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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **October 10, 2006**

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**Republic Services, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**1-14267**

(Commission File Number)

**65-0716904**

(IRS Employer Identification No.)

**110 SE 6th Street, 28th Floor, Fort Lauderdale, Florida**

(Address of Principal Executive Offices)

**33301**

(Zip Code)

**(954) 769-2400**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13d-4(c))
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#### ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On October 10, 2006, Republic Services, Inc. (the "Company") entered into Amendment Number Two to that certain Employment Agreement, dated as of October 25, 2000, with James E. O'Connor, Chief Executive Officer and Chairman of the Board of Directors. Pursuant to the amendment, Mr. O'Connor will continue to receive an annual base salary of \$840,000 and will continue to be eligible to receive an annual bonus in a target amount equal to 100% of his annual base salary. The current retirement policy with respect to Mr. O'Connor for purposes of all (i) equity awards (including stock options and restricted stock), (ii) monetary awards (including payments pursuant to the Executive Incentive Plan) and (iii) contributions to the Company's deferred compensation arrangements, that are made after July 26, 2006 was amended to require Mr. O'Connor to give the Company at least one year written notice of his intent to retire. To the extent that Mr. O'Connor does not give one year written notice, then the retirement policy for such awards and contributions made after July 26, 2006 shall require Mr. O'Connor to attain age sixty (60) and have at least fifteen years of service with the Company or to attain age sixty-five (65) and have at least five (5) years of service with the Company. For all awards and contributions made prior to July 26, 2006, the retirement policy in effect prior to the amendment shall remain the same (executive must attain age fifty-five (55) and have at least six (6) years of service with the Company or must attain age sixty-five (65) with no required years of service with the Company). Mr. O'Connor is currently age 57 and has seven years of service with the Company. Mr. O'Connor's employment agreement was also amended to comply with Internal Revenue Code Section 409A. To the extent Mr. O'Connor is a "key employee" for purposes of Internal Revenue Code Section 409A, the timing of any severance payments or other payments due to him following his termination of employment with the Company shall be delayed to the extent necessary to avoid an excise tax from being imposed pursuant to Internal Revenue Code Section 409A.

On October 10, 2006, the Company entered into Amendment Number One to that certain Employment Agreement, dated as of January 31, 2003, with Michael Cordesman, President and Chief Operating Officer. Pursuant to the amendment, Mr. Cordesman will continue to receive an annual base salary of \$450,000 and will continue to be eligible to receive an annual bonus in a target amount equal to 80% of his annual base salary. Mr. Cordesman's employment agreement was amended in the same manner as that of Mr. O'Connor's employment agreement with respect to retirement policy and compliance with Internal Revenue Code Section 409A. Mr. Cordesman is currently age 58 and has five years of service with the Company.

On October 10, 2006, the Company entered into Amendment Number Two to that certain Employment Agreement, dated as of October 25, 2000, with Tod C. Holmes, Senior Vice President and Chief Financial Officer. Pursuant to the amendment, Mr. Holmes will continue to receive an annual base salary of \$400,000 and will continue to be eligible to receive an annual bonus in a target amount equal to 60% of his annual base salary. Mr. Holmes' employment agreement was amended in the same manner as that of Mr. O'Connor's employment agreement with respect to retirement policy and compliance with Internal Revenue Code Section 409A. Mr. Holmes is currently age 57 and has eight years of service with the Company.

On October 10, 2006, the Company entered into Amendment Number Two to that certain Employment Agreement, dated as of October 25, 2000, with David A. Barclay, Senior Vice President and General Counsel. Pursuant to the amendment, Mr. Barclay will continue to receive an annual base salary of \$325,000 and will continue to be eligible to receive an annual bonus in a target amount equal to 50% of his annual base salary. Mr. Barclay's employment agreement was amended in the same manner as that of Mr. O'Connor's employment agreement with respect to retirement policy and compliance with Internal Revenue Code Section 409A. Mr. Barclay is currently age 44 and has nine years of service with the Company.

