded down to the nearest whole share. The per share exercise price of the Substitute Options will equal the per share exercise price of such Parent Stock Options as of the Distribution Date divided by the Ratio. Solely for its convenience, the Company will pay the holders of the Substitute Options cash in lieu of any fractional share. The other terms and conditions of such Substitute Options will be substantially the same as those of the surrendered Parent Stock Options subject to the provisions of the Stock Incentive Plan. The "Ratio" means the amount obtained by dividing (i) the average of the daily high and low per share prices of the common stock of Parent as listed on the New York Stock Exchange (the "NYSE") during each of the 30 trading days immediately preceding the ex-dividend date for the Distribution by (ii) the average of the daily high and low per share prices of the Class A Common Stock as listed on the NYSE during each of the 30 trading days immediately preceding the ex-dividend date for the Distribution.

(c) Parent agrees to indemnify, defend and hold harmless the Company Indemnitees from and against any Liabilities relating to, arising out of or resulting from options granted under any of the Parent's stock option plans.

ARTICLE III

MISCELLANEOUS

3.1 RELATIONSHIP OF PARTIES. Nothing in this Agreement shall be deemed or construed by the parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the parties, it being understood and agreed that no provisions contained herein, and no act of the parties, shall be deemed to create any relationship between the parties other than the relationship set forth herein.

3.2 NO THIRD PARTY BENEFICIARIES. This Agreement is solely for the parties hereto and their respective subsidiaries and affiliates and shall not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

3.3 GOVERNING LAW. To the extent not preempted by applicable federal law, this Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of Florida, irrespective of the choice or conflict of law rules or provisions of the State of Florida, as to all matters, including matters of validity, construction, effect, performance and remedies.

3.4 INCORPORATION OF DISTRIBUTION AGREEMENT PROVISIONS. The following provisions of the Distribution Agreement are hereby incorporated herein by reference and, unless otherwise expressly specified herein, such provisions shall apply as if set forth herein: Article VI (relating to Indemnification), Article X (relating to exchange of information, confidentiality) and Section 14.5 (relating to notices).

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date and year first above written.

REPUBLIC INDUSTRIES, INC.

By: ----------

Name: ----------

Title: ----------

REPUBLIC SERVICES, INC.

By: ----------

Name: ----------

Title: ----------

EXHIBIT 10.3

FORM OF
SERVICES AGREEMENT

This SERVICES AGREEMENT (the "Agreement") is made as of June __, 1998 by and between Republic Industries, Inc., a Delaware corporation ("Parent") and Republic Services, Inc., a Delaware corporation ("Company").

WHEREAS, the Board of Directors of Parent has determined that it is in the best interests of Parent and its stockholders to separate the Company, which comprises the Parent's solid waste services businesses and operations, from Parent (the "Separation");

WHEREAS, in order to effectuate the Separation, Parent and Company have entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation and Distribution Agreement"), which provides, among other things, subject to the terms and conditions thereof, for the Separation, the initial public offering of the common stock of the Company and the distribution of all shares of common stock of the Company held by Parent to the stockholders of Parent; and

WHEREAS, in order to ensure an orderly transition under the Separation and Distribution Agreement it will be necessary for Parent to provide to Company certain services described herein at various levels throughout the term of this Agreement.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants contained herein, it is agreed by and between the parties as follows:

ARTICLE I

FEES AND TERM

1.1 PRICE/PAYMENT. As consideration for the services to be provided to Company by Parent under the terms of this Agreement, Company shall initially pay to Parent a fee (the "Services Fee") of One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00) per month. The Services Fee shall be payable by Company to Parent in arrears 15 days after the close of each month (prorated for any partial month) during the term of this Agreement. Any services provided by Parent to Company beyond the services covered by the Services Fee shall be billed to Company on a cost basis, or on such other basis as the parties may agree from time to time. The Services Fee shall be reviewed and reduced from time to time in accordance with Section 2.3.

1.2 TERM. The term of this Agreement (the "Term") shall commence on the date hereof and shall expire one year after the closing of the initial public offering of the Company.

ARTICLE II

SERVICES

2.1 SERVICES. Parent agrees to provide the following services (subject to such modification or adjustment as may be mutually agreed upon by the parties) to Company during the Term:

(a) CORPORATE COMMUNICATIONS DEPARTMENT: The corporate communications department of Parent shall develop and implement strategic internal and external communication programs for Company, including investor assistance and communications;

(b) CORPORATE DEVELOPMENT DEPARTMENT. The corporate development department of Parent shall assist Company to develop, negotiate and close on acquisition and disposition opportunities.

(c) CORPORATE FINANCE DEPARTMENT: The corporate finance department of Parent shall provide corporate accounting, financial planning and financial reporting systems, processing of Company accounts payable, processing of Company payroll, cash management and treasury functions, and internal audit supervision.

(d) HUMAN RESOURCES DEPARTMENT: The human resources department of Parent shall provide and administer for certain employees, as agreed upon by the parties, all benefit plans and a 401(k) plan consistent with the current plans maintained by Parent, provide salary administration, maintain affirmative action/EEOC programs and compliance, assist in the recruiting and selection of employees, and administer employee relations programs.

(e) LEGAL DEPARTMENT: The legal department of Parent shall provide all legal services requested by Company, including but not limited to: advice and counsel on legal matters, governmental affairs, employee termination issues, Fair Labor Standards Act matters and Service Contract Act matters; preparation, review and negotiation of acquisition agreements and other material contracts; direction and coordination of labor relations and worker's compensation cases and claims; performing corporate secretary functions; preparation and filing of all information, reports and registration statements with the Securities and Exchange Commission and any exchange on which the Company's common stock may be listed; and assisting in any applicable licensing and intellectual property matters.

(f) PURCHASING DEPARTMENT: The purchasing department of Parent shall provide central purchasing programs for Parent and Company and shall provide Company assistance in negotiating contracts with vendors.

(g) RISK MANAGEMENT DEPARTMENT: The risk management department of Parent shall direct and coordinate all risk management activities of the Company, including insurance and surety and general risk management services such as insurance procurement and claims administration.

(h) TAX DEPARTMENT: The tax department of Parent shall provide tax compliance, reporting and planning services for federal, state and local tax matters.

2.2 DETAILS OF PERFORMANCE. Reasonable details of Parent's performance of services hereunder may be specified in one or more memoranda signed by the parties and such memoranda shall be deemed incorporated in this Agreement by reference as if recited herein in their entirety.

2.3 PHASE OUT OF SERVICES; REDUCTION OF SERVICES FEE. The parties hereby acknowledge that Company will promptly take all steps to internalize the services to be provided herein by acquiring its own staff or outsourcing to third parties. The parties agree to periodically review the level of services being utilized by the Company, and from time to time shall reduce the Service Fee proportionately to account for reductions in the level of services being provided hereunder.

ARTICLE III

MISCELLANEOUS

3.1 CONFIDENTIALITY. Parent shall not use or disclose to any other person at any time, any confidential or proprietary information or trade secrets of Company, including, without limitation, its customer lists, programs, pricing and strategies except to those of its employees and those other persons who need to know such information to fulfill Parent's obligations hereunder. Parent shall provide to Company semi-annually upon Company's written request, a list of all employees of Parent whose duties have required access to such information, and any other employees who to the actual knowledge of Parent's officers have had access to such information during the preceding six (6) month period, in each case, designating whether such employees are in the employ of Parent as of the date such list is provided. Parent agrees that all drawings, specifications, data, memoranda, calculations, notes and other materials, including, without limitation, any materials containing confidential or proprietary information or trade secrets of Company, furnished by Company to Parent in connection with this Agreement and any copies thereof are and shall remain the sole and exclusive property of Company and shall be delivered to Company upon its request.

3.2 NO AGENCY. Parent shall perform its services under this Agreement as an independent contractor. Each party acknowledges and agrees that it is not granted any express or implied authority to assume or create any obligation or responsibility on behalf of the other party, or to bind the other party with regard to third parties in any manner.

3.3 NOTICES. Any notices required or permitted to be provided pursuant to this Agreement shall be provided in writing and be deemed received upon delivery by hand or five days after mailing

by certified mail, return receipt requested, addressed to the recipient party at its address set forth above.

3.4 FORCE MAJEURE. In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of governmental authority, epidemic, destruction of production facilities, insurrection, inability to procure materials, labor, equipment, transportation or energy sufficient to meet manufacturing needs, or any other cause beyond the reasonable control of the party invoking this provision, and if such party shall have used its best efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's performance for the period of delay or inability to perform due to such occurrence shall be suspended. Should Parent fail to perform hereunder and shall have provided proper notice to Company that it is unable to perform on account of one or more reasons set forth in this section, Company may obtain replacement services from a third party for the duration of such delay or inability to perform, or for such longer period as Company shall be reasonably required to commit to in order to obtain such replacement services and the Services Fee shall be reduced accordingly.

ARTICLE IV

GENERAL PROVISIONS

4.1 ENTIRE AGREEMENT. Except as contemplated in Section 2.2, this Agreement embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relative to said subject matter.

4.2 BINDING EFFECT. This Agreement shall be binding upon, and shall inure to the benefit of, Parent, Company and their respective successors and assigns.

4.3 ASSIGNMENT. Neither this Agreement nor any rights or obligations hereunder shall be assignable by either party without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

4.4 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the law of the State of Florida applicable to contracts to be performed entirely in that State.

4.5 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

4.6 HEADINGS. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.

REPUBLIC INDUSTRIES, INC.

By: _____

Name: _____

Title: _____

REPUBLIC SERVICES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT 10.4

FORM OF
TAX INDEMNIFICATION AND ALLOCATION AGREEMENT

THIS TAX INDEMNIFICATION AND ALLOCATION AGREEMENT ("Agreement") is entered into as of _____, 1998 by and between REPUBLIC INDUSTRIES, INC., a Delaware corporation ("Distributing Co.") and REPUBLIC SERVICES, INC., a Delaware corporation ("Controlled Co.") (Distributing Co. and Controlled Co. are sometimes collectively referred to herein as the "Companies"). Capitalized terms used in this Agreement are defined in Section 1 below. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

PRELIMINARY STATEMENTS

A. As of the date hereof, Distributing Co. is the common parent of an affiliated group of corporations, including Controlled Co., which has elected to file consolidated Federal income tax returns.

B. Incident to an initial public offering ("IPO") of Class A Common Stock of Controlled Co. in connection with the separation and distribution of Controlled Co. from Distributing Co. pursuant to one overall integrated plan, the Companies have entered into a Separation and Distribution Agreement (the "Distribution Agreement").