Copies of the amendments are incorporated herein by reference and attached hereto as Exhibits 10.1 through 10.4.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment Number Two dated October 10, 2006 to the Employment Agreement dated as of October 25, 2000 by and between James E. O'Connor and Republic Services, Inc.
10.2	Amendment Number One dated October 10, 2006 to the Employment Agreement dated as of January 31, 2003 by and between Michael Cordesman and Republic Services, Inc.
10.3	Amendment Number Two dated October 10, 2006 to the Employment Agreement dated as of October 25, 2000 by and between Tod C. Holmes and Republic Services, Inc.
10.4	Amendment Number Two dated October 10, 2006 to the Employment Agreement dated as of October 25, 2000 by and between David A. Barclay and Republic Services, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

October 10, 2006

REPUBLIC SERVICES, INC.

By: /s/ Tod C. Holmes

\_\_\_\_\_  
Tod C. Holmes  
Senior Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

By: /s/ Charles F. Serianni

\_\_\_\_\_  
Charles F. Serianni  
Vice President and  
Chief Accounting Officer  
(Principal Accounting Officer)

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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10.2	Amendment Number One dated October 10, 2006 to the Employment Agreement dated as of January 31, 2003 by and between Michael Cordesman and Republic Services, Inc.
10.3	Amendment Number Two dated October 10, 2006 to the Employment Agreement dated as of October 25, 2000 by and between Tod C. Holmes and Republic Services, Inc.
10.4	Amendment Number Two dated October 10, 2006 to the Employment Agreement dated as of October 25, 2000 by and between David A. Barclay and Republic Services, Inc.

**AMENDMENT NUMBER TWO**

This **AMENDMENT NUMBER TWO** (hereinafter the "Amendment") is made and entered into as of this 10<sup>th</sup> day of October, 2006, by and between **REPUBLIC SERVICES, INC.**, a Delaware corporation, (hereinafter the "Company") and **JAMES E. O'CONNOR**, a Florida Resident (hereinafter the "Employee"):

**RECITALS**

**WHEREAS**, the Company and the Employee have heretofore entered into a certain Employment Agreement dated as of October 25, 2000 (the "Employment Agreement"); and

**WHEREAS**, the Company and the Employee have heretofore entered into that certain Amendment Number One dated as of January 31, 2003 ("Amendment Number One" and, collectively, together with the Employment Agreement, the "Agreement"); and

**WHEREAS**, the Company and the Employee wish to make further amendments to the Agreement to reflect various changes that have been agreed to since October 25, 2000, including changes to Employee's compensation, all as set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the Company and the Employee agree as follows:

- A. The recitals set forth above are incorporated in this Amendment by reference thereto.
- B. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
- C. For all purposes therein, clauses (a) and (b) of Section 2 of the Agreement are hereby deleted, in their entirety, and replaced with the following:

**2. Compensation.**

**"(a) Base Salary.** In consideration for the Employee's services hereunder and the restrictive covenants contained herein, the Employee shall be paid an annual base salary of \$840,000 for the 2006 Fiscal Year (the "Salary" or the "Base Salary"), payable in accordance with the Company's customary payroll practices. Notwithstanding the foregoing, Employee's annual Base Salary may be increased at anytime and from time to time to levels greater than the levels set forth in the preceding sentence at the discretion of the Board of Directors of the Company to reflect merit or other increases. The Base Salary for each Fiscal Year

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shall become effective as of January 1 of such Fiscal year. The Employee's Base Salary for any Fiscal Year after 2006 shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise.

**(b) Bonus.** In addition to the Base Salary, the Employee shall be eligible to receive a bonus ("Bonus") in an amount equal to 100% of the Employee's Base Salary during the 2006 Fiscal Year. The Bonus shall be based on the achievement of corporate goals and objectives as established by the Compensation Committee of the Board of Directors. The Bonus shall be subject to escalation as provided in the Company's Executive Incentive Plan (the "Plan"). The achievement of said goals and objectives shall be determined by the Compensation Committee of the Board of Directors. With respect to any Fiscal Year during which the Employee is employed by the Company for less than the entire Fiscal Year, the Bonus shall be prorated for the period during which the Employee was so employed. The Bonus shall be payable within thirty (30) days after the end of the Company's Fiscal Year. The term "Fiscal Year" as used herein shall mean each period of twelve (12) calendar months commencing on January 1st of each calendar year during the Employment Period and expiring on December 31st of such year. The maximum percentage of Base Salary which the Employee's Bonus for any year after the 2006 Fiscal Year may represent shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise."

D. For all purposes therein, Section 2 of the Agreement is hereby amended to insert the following clause (m):

## **2. Compensation**

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**"(m) Long Term Incentive.** On April 26, 2001, the Board of Directors adopted the Republic Services, Inc. Long Term Incentive Plan, effective January 1, 2001 to provide for long term incentive cash grants for specified employees of the Company, including the Employee. Effective January 1, 2003, the Long Term Incentive Plan was amended, restated and renamed to the Executive Incentive Plan (as previously defined in Section 2, clause (b), the "Plan") to provide not only for long term incentive cash grants but also to include the annual Bonus referred to above. Employee has participated in the Long Term Incentive Plan and the Plan since inception, and Employee shall be entitled to continue to participate in the Plan for purposes of receiving long term cash incentive grants pursuant to the terms and condition of this Agreement and the Plan."

E. For all purposes therein, the following Sections 21 and 22 shall be added to the Agreement:

**"21. Retirement Eligibility.** For all stock option or restricted stock awards ("Equity Awards") and all monetary awards (including annual bonus and long-term incentive awards and retirement contributions to the deferred compensation program) ("Monetary Awards" and together collectively with Equity Awards, "Awards")



granted to Employee prior to July 26, 2006 (“Prior Awards”), such Employee shall be eligible to retire for purposes of the Prior Awards upon attaining either (a) the age of fifty-five (55) and having completed six (6) years of service with the Company or (b) the age of sixty-five (65) without regard to years of service with the Company (the “Original Retirement Policy”). For all Awards granted to Employee following July 26, 2006 (“Prospective Awards”), the Original Retirement Policy shall apply provided, and only to the extent that, the Employee shall provide the Company with not less than twelve (12) months prior written notice of Employee’s intent to retire. Failure by Employee to provide such written notice shall cause the Revised Retirement Policy (as hereinafter defined) to apply to Prospective Awards, but such failure shall have no effect whatsoever on the Prior Awards, all of which shall continue to be subject to the Original Retirement Policy. For purposes of this Agreement, “Revised Retirement Policy” shall mean Employee has attained the age of (x) sixty (60) and has completed fifteen (15) years of continuous service with the Company or (y) sixty-five (65) with five (5) years of continuous service with the Company.

**22. Timing of Severance Payments**. Notwithstanding anything in this Agreement to the contrary, if Employee is deemed to be a “key employee” for purposes of Internal Revenue Code Section 409A (“Section 409A”), no Severance Payment or other payments pursuant to, or contemplated by, this Agreement shall be made to Employee by the Company until the amount of time has elapsed that is necessary to avoid incurring excise taxes under Section 409A. Should this result in a delay of payments to Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the “409A Payment Date”), the Company shall begin to make such payments as described in this Section 22, provided that any amounts that would have been payable earlier but for the application of this Section 22, shall be paid in a lump-sum on the 409A Payment Date.”

F. All other provisions or terms of the Agreement are hereby ratified and confirmed, including but not limited to, the provisions and terms of Sections 5, 6, and 7 thereof.

[Remainder of Page Intentionally Left Blank]  
[Signature Page to Follow]

IN WITNESS WHEREOF, the Company and the Employee have executed this Amendment effective as of the date first written above.