C. As a result of the IPO, Controlled Co. and its subsidiaries (as constituted immediately after the consummation of the IPO) will cease to be members of the affiliated group of which Distributing Co. is the common parent (the "Offerings Closing Date").

D. The Distribution Agreement also sets forth certain transactions whereby certain assets held by the Distributing Group will be transferred in connection with the IPO and separation to Republic Resources and, prior to the Offerings Closing Date, all of the capital stock of Republic Resources held by Controlled Co. will be distributed to Distributing Co. in a transaction intended to qualify as a tax-free distribution by Controlled Co. to Distributing Co. under Section 355 of the Internal Revenue Code of 1986, as amended.

E. The Distribution Agreement also sets forth corporate transactions pursuant to which Distributing Co. may sell capital stock of Controlled Co. and will distribute, subject to the satisfaction of certain terms and conditions, all of the capital stock of Controlled Co. held by Distributing Co. to Distributing Co.'s shareholders in a transaction intended to qualify as a tax-free distribution to Distributing Co. and its shareholders under Section 355 of the Internal Revenue Code of 1986, as amended.

F. The Companies desire to provide for and agree upon the allocation between the parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the transactions contemplated by the Distribution Agreement, and to provide for and agree upon other matters relating to Taxes.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. DEFINITION OF TERMS. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"Accounting Cutoff Date" means, with respect to Controlled Co., any date as of the end of which there is a closing of the financial accounting records for such entity.

"Accounting Firm" shall have the meaning provided in Section 15.

"Adjustment Request" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (a) any amended Tax return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, or (b) any claim for refund or credit of Taxes previously paid.

"Affiliate" means any entity that directly or indirectly is "controlled" by the person or entity in question. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise. Except as otherwise provided herein, the term Affiliate shall refer to Affiliates of a person as determined immediately after the Distribution. The term "Affiliate" includes a Subsidiary of an entity.

"Agreement" shall mean this Tax Indemnification and Allocation Agreement.

"Allocated Federal Tax Liability" shall have the meaning provided in Section 5.1(b)(i).

"Carryback" means any net operating loss, net capital loss, excess tax credit, or other similar Tax item which may or must be carried from one Tax Period to an earlier Tax Period under the Code or other applicable Tax Law.

"Code" means the U.S. Internal Revenue Code of 1986, as amended, or any successor law.

"Companies" means Distributing Co. and Controlled Co., collectively, and "Company" means any one of Distributing Co. and Controlled Co.

"Consolidated or Combined Income Tax" means any Income Tax computed by reference to the assets or activities of members of more than one Group.

"Consolidated or Combined State Income Tax" means any State Income Tax computed by reference to the assets or activities of members of more than one Group.

"Consolidated Tax Liability" means, with respect to any Distributing Co. Federal Consolidated Return, the tax liability of the group as that term is used in Treasury Regulation Section 1.1552-1(a)(1) (including applicable interest, additions to the tax, additional amounts, and penalties as provided in the Code), adjusted as follows:

(i) such tax liability be treated as including any alternative minimum tax liability under Code Section 55; and

(ii) in the case of the Tax Period which includes the Offerings Closing Date, the Consolidated Tax Liability shall be computed as if the Offerings Closing Date were the last day of the Tax Period.

"Controlled Adjustment" means any proposed adjustment by a Tax Authority or claim for refund asserted in a Tax Contest to the extent Controlled Co. would be exclusively liable for any resulting Tax under this Agreement and exclusively entitled to receive any resulting Tax Benefit under this Agreement.

"Controlled Group" means Controlled Co. and its Subsidiaries and wholly- owned limited liability companies as determined immediately after the Offerings Closing Date.

"Controlled Group Disqualifying Event" means any event involving the direct or indirect acquisition of shares of the capital stock of any member of the Controlled Group after the Distribution which has the effect of disqualifying the Distribution or any part thereof from tax-free treatment under Code section 355, whether or not such event is the result of direct actions of, or within the control of, the Controlled Co. or its Subsidiaries, or which otherwise is inconsistent with representations relating to Controlled Co. and the ownership of its capital stock, as set forth in the Ruling Request.

"Controlled Group Prior Federal Tax Liability" shall have the meaning provided in Section 2.2(b)(ii).

"Controlled Group Prior State Tax Liability" shall have the meaning provided in Section 2.3(b)(ii)(B).

"Controlled Group Recomputed Federal Tax Liability" shall have the meaning provided in Section 2.2(b)(i).

"Controlled Group Recomputed State Tax Liability" shall have the meaning provided in Section 2.3(b)(ii)(A).

"Cumulative Federal Tax Payment" shall have the meaning provided in Section 5.1(b)(ii).

"Distributing Adjustment" means any proposed adjustment by a Tax Authority or claim for refund asserted in a Tax Contest to the extent Distributing Co. would be exclusively liable for any resulting Tax under this Agreement and exclusively entitled to receive any resulting Tax Benefit under this Agreement.

"Distributing Co. Federal Consolidated Return" means any United States Federal Tax Return for the affiliated group (as that term is defined in Code Section 1504) that includes Distributing Co. as the common parent and any member of the Controlled Group.

"Distributing Group" means Distributing Co. and its Subsidiaries and wholly- owned limited liability companies, excluding any entity that is a member of the Controlled Group.

"Distribution" means the distribution to Distributing Co. shareholders on the Distribution Date of all of the outstanding capital stock of Controlled Co. owned by Distributing Co.

"Distribution Agreement" means the Separation and Distribution Agreement dated as of the date of this Agreement between the Distributing Co. and the Controlled Co.

"Distribution Date" means the Distribution Date as that term is defined in the Distribution Agreement.

"Distribution Tax" means the Taxes described in Section 2.5(a)(ii).

"Federal Allocation Method" shall have the meaning provided in Section 2.2(a).

"Federal Income Tax" means any Tax imposed by Subtitle A or F of the Code.

"Federal Tax Adjustment" shall have the meaning provided in Section 2.2(b).

"Foreign Income Tax" means any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession, which is an income tax as defined in Treasury Regulation Section 1.901-2.

"Group" means the Distributing Co. Group or the Controlled Co. Group, as the context requires.

"Income Tax" means any Federal Income Tax, State Income Tax, or Foreign Income Tax.

"Internal Restructuring" means the distribution of all of the shares of capital stock of Republic Resources held by Controlled Co. and/or its Subsidiaries to Distributing Co., all distributions, transfers and exchanges of said capital stock within the Controlled Group in connection with and prior to the distribution of said capital stock by Controlled Co. to Distributing Co., and all transfers and exchanges of assets by members of the Distributing Group or members of the Controlled Group to Republic Resources or entities owned by Republic Resources in connection with the distribution, transfer and exchange of shares of capital stock of Republic Resources within the Controlled Group and the distribution of such stock to the Distributing Co.

"Joint Adjustment" means any proposed adjustment resulting from a Tax Contest that is not a (i) Controlled Adjustment, (ii) a Distributing Adjustment, or (iii) any other type of adjustment that give rise to an indemnification payment by one Company to the other Company pursuant to this Agreement.

"Payment Date" means (i) with respect to any Distributing Co. Federal Consolidated Return, the due date for any required installment of estimated taxes determined under Code Section 6655, the due date (determined without regard to extensions) for filing the return determined under Code Section 6072, and the date the return is filed, and (ii) with respect to any Tax Return for any Consolidated or Combined State Income Tax, the corresponding dates determined under the applicable Tax Law.

"Post-IPO Period" means any Tax Period beginning after the Offerings Closing Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Offerings Closing Date.

"Pre-IPO Period" means any Tax Period ending on or before the Offerings Closing Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on the Offerings Closing Date.

"Prime Rate" means the base rate on corporate loans charged by Citibank, N.A., New York, New York from time to time, compounded daily on the basis of a year of 365 or 366 (as applicable) days and actual days elapsed.

"Prohibited Action" shall have the meaning provided in Section 11.

"Republic Resources" means Republic Resources Company, Inc., a Delaware corporation.

"Responsible Company" means, with respect to any Tax Return, the Company having responsibility for preparing and filing such Tax Return under this Agreement.

"Ruling Request" means the letter to be filed by Distributing Co. with the Internal Revenue Service requesting a ruling from the Internal Revenue Service regarding certain tax consequences of the Distribution and Transactions (including all attachments, exhibits, and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request letter.

"Separate Company Tax" means any Tax computed by reference to the assets and activities of a member or members of a single Group.

"Straddle Period" means any Tax Period that begins on or before and ends after the Offerings Closing Date.

"State Income Tax" means any Tax imposed by any State of the United States or by any political subdivision of any such State which is imposed on or measured by net income, including state and local franchise or similar Taxes measured by net income.

"Subsidiary" shall have the meaning set forth in Treasury Regulations section 1.1502-1(c).

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation,

unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any governmental entity or political subdivision thereof, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

"Tax Benefit" means any refund, credit, or other reduction in otherwise required Tax payments (including any reduction in estimated tax payments).

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes of any of the Companies or their Affiliates (including any administrative or judicial review of any claim for refund) for any Tax Period ending on or before the Offerings Closing Date or any Straddle Period.

"Tax Contest Committee" shall have the meaning provided in Section 9.2(b).

"Tax Item" means, with respect to any Income Tax, any item of income, gain, loss, deduction, and credit.

"Tax Law" means the law of any governmental entity or political subdivision thereof relating to any Tax.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"Tax Records" means Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

"Tax Return" means any report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document required to be filed under the Code or other Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Transactions" means the transactions relating to the Internal Restructuring.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

Section 2. ALLOCATION OF TAX LIABILITIES. The provisions of this Section 2 are intended to determine each Company's liability for Taxes with respect to Pre-IPO Periods. The provisions of Section 2.5(a)(ii) and (b) are intended to determine each Company's liability for Distribution Taxes, if any, even though such Taxes arise in a Post-IPO Period. Once the liability has been determined under this Section 2, Section 5 determines the time when payment of the liability is to be made, and whether the payment is to be made to the Tax Authority directly or to the other Company.

2.1 GENERAL RULE

(a) DISTRIBUTING CO. LIABILITY. Distributing Co. shall be liable for Taxes not specifically allocated to the Controlled Co. under this Section 2. Distributing Co. shall indemnify and hold harmless the Controlled Group from and against any liability for Taxes for which Distributing Co. is liable under this Section 2.1(a).