**REPUBLIC SERVICES, INC.**,  
a Delaware corporation

EMPLOYEE:

By: /s/ W. Lee Nutter  
\_\_\_\_\_  
Its: Chairman of the Compensation  
Committee of the Board of Directors

/s/ J.E. O'Connor  
\_\_\_\_\_  
JAMES E. O'CONNOR

**AMENDMENT NUMBER ONE**

This **AMENDMENT NUMBER ONE** (hereinafter the "Amendment") is made and entered into as of this 10<sup>th</sup> day of October, 2006, by and between **REPUBLIC SERVICES, INC.**, a Delaware corporation, (hereinafter the "Company") and **MICHAEL CORDESMAN**, a Florida Resident (hereinafter the "Employee"):

**RECITALS**

**WHEREAS**, the Company and the Employee have heretofore entered into a certain Employment Agreement dated as of January 31, 2003 (the "Agreement"); and

**WHEREAS**, the Company and the Employee wish to make further amendments to the Agreement to reflect various changes that have been agreed to since January 31, 2003, including changes to Employee's compensation, all as set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the Company and the Employee agree as follows:

- A. The recitals set forth above are incorporated in this Amendment by reference thereto.
- B. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
- C. For all purposes therein, clauses (a) and (b) of Section 2 of the Agreement are hereby deleted, in their entirety, and replaced with the following:

**2. Compensation**

**"(a) Base Salary.** In consideration for the Employee's services hereunder and the restrictive covenants contained herein, the Employee shall be paid an annual base salary of \$450,000 for the 2006 Fiscal Year (the "Salary" or the "Base Salary"), payable in accordance with the Company's customary payroll practices. Notwithstanding the foregoing, Employee's annual Base Salary may be increased at anytime and from time to time to levels greater than the levels set forth in the preceding sentence at the discretion of the Board of Directors of the Company to reflect merit or other increases. The Base Salary for each Fiscal Year shall become effective as of January 1 of such Fiscal year. The Employee's

Base Salary for any Fiscal Year after 2006 shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise.

**(b) Bonus.** In addition to the Base Salary, the Employee shall be eligible to receive a bonus ("Bonus") in an amount equal to 80% of the Employee's Base Salary during the 2006 Fiscal Year. The Bonus shall be based on the achievement of corporate goals and objectives as established by the Compensation Committee of the Board of Directors. The Bonus shall be subject to escalation as provided in the Company's Executive Incentive Plan (the "Plan"). The achievement of said goals and objectives shall be determined by the Compensation Committee of the Board of Directors. With respect to any Fiscal Year during which the Employee is employed by the Company for less than the entire Fiscal Year, the Bonus shall be prorated for the period during which the Employee was so employed. The Bonus shall be payable within thirty (30) days after the end of the Company's Fiscal Year. The term "Fiscal Year" as used herein shall mean each period of twelve (12) calendar months commencing on January 1st of each calendar year during the Employment Period and expiring on December 31st of such year. The maximum percentage of Base Salary which the Employee's Bonus for any year after the 2006 Fiscal Year may represent shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise."

D. For all purposes therein, Section 2 of the Agreement is hereby amended to insert the following clause (m):

**2. Compensation**

\*\*\*

**(m) Long Term Incentive.** On April 26, 2001, the Board of Directors adopted the Republic Services, Inc. Long Term Incentive Plan, effective January 1, 2001 to provide for long term incentive cash grants for specified employees of the Company, including the Employee. Effective January 1, 2003, the Long Term Incentive Plan was amended, restated and renamed to the Executive Incentive Plan (as previously defined in Section 2, clause (b), the "Plan") to provide not only for long term incentive cash grants but also to include the annual Bonus referred to above. Employee has participated in the Long Term Incentive Plan and the Plan since inception, and Employee shall be entitled to continue to participate in the Plan for purposes of receiving long term cash incentive grants pursuant to the terms and condition of this Agreement and the Plan."

E. In the preparation of Employee's Agreement, certain cross references in Section 3, clause (3) were incorrect due to an "autonumbering" error in the word-processing software utilized to create such document. To correct such errors, and for all purposes therein, each reference to Sections and clauses in the Agreement shall be changed to the references set forth below:

(a) Each reference to Section 2(a) shall be changed to Section 2(1);

(b) Each reference to Sections 6, 7 and 13 shall be changed to Sections 7, 8 and 14, respectively.