(b) CONTROLLED CO. LIABILITY. Controlled Co. shall be liable for, and shall indemnify and hold harmless the Distributing Group from and against any liability for, Taxes which

are allocated to Controlled Co. under this Agreement.

2.2 ALLOCATION OF UNITED STATES FEDERAL INCOME TAX. Except as provided in Section 2.5:

(a) ALLOCATION OF TAX RELATING TO FEDERAL CONSOLIDATED RETURNS. With respect to any Distributing Co. Federal Consolidated Tax Return filed after the Offerings Closing Date, the Consolidated Tax Liability shall be allocated between the Groups in accordance with the method prescribed in Treasury Regulation Section 1.1552-1(a)(1) (as in effect on the date hereof) determined by aggregating the amounts allocable to the members of each respective Group into a single amount for each Group (the "Federal Allocation Method"). For purposes of such allocation, the excess, if any, of (i) Consolidated Tax Liability over (ii) Consolidated Tax Liability determined without regard to any alternative minimum tax liability under Code Section 55, shall be allocated among the Groups in accordance with their respective amounts of alternative minimum taxable income, and any corresponding alternative minimum tax credit shall be allocated in accordance with the allocation of such alternative minimum tax liability. Any amount so allocated to the Controlled Group shall be a liability of Controlled Co. to Distributing Co. under this Section 2. Amounts described in Code Section 1561 (relating to limitations on certain multiple benefits) shall be divided equally among the Distributing Group and Controlled Group to the extent permitted by the Code.

(b) ALLOCATION OF FEDERAL CONSOLIDATED RETURN TAX ADJUSTMENTS. If there is any adjustment to the reported Tax liability with respect to any Distributing Co. Federal Consolidated Return, or to such Tax liability as previously adjusted, Controlled Co. shall be liable to Distributing Co. for the excess (if any) of--

(i) the share of the Consolidated Tax Liability of the Controlled Group computed in accordance with paragraph (a) based on the Tax Items of members of the Controlled Group as so adjusted (the "Controlled Group Recomputed Federal Tax Liability"); minus

(ii) the share of the Consolidated Tax Liability of the Controlled Group computed in accordance with paragraph (a) based on the Tax Items of such members as reported (or, if applicable, as previously adjusted) (the "Controlled Group Prior Federal Tax Liability").

If the Controlled Group Prior Federal Tax Liability exceeds the Controlled Group Recomputed Federal Tax Liability, Distributing Co. shall be liable to Controlled Co. for such excess. For purposes of the preceding sentence, if the Controlled Group has a net operating loss after taking into account the adjustments allocable to such group, the Controlled Group Recomputed Federal Tax Liability shall be less than zero to the extent such net operating loss produces a Tax Benefit for the applicable taxable year, and the amount that Distributing Co. shall be liable to Controlled Co. pursuant to the preceding sentence shall be equal to the sum of the Controlled Group Prior Federal Tax Liability and the amount of such Tax Benefit.

2.3 ALLOCATION OF STATE INCOME TAXES. Except as provided in Section 2.5, State Income Taxes shall be allocated as follows:

(a) SEPARATE COMPANY TAXES. In the case of any State Income Tax which is a Separate Company Tax, Controlled Co. shall be liable for such Tax imposed on any members of the Controlled Group.

(b) CONSOLIDATED OR COMBINED STATE INCOME TAXES. In the case of any Consolidated or Combined State Income Tax, the liability of Controlled Co. with respect to such Tax for any Tax Period shall be computed as follows:

(i) ALLOCATION OF TAX REPORTED ON TAX RETURNS. In the case of any Consolidated or Combined State Income Tax reported on any Tax Return to be filed after the Offerings Closing Date, Controlled Co. shall be liable to Distributing Co. for the State Income Tax liability computed as if all members of the Controlled Group included in the computation of such Tax had filed a consolidated or combined Tax Return for such Controlled Group members based on the income, apportionment factors, and other items of such members.

(ii) ALLOCATION OF COMBINED OR CONSOLIDATED STATE INCOME TAX ADJUSTMENTS. If there is any adjustment to the amount of Consolidated or Combined State Income Tax reported on any Tax Return (or as previously adjusted), the liability of the Controlled Group shall be recomputed as provided in this subparagraph. Controlled Co. shall be liable to Distributing Co. for the excess (if any) of-

(A) the State Income Tax liability computed in accordance with paragraph (b)(i) based on the income, apportionment factors, and other items of such members as so adjusted (the "Controlled Group Recomputed State Tax Liability"); minus

(B) the State Income Tax liability computed in accordance with paragraph (b)(i) based on the income, apportionment factors, and other items of such members as reported (or, if applicable, as previously adjusted) (the "Controlled Group Prior State Tax Liability").

If the Controlled Group Prior State Tax Liability exceeds the Controlled Co. Group Recomputed State Tax Liability, Distributing Co. shall be liable to Controlled Co. for such excess. For purposes of the preceding sentence, if the Controlled Group has a net operating loss after taking into account the adjustments allocable to such group, the Controlled Group Recomputed State Tax Liability shall be less than zero to the extent such net operating loss produces a Tax Benefit in consolidation for the applicable taxable year, and the amount that Distributing Co. shall be liable to Controlled Co. pursuant to the preceding sentence shall be equal to the sum of the Controlled Group Prior State Tax Liability and the amount of such Tax Benefit.

2.4 ALLOCATION OF OTHER TAXES. Except as provided in Section 2.5, all Taxes other than those specifically allocated pursuant to Section 2.3 shall be allocated based on the legal entity on which the legal incidence of the Tax is imposed. As between the parties to this Agreement, Controlled Co. shall be liable for all Taxes imposed on any member of the Controlled Group. The Companies believe that there is no Tax not specifically allocated pursuant to Section 2.3 which is legally imposed on more than one legal entity (e.g., joint and several liability); however, if there is any such Tax, it shall be allocated in accordance with past practices as reasonably determined by the affected Companies, or in the absence of such practices, in accordance with any allocation method agreed upon by the affected Companies.

2.5 TRANSACTION AND OTHER TAXES

(a) DISTRIBUTING CO. LIABILITY. Except as otherwise provided in this Section 2.5, Distributing Co. shall be liable for, and shall indemnify and hold harmless the Controlled Group from and against any liability for, all Taxes resulting from the Distribution and the Transactions, including:

(i) Any sales and use, gross receipts, or other similar transfer Taxes imposed on the transfers occurring pursuant to the Transactions and the Distribution;

(ii) any Federal Income Tax or State Income Tax resulting from any income or gain recognized by Distributing Co. as a result of the Distribution or the distribution to Distributing Co. of all of the shares of capital stock of Republic Resources held by Controlled Co. failing to qualify for tax-free treatment pursuant to Section 355 of the Code and related provisions;

(iii) any Tax resulting from the Internal Restructuring.

(b) INDEMNITY FOR CERTAIN ACTS. Controlled Co. shall be liable for, and shall indemnify and hold harmless the Distributing Group from and against any liability for, any Distribution Tax (described in subparagraph (ii) above) to the extent arising as a result after the Distribution Date of Controlled Co.'s engaging in any Prohibited Action, the occurrence of a Controlled Group Disqualifying Event, or a breach by Controlled Co. of its representations, warranties and covenants set forth in Section 11.

Section 3. PRORATION OF TAXES FOR STRADDLE PERIODS

3.1 GENERAL METHOD OF PRORATION. In the case of any Straddle Period, Tax Items shall be apportioned between Pre-IPO Periods and Post-IPO Periods in accordance with the principles of Treasury Regulation Section 1.1502-76(b) as reasonably interpreted and applied by the Companies.

3.2 TRANSACTION TREATED AS EXTRAORDINARY ITEM. In determining the apportionment of Tax Items between Pre-IPO Periods and Post-IPO Periods, any Tax Items relating to the Transactions shall be treated as extraordinary items described in Treasury Regulation Section 1.1502-76(b)(2)(ii)(C) and shall be allocated to Pre-IPO Periods].

Section 4. PREPARATION AND FILING OF TAX RETURNS

4.1 GENERAL. Except as otherwise provided in this Section 4, Tax Returns shall be prepared and filed when due (including extensions) by the person obligated to file such Tax Returns under the Code or applicable Tax Law. The Companies shall provide, and shall cause their Affiliates to provide, assistance and cooperate with one another in accordance with Section 7 with respect to the preparation and filing of Tax Returns, including providing information required to be provided in Section 7.

4.2 DISTRIBUTING CO.'S RESPONSIBILITY. Distributing Co. has the exclusive obligation and right to prepare and file, or to cause to be prepared and filed:

(a) Distributing Co. Federal Consolidated Returns for any Periods ending on, before or after the Offerings Closing Date.

(b) Consolidated or Combined State Income Tax Returns for Tax Periods ending on or before the Offerings Closing Date or for any Straddle Period.

(c) Tax Returns for State Income Taxes (including Tax Returns with respect to State Income Taxes that are Separate Company Taxes) for members of the Distributing Group.

4.3 CONTROLLED CO. RESPONSIBILITY. Controlled Co. shall prepare and file, or shall cause to be prepared and filed, all Tax Returns required to be filed by or with respect to the Controlled Co.

or members of the Controlled Group other than those Tax Returns which Distributing Co. is required to prepare and file under Section 4.2.

4.4 TAX ACCOUNTING PRACTICES

(a) GENERAL RULE. Except as otherwise provided in this Section 4.4, any Tax Return for any Pre-IPO Period or any Straddle Period, and any Tax Return for any Post-IPO Period to the extent items reported on such Tax Return might reasonably affect items reported on any Tax Return for any Pre-IPO Period or any Straddle Period, shall be prepared in accordance with past Tax accounting practices used with respect to the Tax Returns in question (unless such past practices are no longer permissible under the Code or other applicable Tax Law), and to the extent any items are not covered by past practices (or in the event such past practices are no longer permissible under the Code or other applicable Tax Law), in accordance with reasonable Tax accounting practices selected by the Responsible Company.

(b) REPORTING OF TRANSACTION TAX ITEMS. The tax treatment reported on any Tax Return of Tax Items relating to the Transactions shall be consistent with the treatment of such item in the IRS Ruling Letter (as such term is defined in the Distribution Agreement) (unless such treatment is not permissible under the Code). To the extent there is a Tax Item relating to the Transactions which is not covered by the IRS Ruling Letter, the Companies shall agree on the tax treatment of any such Tax Item reported on any Tax Return. For this purpose, the tax treatment of such Tax Items on a Tax Return shall be determined by the Responsible Company with respect to such Tax Return and shall be agreed to by the other Company unless either (i) there is no reasonable basis as defined under Section 6662 of the Code for such tax treatment, or (ii) such tax treatment would have a material impact on the other Company or the Ruling Request. Such Tax Return shall be submitted for review pursuant to Section 4.6(a), and any dispute regarding such proper tax treatment shall be referred for resolution pursuant to Section 15, sufficiently in advance of the filing date of such Tax Return (including extensions) to permit timely filing of the return.

4.5 CONSOLIDATED OR COMBINED RETURNS. The Companies will elect and join, and will cause their respective Affiliates to elect and join, in filing consolidated, unitary, combined, or other similar joint Tax Returns, to the extent each entity is eligible to join in such Tax Returns, if the Companies reasonably determine that the filing of such Tax Returns is consistent with past reporting practices, or in the absence of applicable past practices, will result in the minimization of the net present value of the aggregate Tax to the entities eligible to join in such Tax Returns.

4.6 RIGHT TO REVIEW TAX RETURNS

(a) GENERAL. The Responsible Company with respect to any Tax Return shall make such Tax Return and related workpapers available for review by the other Companies, if requested, to the extent (i) such Tax Return relates to Taxes for which the requesting party may be liable, (ii) such Tax Return relates to Taxes for which the requesting party may be liable in whole or in part or for any additional Taxes owing as a result of adjustments to the amount of Taxes

reported on such Tax Return, (iii) such Tax Return relates to Taxes for which the requesting party may have a claim for Tax Benefits under this Agreement, or (iv) the requesting party reasonably determines that it must inspect such Tax Return to confirm compliance with the terms of this Agreement. The Responsible Company shall use its reasonable best efforts to make such Tax Return available for review as required under this paragraph sufficiently in advance of the due date for filing such Tax Returns to provide the requesting party with a meaningful opportunity to analyze and comment on such Tax Returns and have such Tax Returns modified before filing, taking into account the person responsible for payment of the tax (if any) reported on such Tax Return and the materiality of the amount of Tax liability with respect to such Tax Return. The Companies shall attempt in good faith to resolve any issues arising out of the review of such Tax Returns. Issues that cannot be resolved by the Companies shall be resolved in the manner set forth in Section 15.

(b) EXECUTION OF RETURNS PREPARED BY OTHER PARTY. In the case of any Tax Return which is required to be prepared and filed by one Company under this Agreement and which is required by law to be signed by another Company (or by its authorized representative), the Company which is legally required to sign such Tax Return shall not be required to sign such Tax Return under this Agreement if there is no reasonable basis for the tax treatment of any material items reported on the Tax Return.

4.7 CLAIMS FOR REFUND, CARRYBACKS, AND SELF-AUDIT ADJUSTMENTS ("ADJUSTMENT REQUESTS")

(a) CONSENT REQUIRED FOR ADJUSTMENT REQUESTS RELATED TO CONSOLIDATED OR COMBINED INCOME TAXES. Except as provided in paragraph (b) below, each of the Companies hereby agrees that, unless each of the other Companies consents in writing, which consent shall not be unreasonably withheld, (i) no Adjustment Request with respect to any Consolidated or Combined Income Tax for a Pre- IPO Period shall be filed, and (ii) any available elections to waive the right to claim in any Pre-IPO Period with respect to any Consolidated or Combined Income Tax any Carryback arising in a Post-IPO Period shall be made, and no affirmative election shall be made to claim any such Carryback. Any Adjustment Request which the Companies consent to make under this Section 4.7 shall be prepared and filed by the Responsible Company under Section 4.2 for the Tax Return to be adjusted. The Company requesting the Adjustment Request shall provide to the Responsible Company all information required for the preparation and filing of such Adjustment Request in such form and detail as reasonably requested by the Responsible Company. Notwithstanding anything to the contrary in this paragraph (a), the consent of the Controlled Co. shall not be necessary for any Carryback by Distributing Co. or any member of the Distributing Group provided such Carryback constitutes a Distributing Adjustment in the year (or years) such Carryback is absorbed.

(b) EXCEPTION FOR ADJUSTMENT REQUESTS RELATED TO AUDIT ADJUSTMENTS. Controlled Co. shall be entitled, without the consent of Distributing Co., to require Distributing Co. to file an Adjustment Request to take into account any net operating loss, net capital loss, deduction, credit, or other adjustment attributable to such Controlled Co. or any member of its Group corresponding

to any adjustment resulting from any audit by the Internal Revenue Service or other Tax Authority with respect to Consolidated or Combined Income Taxes for any Pre-IPO Tax Period. For example, if the Internal Revenue Service requires Controlled Co. to capitalize an item deducted for the taxable year 1996, Controlled Co. shall be entitled, without the consent of Distributing Co., to require Distributing Co. to file an Adjustment Request for the taxable year 1997 (and later years) to take into account any depreciation or amortization deductions in such years directly related to the item capitalized in 1996.

(c) OTHER ADJUSTMENT REQUESTS PERMITTED. Nothing in this Section 4.7 shall prevent any Company or its Affiliates from filing any Adjustment Request with respect to Income Taxes which are not Consolidated or Combined Income Taxes or with respect to any Taxes other than Income Taxes. Any refund or credit obtained as a result of any such Adjustment Request (or otherwise) shall be for the account of the person liable for the Tax under this Agreement.

(d) PAYMENT OF REFUNDS. Any refunds or other Tax Benefits received by any Company (or any of its Affiliates) as a result of any Adjustment Request which are for the account of another Company (or member of such other Company's Group) shall be paid by the Company receiving (or whose Affiliate received) such refund or Tax Benefit to such other Company in accordance with Section 6.

Section 5. TAX PAYMENTS AND INTERCOMPANY BILLINGS

5.1 PAYMENT OF TAXES WITH RESPECT TO DISTRIBUTING CO. FEDERAL CONSOLIDATION RETURNS FILED AFTER THE OFFERINGS CLOSING DATE. In the case of any Distributing Co. Federal Consolidated Return the due date for which (including extensions) is after the Offerings Closing Date:

(a) COMPUTATION AND PAYMENT OF TAX DUE. At least three business days prior to any Payment Date, Distributing Co. shall compute the amount of Tax required to be paid to the Internal Revenue Service (taking into account the requirements of Section 4.4 relating to consistent accounting practices) with respect to such Tax Return on such Payment Date and shall pay such amount to the Internal Revenue Service on or before such Payment Date.

(b) COMPUTATION AND PAYMENT OF CONTROLLED CO. LIABILITY WITH RESPECT TO TAX DUE. Within 90 days following any Payment Date, Controlled Co. will pay to Distributing Co. the excess (if any) of --

(i) the Consolidated Tax Liability determined as of such Payment Date with respect to the applicable Tax Period allocable to the members of the Controlled Group as determined by the Distributing Co. in a manner consistent with the Section 2.2(a) (relating to allocation of the Consolidated Tax Liability in accordance with the Federal Allocation Method) (the "Allocated Federal Tax Liability"), over

(ii) the cumulative net payment with respect to such Tax Return prior to such Payment Date by the members of the Controlled Group (the "Cumulative Federal Tax Payment").

If the Controlled Group Cumulative Federal Tax Payment is greater than the Controlled Group Allocated Federal Tax Liability as of any Payment Date, then Distributing Co. shall pay such excess to Controlled Co. within 90 days of Distributing Co.'s receipt of the corresponding Tax Benefit (i.e., through either a reduction in Distributing Co.'s otherwise required Tax payment or a credit or refund of prior tax payments).

(c) DEEMED CUMULATIVE FEDERAL TAX PAYMENTS; AMOUNT DUE FOR PRIOR PERIODS. For purposes of Section 5.1(b)(ii) with respect to the Distributing Co. Federal Consolidated Tax Return for the taxable year ending on the dates set forth below, the Controlled Co. Group's Cumulative Federal Tax Payment through the date of this Agreement is equal to the amounts set forth below:

Taxable Year Ending December 31	Controlled Group's Cumulative Federal Tax Payment
1997	$
1998	$

Subject to adjustments as set forth in Sections 2.2(b) and 2.3(b)(ii), no amounts are currently due and owing by the Controlled Co. to the Distributing Co. with respect to any Consolidated or Combined Income Tax or Consolidated or Combined State Income Tax for periods prior to the year ended on December 31, 1997.

(d) INTEREST ON INTERGROUP TAX ALLOCATION PAYMENTS. In the case of any payments to Distributing Co. required under paragraph (b) of this subsection 5.1, Controlled Co. shall also pay to Distributing Co. an amount of interest computed at the Prime Rate on the amount of the payment required based on the number of days from the applicable Payment Date to the date of payment. In the case of any payments by Distributing Co. required under paragraph (b) of this subsection 5.1, Distributing Co. shall also pay to Controlled Co. an amount of interest computed at the Prime Rate on the amount of the payment required based on the number of days from the date of receipt of the Tax Benefit to the date of payment of such amount to Controlled Co.

5.2 PAYMENT OF FEDERAL INCOME TAX RELATED TO ADJUSTMENTS

(a) ADJUSTMENTS RESULTING IN UNDERPAYMENTS. Distributing Co. shall pay to the Internal Revenue Service when due any additional Federal Income Tax required to be paid as a result of adjustment to the Tax liability with respect to any Distributing Co. Federal Consolidated Return. The Distributing Co. shall compute the amount attributable to the Controlled Group in accordance

with Section 2.2(b) and Controlled Co. shall pay to Distributing Co. any amount due Distributing Co. under Section 2.2(b) within ninety (90) days from the later of (i) the date the additional Tax was paid by Distributing Co. or (ii) the date of receipt by Controlled Co. of a written notice and demand from Distributing Co. for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Any payments required under this Section 5.2(a) shall include interest computed at the Prime Rate based on the number of days from the date the additional Tax was paid by Distributing Co. to the date of the payment under this Section 5.2(a).

(b) ADJUSTMENTS RESULTING IN OVERPAYMENTS. Within ninety (90) days of receipt by Distributing Co. of any Tax Benefit resulting from any adjustment to the Consolidated Tax Liability with respect to any Distributing Co. Federal Consolidated Return, Distributing Co. shall pay to Controlled Co., or Controlled Co. shall pay to Distributing Co. (as the case may be), their respective amounts due from or to Distributing Co. as determined by the Responsible Company in accordance with Section 2.2(b). Any payments required under this Section 5.2(b) shall include interest computed at the Prime Rate based on the number of days from the date the Tax Benefit was received by Distributing Co. to the date of payment to Controlled Co. under this Section 5.2(b).

5.3 PAYMENT OF STATE INCOME TAX WITH RESPECT TO RETURNS FILED AFTER THE OFFERINGS CLOSING DATE

(a) COMPUTATION AND PAYMENT OF TAX DUE. At least three business days prior to any Payment Date for any Tax Return with respect to any State Income Tax, the Responsible Company shall compute the amount of Tax required to be paid to the applicable Tax Authority (taking into account the requirements of Section 4.4 relating to consistent accounting practices) with respect to such Tax Return on such Payment Date and -

(i) If such Tax Return is with respect to a Consolidated or Combined State Income Tax, the Responsible Company shall, if Distributing Co. is not the Responsible Company with respect to such Tax Return, notify Distributing Co. in writing of the amount of Tax required to be paid on such Payment Date. Distributing Co. will pay such amount to such Tax Authority on or before such Payment Date.

(ii) If such Tax Return is with respect to a Separate Company Tax, the Responsible Company shall, if it is not the Company liable for the Tax reported on such Tax Return, notify the Company liable for such Tax in writing of the amount of Tax required to be paid on such Payment Date. The Company liable for such Tax will pay such amount to such Tax Authority on or before such Payment Date.

(b) COMPUTATION AND PAYMENT OF CONTROLLED CO. LIABILITY WITH RESPECT TO TAX DUE. Within ninety (90) days following the due date (including extensions) for filing any Tax Return for any Consolidated or Combined State Income Tax (excluding any Tax Return with respect to payment of estimated Taxes or Taxes due with a request for extension of time to file), (i) Controlled

Co. shall pay to Distributing Co. the tax liability allocable to the Controlled Group as determined by the Responsible Company under the provisions of Section 2.3(b)(i), plus interest computed at the Prime Rate on the amount of the payment based on the number of days from the due date (including extensions) to the date of payment by Controlled Co. to Distributing Co., and (ii) the Responsible Company shall notify Distributing Co. (if Distributing Co. is not the Responsible Company with respect to such Tax Return).

5.4 PAYMENT OF STATE INCOME TAXES RELATED TO ADJUSTMENTS

(a) ADJUSTMENTS RESULTING IN UNDERPAYMENTS. Distributing Co. shall pay to the applicable Tax Authority when due any additional State Income Tax required to be paid as a result of any adjustment to the tax liability with respect to any Tax Return for any Consolidated or Combined State Income Tax for any Pre-IPO Period. Controlled Co. shall pay to Distributing Co. its respective share of any such additional Tax payment determined by the Responsible Company in accordance with Section 2.3(b)(ii) within ninety (90) days from the later of (i) the date the additional Tax was paid by Distributing Co. or (ii) the date of receipt by Controlled Co. of a written notice and demand from Distributing Co. for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Controlled Co. shall also pay to Distributing Co. interest on its respective share of such Tax computed at the Prime Rate based on the number of days from the date the additional Tax was paid by Distributing Co. to the date of its payment to Distributing Co. under this Section 5.4(a).

(b) ADJUSTMENTS RESULTING IN OVERPAYMENTS. Within ninety (90) days of receipt by Distributing Co. of any Tax Benefit resulting from any adjustment to the tax liability with respect to any Tax Return for any Consolidated or Combined State Income Tax for any Pre-IPO Period, Distributing Co. shall pay to Controlled Co. its respective share of any such Tax Benefit determined by the Responsible Company in accordance with Section 2.3(b)(ii). Distributing Co. shall also pay to Controlled Co. interest on its respective share of such Tax Benefit computed at the Prime Rate based on the number of days from the date the Tax Benefit was received by Distributing Co. to the date of payment to Controlled Co. under this Section 5.4(b).

5.5 PAYMENT OF SEPARATE COMPANY TAXES. Each Company shall pay, or shall cause to be paid, to the applicable Tax Authority when due all Separate Company Taxes owed by such Company or a member of such Company's Group.

5.6 INDEMNIFICATION PAYMENTS. If any Company (the "payor") is required to pay to a Tax Authority a Tax that is properly allocated to another Company (the "responsible party") under this Agreement, the responsible party shall reimburse the payor within ninety (90) days of delivery by the payor to the responsible party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. The reimbursement shall include interest on the Tax payment computed at the

Prime Rate based on the number of days from the date of the payment to the Tax Authority to the date of reimbursement under this Section 5.6.

Section 6. TAX BENEFITS. If a member of one Group receives any Tax Benefit with respect to any Taxes for which a member of another Group is liable hereunder, the Company receiving such Tax Benefit shall make a payment to the Company who is liable for such Taxes hereunder within ninety (90) days following receipt of the Tax Benefit in an amount equal to the Tax Benefit (including any Tax Benefit realized as a result of the payment), plus interest on such amount computed at the Prime Rate based on the number of days from the date of receipt of the Tax Benefit to the date of payment of such amount under this Section 6.

Section 7. ASSISTANCE AND COOPERATION

7.1 GENERAL. After the Offerings Closing Date, each of the Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Companies and their Affiliates including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to the other Company and their Affiliates available to such other Company as provided in Section 8. Each of the Companies shall also make available to each other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes. Any information or documents provided under this Section 7 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes.

7.2 INCOME TAX RETURN INFORMATION. Each Company will provide to the other Company information and documents relating to their respective Groups required by the other Company to prepare Tax Returns. The Responsible Company shall determine a reasonable compliance schedule for such purpose in accordance with Distributing Co.'s past practices. Any additional information or documents the Responsible Company requires to prepare such Tax Returns will be provided in accordance with past practices, if any, or as the Responsible Company reasonably requests and in sufficient time for the Responsible Company to file such Tax Returns on a timely basis.

Section 8. TAX RECORDS

8.1 RETENTION OF TAX RECORDS. Except as provided in Section 8.2, each Company shall preserve and keep all Tax Records exclusively relating to the assets and activities of its respective

Group for Pre-IPO Tax Periods, and Distributing Co. shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-IPO Tax Periods, for so long as the contents thereof may become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitation, and (ii) seven years after the Offerings Closing Date. If, prior to the expiration of the applicable statute of limitation and such seven-year period, a Company reasonably determines that any Tax Records which it is required to preserve and keep under this Section 8 are no longer material in the administration of any matter under the Code or other applicable Tax Law, such Company may dispose of such records upon 90 days prior notice to the other Company. Such notice shall include a list of the records to be disposed of describing in reasonable detail each file, book, or other records being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or any part of such Tax Records.

8.2 STATE INCOME TAX RETURNS. Tax Returns with respect to State Income Taxes and workpapers prepared in connection with preparing such Tax Returns shall be preserved and kept, in accordance with the terms of Section 8.1, by the Company having liability for the Tax.

8.3 ACCESS TO TAX RECORDS. The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records in their possession to the extent reasonably required by the other Company in connection with the preparation of Tax Returns, audits, litigation, or the resolution of items under this Agreement.

Section 9. TAX CONTESTS

9.1 NOTICE. Each of the Companies shall provide prompt notice to the other Company of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware related to Taxes for Tax Periods for which it is indemnified by the other Company hereunder. Such notice shall contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If an indemnified party has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified hereunder and such party fails to give the indemnifying party prompt notice of such asserted Tax liability, then (i) if the indemnifying party is precluded from contesting the asserted Tax liability in any forum as a result of the failure to give prompt notice, the indemnifying party shall have no obligation to indemnify the indemnified party for any Taxes arising out of such asserted Tax liability, and (ii) if the indemnifying party is not precluded from contesting the asserted Tax liability in any forum, but such failure to give prompt notice results in a monetary detriment to the indemnifying party, then any amount which the indemnifying party is otherwise required to pay the indemnified party pursuant to this Agreement shall be reduced by the amount of such detriment.

9.2 CONTROL OF TAX CONTESTS

(a) SEPARATE COMPANY TAXES. In the case of any Tax Contest with respect to any Separate Company Tax, the Company having liability for the Tax shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability.

(b) CONSOLIDATED OR COMBINED INCOME TAXES. In the case of any Tax Contest with respect to any Consolidated or Combined Income Tax, (i) Distributing Co. shall control the defense or prosecution of the portion of the Tax Contest directly and exclusively related to any Distributing Adjustment, including settlement of any such Distributing Adjustment and (ii) Controlled Co. shall control the defense or prosecution of the portion of the Tax Contest directly and exclusively related to any Controlled Adjustment, including settlement of any such Controlled Adjustment, and (iii) the Tax Contest Committee shall control the defense or prosecution of Joint Adjustments, including settlement of any such Joint Adjustment, and any and all administrative matters not directly and exclusively related to any Distributing Adjustment or Controlled Adjustment. The Tax Contest Committee shall be comprised of two persons, one person selected by Distributing Co. (as designated in writing to Controlled Co.) and one person selected by Controlled Co. (as designated in writing to Distributing Co.). Each person serving on the Tax Contest Committee shall continue to serve unless and until he or she is replaced by the party designating such person. Any and all matters to be decided by the Tax Contest Committee shall require the approval of both persons serving on the committee. In the event the Tax Contest Committee shall be deadlocked on any matter, the provisions of Section 15 of this Agreement shall apply. A Company shall not agree to any Tax liability for which another Company may be liable under this Agreement, or compromise any claim for any Tax Benefit which another Company may be entitled under this Agreement, without such other Company's written consent (which consent may be given or withheld at the sole discretion of the Company from which the consent would be required). The Distributing Co., in the case of any examination or audit of a Distributing Co. Federal Consolidation Return, and the Responsible Company in the case of any examination or audit of a Consolidated or Combined State Income Tax Return, shall be the only parties representing the members of the Group before any Federal or State Tax Authority in connection with the examination or audit. Notwithstanding the representation by the Distributing Co. or Responsible Company before such Tax Authority, the Distributing Co. or Responsible Company shall (a) provide the Controlled Co. with all information reasonably requested relating to any Controlled Adjustment or Joint Adjustment; (b) submit to such Tax Authority any facts, legal arguments or other matters deemed advisable by Controlled Co. and provided by it to Distributing Co. or the Responsible Company; (c) not have the authority to settle or otherwise compromise a Controlled Adjustment; and (d) not have the authority to settle or otherwise compromise a Joint Adjustment other than through the Tax Contest Committee procedures set forth in this Section 9.2(b).

Section 10. EFFECTIVE DATE. This Agreement shall be effective on the Offerings Closing Date.

Section 11. NO INCONSISTENT ACTIONS. Each of the Companies covenants and agrees that it will not take any action, and it will cause its Affiliates to refrain from taking any action, which is inconsistent with the Tax treatment of the Distribution as contemplated in the Ruling Request (any

such action is referred to in this Section 11 as a "Prohibited Action"), unless such Prohibited Action is required by law, or the person acting has obtained the prior written consent of each of the other parties (which consent shall not be unreasonably withheld). With respect to any Prohibited Action proposed by a Company (the "Requesting Party"), the other party (the "Requested Party") shall grant its consent to such Prohibited Action if the Requesting Party obtains a ruling with respect to the Prohibited Action from the Internal Revenue Service or other applicable Tax Authority that is reasonably satisfactory to the Requested Party (except that the Requesting Party shall not submit any such ruling request if a Requested Party determines in good faith that filing such request might have a materially adverse effect upon such Requested Party). Without limiting the foregoing:

(a) NO INCONSISTENT PLAN OR INTENT. Controlled Co. and Distributing Co. each represents and warrants that neither it nor any of its Affiliates has any plan or intent to take any action which is inconsistent with any factual statements or representations in the Ruling Request. Regardless of any change in circumstances, Controlled Co. and Distributing Co. each covenant and agree that it will not take, and it will cause its Affiliates to refrain from taking, any such inconsistent action on or before the last day of the calendar year ending after the second anniversary of the Distribution Date other than as permitted in this Section 11.

(b) AMENDED OR SUPPLEMENTAL RULINGS . Each of the Companies covenants and agrees that it will not file, and it will cause its Affiliates to refrain from filing, any amendment or supplement to the Ruling Request subsequent to the Distribution Date without the consent of the other Company, which consent shall not be unreasonably withheld.

Section 12. SURVIVAL OF OBLIGATIONS . The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 13. EMPLOYEE MATTERS . To the extent applicable, each of the Companies agrees to utilize, or cause its Affiliates to utilize, the alternative procedure set forth in Revenue Procedure 96-60, 1996-2 C.B. 399, with respect to wage reporting.

Section 14. TREATMENT OF PAYMENTS; TAX GROSS UP

14.1 TREATMENT OF TAX INDEMNITY AND TAX BENEFIT PAYMENTS. In the absence of any change in tax treatment under the Code or other applicable Tax Law,

(a) any Tax indemnity payments made by a Company under Section 5 shall be reported for Tax purposes by the payor and the recipient as distributions or capital contributions, as appropriate, occurring immediately before the Offerings Closing Date, but only to the extent the payment does not relate to a Tax allocated to the payor in accordance with Treasury Regulation Section 1.1502-33(d) (or under corresponding principles of other applicable Tax Laws), and

(b) any Tax Benefit payments made by a Company under Section 6, shall be reported for Tax purposes by the payor and the recipient as distributions or capital contributions, as appropriate, occurring immediately before the Offerings Closing Date, but only to the extent the payment does not relate to a Tax allocated to the payor in accordance with Treasury Regulation Section 1.1502-33(d) (or under corresponding principles of other applicable Tax Laws).

14.2 TAX GROSS UP. If notwithstanding the manner in which Tax indemnity payments and Tax Benefit payments were reported, there is an adjustment to the Tax liability of a Company as a result of its receipt of a payment pursuant to this Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all Income Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such Income Taxes), shall equal the amount of the payment which the Company receiving such payment would otherwise be entitled to receive pursuant to this Agreement.

14.3 INTEREST UNDER THIS AGREEMENT. Anything herein to the contrary notwithstanding, to the extent one Company ("indemnitor") makes a payment of interest to another Company ("indemnitee") under this Agreement with respect to the period from the date that the indemnitee made a payment of Tax to a Tax Authority to the date that the indemnitor reimbursed the indemnitee for such Tax payment, or with respect to the period from the date that the indemnitor received a Tax Benefit to the date indemnitor paid the Tax Benefit to the indemnitee, the interest payment shall be treated as interest expense to the indemnitor (deductible to the extent provided by law) and as interest income by the indemnitee (includible in income to the extent provided by law). The amount of the payment shall not be adjusted under Section 14.2 to take into account any associated Tax Benefit to the indemnitor or increase in Tax to the indemnitee.

Section 15. DISAGREEMENTS. If after good faith negotiations the parties cannot agree on the application of this Agreement to any matter, then the matter will be referred to a nationally recognized accounting firm acceptable to each of the parties (the "Accounting Firm"). The Accounting Firm shall furnish written notice to the parties of its resolution of any such disagreement as soon as practical, but in any event no later than 45 days after its acceptance of the matter for resolution. Any such resolution by the Accounting Firm will be conclusive and binding on all parties to this Agreement. In accordance with Section 17, each party shall pay its own fees and expenses (including the fees and expenses of its representatives) incurred in connection with the referral of the matter to the Accounting Firm. All fees and expenses of the Accounting Firm in connection with such referral shall be shared equally by the parties affected by the matter.

Section 16. LATE PAYMENTS . Any amount owed by one party to another party under this Agreement which is not paid when due shall bear interest at the Prime Rate plus two percent, compounded semiannually, from the due date of the payment to the date paid. To the extent interest required to be paid under this Section 16 duplicates interest required to be paid under any other provision of this Agreement, interest shall be computed at the higher of the interest rate provided under this Section 16 or the interest rate provided under such other provision.

Section 17. EXPENSES. Except as provided in Section 15, each party and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

Section 18. GENERAL PROVISIONS

18.1 ADDRESSES AND NOTICES. Any notice, demand, request or report required or permitted to be given or made to any party under this Agreement shall be in writing and shall be deemed given or made when delivered in party or when sent by first class mail or by other commercially reasonable means of written communication (including delivery by an internationally recognized courier service or by facsimile transmission) to the party at the party's principal business address. A party may change the address for receiving notices under this Agreement by providing written notice of the change of address to the other parties.

18.2 BINDING EFFECT . This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

18.3 WAIVER. No failure by any party to insist upon the strict performance of any obligation under this Agreement or to exercise any right or remedy under this Agreement shall constitute waiver of any such obligation, right, or remedy or any other obligation, rights, or remedies under this Agreement.

18.4 INVALIDITY OF PROVISIONS. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not be affected thereby.

18.5 FURTHER ACTION. The parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other parties and their Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other parties in accordance with Section 9.

18.6 INTEGRATION. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements and understandings pertaining thereto. In the event of any inconsistency between this Agreement and the Distribution Agreement or any other agreements relating to the transactions contemplated by the Distribution Agreement, the provisions of this Agreement shall control.

18.7 CONSTRUCTION. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any party.

18.8 NO DOUBLE RECOVERY; SUBROGATION. No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement. Subject to any limitations provided in this Agreement (for example, the limitation on filing claims for refund in Section 4.7), the indemnifying party shall be subrogated to all rights of the indemnified party for recovery from any third party.

18.9 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

18.10 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida applicable to contracts executed in and to be performed in that State.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers as of the date first written above.

REPUBLIC INDUSTRIES, INC.

By: _____
Name: _____
Title: _____

REPUBLIC SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT 10.5

REPUBLIC SERVICES, INC.

FORM OF
1998 STOCK INCENTIVE PLAN

1. THE PLAN

This Republic Services, Inc. 1998 Stock Incentive Plan (the "Plan") is intended to benefit the stockholders of Republic Services, Inc. (the "Company") by providing a means to attract, retain and reward individuals who contribute to the long term financial success of the Company. Further, the recipients of stock-based awards under the Plan will identify their success with that of the Company's stockholders and will be encouraged to increase their proprietary interest in the Company.

ADMINISTRATION

a) COMMITTEE. The Plan shall be administered by a Committee (the "Committee"), appointed by the Board of Directors of the Company (the "Board"), which shall consist of no less than two of its members, all of whom qualify as "outside directors" under Section 162(m) of the Internal Revenue Code of 1986 (the "IRC") provided, however, that from time to time the Board may assume, at its sole discretion, administration of the Plan and the Board reserves the power to make adjustments for corporate transactions described in Section 3(d). Except with regard to awards to employees subject to Section 16 of the Securities Exchange Act of 1934, the Committee may delegate certain responsibilities and powers to any executive officer or officers selected by it. Any such delegation may be revoked by the Committee at any time.

b) POWERS AND AUTHORITY. The Committee's powers and authority include, but are not limited to: selecting individuals, who are employees, consultants, or non-employee directors of the Company and any subsidiary of the Company or other entity in which the Company has a significant equity or other interest as determined by the Committee, to receive awards; determining the types and terms and conditions of all awards granted, including performance and other earnout and/or vesting contingencies; permitting transferability of awards to eligible third parties; interpreting the Plan's

provisions; and administering the Plan in a manner that is consistent with its purpose. The Committee's decision in carrying out the Plan and its interpretation and construction of any provisions of the Plan or any award granted or agreement or other instrument executed under it shall be final and binding upon all persons. No members of the Board shall be liable for any action or determination made in good faith in administering the Plan.

c) AWARD PRICES. All awards will be denominated or made in shares of the Company's Class A Common Stock par value $.01 (the "Stock") which price shall equal no less than 100% of the fair market value which shall mean either the closing price of the Stock on the business day prior to the applicable date or at a price otherwise fixed by the Committee in good faith as 100% of the fair market value of the Stock. The applicable date shall be the day on which the award is granted (or other Plan transaction occurs), except that the Committee may provide that the applicable date may be, in the case of a stock option or stock appreciation right granted retroactively in tandem with or as a substitution for another previously granted stock option or stock appreciation right, the applicable date for such prior award. Except as provided for in Section 3(d), the per share exercise price of any stock option or stock appreciation right may not be decreased after the grant of the award, and a stock option or stock appreciation right may not be surrendered as consideration in exchange for the grant of a new award with a lower exercise price per share of Stock.

d) AWARD AGREEMENTS AND VESTING. All awards shall be evidenced by a signed award agreement. These agreements shall specify the terms of the awards including their vesting schedule and any other criteria, such as performance criteria, which will be required for vesting or early vesting of the award. The minimum vesting period for all awards shall be one year, except for awards made in lieu of cash compensation which may vest immediately.

3. SHARES OF STOCK SUBJECT TO THE PLAN AND ADJUSTMENTS

a) MAXIMUM SHARES OF STOCK AVAILABLE FOR DELIVERY. Subject to Section 3(d), the maximum number of shares of Stock that may be delivered to participants and their beneficiaries under the Plan shall be 20,000,000 shares of Stock. Any Stock granted under the Plan which are forfeited back to the

Company because of the failure to meet an award contingency or condition shall again be available for delivery pursuant to new awards granted under the Plan. Any Stock covered by an award (or portion of an award) granted under the Plan, which is forfeited or canceled, expires or is settled in cash, including the settlement of tax withholding obligations using Stock, shall be deemed not to have been delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan. Likewise, if any stock option is exercised by tendering shares of Stock, either actually or by attestation, to the Company as full or partial payment for such exercise under this Plan or any prior plan of the Company, only the number of shares issued net of the shares tendered shall be deemed delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan. Further, Stock issued under the Plan through the settlement, assumption or substitution of outstanding awards or obligations to grant future awards as a condition of the Company acquiring another entity shall not reduce the maximum number of shares of Stock available for delivery under the Plan.

b) OTHER PLAN LIMITS. Subject to Section 3(d), the following additional maximums are imposed under the Plan. The maximum number of shares of Stock that may be issued in connection with stock options intended to comply with Section 422 or any other similar provision of the IRC shall be 20,000,000. The maximum aggregate number of shares of Stock that may be covered by awards granted to any one individual pursuant to Sections 4(b) and 4(c) shall not exceed 5,000,000. The maximum number of shares of Stock that may be issued to all participants in conjunction with awards granted pursuant to Section 4(d) shall be 5,000,000. The maximum number of shares of Stock or equivalent cash payment that can be earned each year for awards granted to any one individual pursuant to Section 4(d) shall be 1,000,000, and shall be cumulative over the life of the Plan.

c) PAYMENT SHARES OF STOCK. Subject to the overall limitation on the number of shares of Stock that may be delivered under the Plan, the Committee may, in addition to granting awards under Section 4, use available Stock as the form of payment for compensation, grants or rights earned or

due under any other compensation plans or arrangements of the Company, including those of any entity acquired by the Company.

d) ADJUSTMENTS FOR CORPORATE TRANSACTIONS.

(I) The Board may determine that a corporate transaction has affected the price of the Stock such that an adjustment or adjustments to outstanding awards are required to preserve (or prevent enlargement of) the benefits or potential benefits intended at time of grant. For this purpose a corporate transaction may include, but is not limited to, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares of Stock, or other similar occurrence. In the event of such a corporate transaction, the Board may, in such manner as the Board deems equitable, adjust (i) the number and kind shares of Stock which may be delivered under the Plan pursuant to Sections 3(a) and 3(b); (ii) the number and kind of shares of Stock subject to outstanding awards; and (iii) the exercise price of outstanding stock options and stock appreciation rights.

(II) In the event that the Company is not the surviving company of a merger, consolidation or amalgamation with another company, or in the event of a liquidation or reorganization of the Company, and in the absence of the surviving corporation's assumption of outstanding awards made under the Plan, the Board may provide for appropriate adjustments and/or settlements of such grants either at the time of grant or at a subsequent date. The Board may also provide for adjustments and/or settlements of outstanding awards as it deems appropriate and consistent with the Plan's purpose in the event of any other change-in-control of the Company.

4. TYPES OF AWARDS

a) GENERAL. An award may be granted singularly, in combination with another award(s) or in tandem whereby exercise or vesting of one award held by a participant cancels another award held by the participant. Subject to Section 2(c), an award may be granted as an alternative to or replacement of an existing award under the Plan or under any other compensation plans or arrangements of the Company, including the plan of any entity acquired by the Company. The

Company's non-employee directors are only eligible for the awards described in Section 4(b) subject to the grant schedule described in Section 4(e). The types of awards that may be granted under the Plan include:

b) STOCK OPTION. A stock option represents a right to purchase a specified number of shares of Stock during a specified period at a price per share which is no less than 100% of the per share amount stipulated by Section 2(c). The longest term during which a stock option may be outstanding shall be ten years. A stock option may be in the form of an incentive stock option as defined in Section 422 of the IRC or in another form which may or may not qualify for favorable federal income tax treatment. The Stock covered by a stock option may be purchased by means of a cash payment or such other means as the Committee may from time-to-time permit, including (i) tendering (either actually or by attestation) shares of Stock valued using the market price at the time of exercise, (ii) authorizing a third party to sell Stock (or a sufficient portion thereof) acquired upon exercise of a stock option and to remit to the Company a sufficient portion of the sale proceeds to pay for all the shares of Stock acquired through such exercise and any tax withholding obligations resulting from such exercise; or (iii) any combination of the above.

c) STOCK APPRECIATION RIGHT. A stock appreciation right is a right to receive a payment in cash, Stock or a combination, equal to the excess of the aggregate market price at time of exercise of a specified number of shares of Stock over the aggregate exercise price of the stock appreciation right being exercised. The longest term a stock appreciation right may be outstanding shall be ten years. Such exercise price shall be based on 100% of the per share amount stipulated by Section 2(c).

d) STOCK AWARD. A stock award is a grant of Stock or of a right to receive Stock (or their cash equivalent or a combination of both) in the future. Except in cases of certain terminations of employment or an extraordinary event, each Stock award shall be earned and vest over at least one year and shall be governed by such conditions, restrictions and contingencies as the Committee shall determine. These may include continuous service and/or the achievement of performance goals.

The performance goals that may be used by the Committee for such awards to executive officers covered by IRC Section 162 (m) shall consist of:

Revenue	Return on Equity
Net Income	Stockholder Return
Earnings Per Share	

Further, performance criteria may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure of the selected performance criteria. Profit, earnings and revenues used for any performance goal measurement shall exclude: gains or losses on operating asset sales or dispositions; asset write-downs; litigation or claim judgments or settlements; accruals for historic environmental obligations; effect of changes in tax law or rate on deferred tax liabilities; accruals for reorganization and restructuring programs; uninsured catastrophic property losses; the cumulative effect of changes in accounting principles; and any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operation appearing in the Company's annual report to stockholders for the applicable year.

e) DIRECTORS STOCK OPTIONS. Non-employee directors shall receive award of stock options which are not intended to be treated as incentive stock options under Section 422 of the IRC. These awards shall consist of one grant of 50,000 shares of Stock upon appointment to the Board and subsequent annual grants of 20,000 shares of Stock on the first business day of each calendar year at an exercise price equal to the closing price of the Stock on the last business day of the prior year. Each option granted under this (e) shall be immediately exercisable.

5. AWARD SETTLEMENTS AND PAYMENTS

a) DIVIDENDS AND DIVIDEND EQUIVALENTS. An award may contain the right to receive dividends or dividend equivalent payments which may be paid either currently or credited to a participant's account. Any such crediting of dividends or dividend equivalents or reinvestment in shares of Stock may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in share equivalents.

b) PAYMENTS. Awards may be settled through cash payments, the delivery of Stock, the granting of awards or combination thereof as the Committee shall determine. Any award settlement, including payment deferrals, may be subject to such conditions, restrictions and contingencies, as the Committee shall determine. The Committee may permit or require the deferral of any award payment, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest, or dividend equivalents, including converting such credits into deferred share equivalents. Subject to the aggregate limitation on the number of shares of Stock that may be issued under the Plan as set forth in Section 3(a), the Committee may, in addition to granting awards under Section 4, use available Stock as the form of payment for other compensation plans or arrangements of the Company, including those of any entity acquired by the Company.

6. PLAN AMENDMENT AND TERMINATION

a) AMENDMENTS. The Board may amend this Plan as it deems necessary and appropriate to better achieve the Plan's purpose provided, however, that: (i) the share limitations set forth in Sections 3(a) and 3(b) cannot be increased and (ii) the minimum stock option and stock appreciation right exercise prices set forth in Sections 2(c) and 4(b) and (c) cannot be changed unless such a Plan amendment is properly approved by the Company's stockholders.

b) PLAN SUSPENSION AND TERMINATION. The Board may suspend or terminate this Plan at any time. Any such suspension or termination shall not of itself impair any outstanding award granted under the Plan or the applicable participant's rights regarding such award.

7. MISCELLANEOUS

(a) NO INDIVIDUAL RIGHTS. No person shall have any claim or right to be granted an award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee or other person any right to continue to be employed by or to perform services for the Company, any subsidiary or related entity. The right to terminate the employment of or performance of services by any Plan participant at any time and for any reason is specifically reserved to the employing entity.

b) UNFUNDED PLAN. The Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any participant or beneficiary of a participant. To the extent any person holds any obligation of the Company by virtue of an award granted under the Plan, such obligation shall merely constitute a general unsecured liability of the Company and accordingly shall not confer upon such person any right, title or interest in any assets of the Company.

c) OTHER BENEFIT AND COMPENSATION PROGRAMS. Unless otherwise specifically determined by the Committee, settlements of awards received by participants under the Plan shall not be deemed a part of a participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit plan or severance program. Further, the Company may adopt other compensation programs, plans or arrangements as it deems appropriate.

d) NO FRACTIONAL SHARES OF STOCK. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any award, and the Committee shall determine whether cash shall be paid or transferred in lieu of any fractional shares of Stock, or whether such fractional shares of Stock or any rights thereto shall be canceled.

e) GOVERNING LAW. The validity, construction and effect of the Plan and any award, agreement or other instrument issued under it shall be determined in accordance with the laws of the state of Delaware without reference to principles of conflict of law.

EXHIBIT 21.1

LIST OF SUBSIDIARIES

NAME	D/B/A NAMES	STATE OF ORGANIZATION
AAA Commercial, Inc.		VA
AAA Disposal Service, Inc.		VA
AAA Disposal of Tennessee, Inc.		TN
AAA Land and Building Co., Inc.		VA
AAA Maintenance, Inc.		VA
AAA Recycling, Inc.		VA
A.G. Disposal Service, Inc.		NY
A.J. Panzarella & Co., Inc.	Larry O'Connor Sanitation Service	FL
Addington Resources, Inc.		DE
Addington Holding Company, Inc.		DE
Addington Environmental, Inc.		KY
All Refuse Services, Inc.		NY
All Service Refuse Company, Inc.		FL
Alpco Waste Systems, Inc.		NY
Anderson Refuse Co., Inc.		IN
Anderson Solid Waste, Inc.		CA
Antler Park, Inc.		IN

Arlington Disposal Company, Inc.		TX
Area Container Services, Inc.		VA
ASCO Sanitation, Inc.		MS
Astro Waste Services, Inc.		ME
Barker Brothers, Inc.		TN
Barker Brothers Waste Incorporated		TN
Beran Cleaning Corporation	Beran Services	NJ
Berrien County Landfill, Inc.		MI
Bluegrass Recycling & Transfer Company		KY
Bontona Aviation, Inc.		FL
Broadhurst Environmental, Inc.		KY
Burgess' Refuse Removal Service, Inc.		NC
CDS Environmental, Inc. of Florida		FL
CDS Environmental of Atlanta, Inc.		GA
CJM Trucking & Soils Company, Inc.		TX
C.S.C. Disposal and Landfill, Inc.		TX
Capital Waste & Recycling, Inc.		NY
Cascade Pacific Engineering, Inc.		OR
Cate's Rubbish Removal Services, Inc.		NH

Charleston Disposal Systems, Inc.		SC
Charter Waste, Inc.		TX
Cleveland Container Service, Inc.		NC
Collection Services, Inc.	M & M Sanitation, Inc., Epperson Collection Services, CSI of Northern Kentucky, B & J Sanitation, Pennyrile Sanitation, Bluegrass Waste Alliance & Trik-K Hauling	KY
Commercial Waste Disposal, Inc.	CWI of Kentucky	KY
Compactor Rental Systems of Delaware, Inc.		DE
Continental Waste Industries, Inc.		DE
Continental Waste Industries Arizona, Inc.		NJ
Continental Waste Industries - - Gary, Inc.		IN
Covington Waste, Inc.		TN
CWI of Illinois, Inc.		IL
CWI of Florida, Inc.	Southland Waste Systems	FL
CWI of Missouri, Inc.		MO
CWI of NJ, Inc.		NJ
CWI of Northwest Indiana, Inc.		IN
D&L Waste, Inc.		NC
Disposal Services, Inc.	Upstate Disposal Service & R & R Refuse	NY
Dozit Company, Inc.		KY

Duncan Disposal, Inc.	TX
ECO Services of S.C., Inc.	SC
EETL I, Inc.	TX
East Bay Sanitation Service, Inc.	FL
East Carolina Environmental, Inc.	KY
El Centro Sanitation Service, Co.	CA
Elliot's Agri-Service, Inc.	TX
Enviro-Comp Services, Inc.	FL
Envirocycle, Inc.	FL
Environmental Specialists, Inc.	MO
Epperson Waste Disposal, Inc.	KY
Fennell Container Co., Inc.	SC
Fennell Waste Systems, Inc.	SC
Fenn-Vac, Inc.	SC
Fisk Sanitation Service, Inc.	IN
Fisk Environmental Services, Inc.	IN
FLL, Inc.	MI
Florida Refuse Service, Inc.	FL
Garbage Disposal Service, Inc.	NC
G.E.M. Environmental Management, Inc.	DE
GF/WFF, Inc.	SC
Gilliam Transfer, Inc.	MO

Grand Prairie Disposal Company, Inc.	TX
Green Disposal, Inc.	UT
Greenfield Environmental Development Corp.	DE
Green Valley Environmental Corp.	KY
Gulf Coast Waste Service, Inc.	FL
Hank's Disposal, Inc.	IN
Helper's Hand of America, Inc.	IN
Holland Excavating, Inc.	FL
Houston Organics, Inc.	TX
Hudson Management Corporation	FL
Hyder Waste Container, Inc.	NC
Imperial Sanitation Services, Inc.	CA
Indiana Recycling LLC	IN
JMN, Inc.	NC
Jamax Corporation	IN
Karat Corp.	NJ
L.R. Stuart and Son, Inc.	VA
LSW Environmental, Inc.	GA
Laughlin Environmental, Inc.	TX
Living Earth Technology Company	DE

Los Angeles LLC		CA
M.C.C. Recycling, Inc.		NJ
Medical Waste Services, Inc.		FL
Meyer Waste Systems, Inc.		IN
Meyer Mechanical Services, Inc.		IN
Meyer Transportation, LLC		IN
Middlesex Carting Co., Inc.	Midco Waste Systems	NJ
Mid-East Waste Services, Inc.		NC
Mid-State Environmental		KY
Midwest Material Management, Inc.		IN
Monarch Environmental, Inc.		KY
National Serv-All, Inc.		IN
Nine Mile Road, Inc.		FL
Northwest Florida Sanitation, Inc.		FL
Northwest Tennessee Disposal Corp.		TN
NRL, Inc. (New River Line, Inc.)		KY
Ohio County Balefill, Inc.		KY
Orange County, LLC		CA
Pantego 1, Inc.		TX
Pepperhill Development Co., Inc.		SC
Pine Ridge Recycling, Inc.		GA
Pinellas Environmental, Inc.		KY
Prichard Landfill Corp.		WV

PSI Waste Systems, Inc.		ID
RCLJ Construction, Inc.		TX
RITM, Inc.		DE
Rainbow Industries, Inc.		VA
Raritan Valley Disposal Service Co., Inc.		NJ
Raritan Valley Recycling, Inc.		NJ
Recycling Concepts, Inc.		NC
Recycling Industries, Inc.		NJ
Reliable Disposal, Inc.		MI
Reliable Sanitation, Inc.		FL
R.E. Wolfe Enterprises of Edinburg, Inc.		TX
Republic Acquisition Company		DE
Republic Dumpco, Inc.		NV
Republic Environmental Technologies, Inc.	Republic Environmental Technologies of Nevada & Apex Aggregates Company	NV
Republic Imperial Acquisition Corp.		OK
Republic/Maloy Landfill & Sanitation, Inc.		TX
Republic Silver State Disposal, Inc.	Republic Silver State Disposal Services	NV
Republic Wabash Company		DE
Republic Waste Companies Holding Co.		DE
Republic Waste Management Company		DE

Republic Waste Management 1 Limited Partnership		GA
Robert A. Moor, Jr. Disposal Services, Inc.	Area Container	PA
Rochester Dismantling and Roll-Off, Inc.		NY
Safety Lights, Inc.		TN
Sandy Hollow Landfill Corp.		WV
Sanifill, Inc.		TN
Savannah Regional Industrial Landfill, Inc.		GA
Schofield Corporation of Orlando	Southland Waste Systems	FL
Seaboard Waste Systems, Inc.		FL
Smithton Sanitation Service, Inc.		NC
Southern Illinois Regional Landfill, Inc.		IL
Southland Environmental Services, Inc.	Southland Environmental Systems, Inc.	FL
Southland Maintenance Services, Inc.		FL
Southland Recycling Services, Inc.		FL
Southland Waste Systems, Inc.		FL
Southland Waste Systems of Georgia, Inc.		GA
Southland Waste Systems of Jax, Inc.		FL
Southland Waste Systems of Ware Co., Inc.		GA

South Trans, Inc.		NJ
Space Coast Sanitation, Inc.		FL
Specialized Waste, Inc.		CA
Springfield Environmental, Inc.		DE
Statewide Environmental Contractors, Inc.		NJ
Sullivan Environmental Services, Inc.		GA
Suburban Disposal Service, Inc.		SC
SunBurst Sanitation Corporation		FL
Sunrise Disposal, Inc.		IN
Swift Creek Environmental, Inc.		GA
Taormina, LLC		CA
Tay-Ban Corporation	Taymouth Landfill	MI
Terre Haute Recycling, Inc.		IN
Tos-It Service Company, Inc.		TX
Town & Country Disposal, Inc.		NY
Trashaway Services, Inc.		TX
Treasure Coast Refuse Corp.		FL
Tri-K Landfill, Inc.		KY
Tri-County Refuse Service, Inc.		MI
Tri-State Ltd.		IN

Triple C Disposal Service, Inc.		TX
Triple G Landfills, Inc.		IN
United Refuse Co., Inc.		IN
United Waste Service, Inc.		GA
Upper Peidmont Environmental, Inc.		KY
Uwharrie Environmental, Inc.		KY
Ventura County, LLC		CA
Victory Environmental Services, Inc.		DE
Victory Waste Incorporated		CA
W.R. Lalevee Realty Company, Inc.		NJ
Wabash Valley Landfill Company, Ltd.		PA
Wabash Valley Refuse Removal Company, L.P.		IN
Waste Collection Services, Corp.	Seaside Sanitation	FL
Waste Handling Systems, Inc.		NC
Westchester Investments, Inc.		IN
Wes Tex Waste Services, Inc.		TX
White Stone of Warren, Inc.		KY
Wilshire Disposal Service	Wilshire Rubbish Serv, Zakaroff Rubbish Co., Mike's Rubbish, Mike's Rubbish Serv	CA
Wood River Rubbish Company, Inc.		ID
WPP Services, Inc.		OH

WPP Continental de Costa Rica, S.A.		Costa Rica
York Waste Disposal, Inc.		PA
Zakaroff Services	Zakaroff Recycling Services, West, Hollywood Recycling Services, Inc. and L.A. Waste Disposal	CA

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the use of our reports (and to all references to our Firm) included in or made a part of this registration statement.

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,
June 29, 1998.

5
1,000

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
12,800
0
154,600
15,600
12,200
184,200
1,256,400
429,900
1,488,200
430,200
61,400
0
0
0
887,300
1,488,200
0
300,800
0
209,700
0
0
5,400
54,400
19,600
34,800
0
0
0
34,800
0
0

5
1,000

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
0
263,200
0
190,300
0
0
7,600
36,400
13,200
23,200
0
0
0
23,200
0
0

5
1,000

YEAR	
	DEC-31-1997
	JAN-01-1997
	DEC-31-1997
	18,800
	0
	144,600
	13,600
	11,700
	175,900
	1,215,600
	413,800
	1,348,000
	436,100
	64,300
	0
	0
	0
	750,800
	1,348,000
	0
	1,127,700
	0
	809,100
	0
	0
	25,900
	182,100
	65,900
	116,200
	0
	0
	0
	116,200
	0
	0

5
1,000

YEAR	
	DEC-31-1996
	JAN-01-1996
	DEC-31-1996
	43,900
	14,500
	119,100
	8,300
	6,100
	192,800
	1,004,400
	343,100
	1,090,300
	422,700
	109,500
	0
	0
	0
	494,500
	1,090,300
	0
	953,300
	0
	703,600
	8,800
	0
	29,700
	89,800
	38,000
	51,800
	0
	0
	0
	51,800
	0
	0

5
1,000

YEAR	
	DEC-31-1995
	JAN-01-1995
	DEC-31-1995
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
	805,000
	0
	570,100
	3,300
	0
	19,100
	81,000
	31,600
	49,400
	(24,800)
	0
	0
	24,600
	0
	0