F. In preparation of Employee's Agreement, a cross reference in Section 4, clause (1) was also incorrect due to an "autonumbering" error in the word processing software utilized to create such document. To correct such error, and for all purposes therein, the reference to Section 3(c) in Section 4, clause (1) shall instead refer to Section 3(1). In addition, in the ultimate sentence in that Section 4, clause (1), the letter "b" shall be replaced with the word "by".

G. For all purposes therein, the following Sections 21 and 22 shall be added to the Agreement:

**"21. Retirement Eligibility.** For all stock option or restricted stock awards ("Equity Awards") and all monetary awards (including annual bonus and long-term incentive awards and retirement contributions to the deferred compensation program) ("Monetary Awards" and together collectively with Equity Awards, "Awards") granted to Employee prior to July 26, 2006 ("Prior Awards"), such Employee shall be eligible to retire for purposes of the Prior Awards upon attaining either (a) the age of fifty-five (55) and having completed six (6) years of service with the Company or (b) the age of sixty-five (65) without regard to years of service with the Company (the "Original Retirement Policy"). For all Awards granted to Employee following July 26, 2006 ("Prospective Awards"), the Original Retirement Policy shall apply provided, and only to the extent that, the Employee shall provide the Company with not less than twelve (12) months prior written notice of Employee's intent to retire. Failure by Employee to provide such written notice shall cause the Revised Retirement Policy (as hereinafter defined) to apply to Prospective Awards, but such failure shall have no effect whatsoever on the Prior Awards, all of which shall continue to be subject to the Original Retirement Policy. For purposes of this Agreement, "Revised Retirement Policy" shall mean Employee has attained the age of (x) sixty (60) and has completed fifteen (15) years of continuous service with the Company or (y) sixty-five (65) with five (5) years of continuous service with the Company.

**22. Timing of Severance Payments.** Notwithstanding anything in this Agreement to the contrary, if Employee is deemed to be a "key employee" for purposes of Internal Revenue Code Section 409A ("Section 409A"), no Severance Payment or other payments pursuant to, or contemplated by, this Agreement shall be made to Employee by the Company until the amount of time has elapsed that is necessary to avoid incurring excise taxes under Section 409A. Should this result in a delay of payments to Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the "409A Payment Date"), the Company shall begin to make such payments as described in this Section 22, provided that any amounts that would have been payable earlier but for the application of this Section 22, shall be paid in a lump-sum on the 409A Payment Date."

H. All other provisions or terms of the Agreement are hereby ratified and confirmed, including but not limited to, the provisions and terms of Sections 5, 6, and 7 thereof.

**IN WITNESS WHEREOF**, the Company and the Employee have executed this Amendment effective as of the date first written above.

**REPUBLIC SERVICES, INC.**,  
a Delaware corporation

EMPLOYEE:

By: /s/ W. Lee Nutter  
Its: Chairman of the Compensation  
Committee of the Board of Directors

/s/ M. Cordesman  
MICHAEL CORDESMAN

**AMENDMENT NUMBER TWO**

This **AMENDMENT NUMBER TWO** (hereinafter the "Amendment") is made and entered into as of this 10<sup>th</sup> day of October, 2006, by and between **REPUBLIC SERVICES, INC.**, a Delaware corporation, (hereinafter the "Company") and **TOD C. HOLMES**, a Florida Resident (hereinafter the "Employee"):

**RECITALS**

**WHEREAS**, the Company and the Employee have heretofore entered into a certain Employment Agreement dated as of October 25, 2000 (the "Employment Agreement"); and

**WHEREAS**, the Company and the Employee have heretofore entered into that certain Amendment Number One dated as of January 31, 2003 ("Amendment Number One" and, collectively, together with the Employment Agreement, the "Agreement"); and

**WHEREAS**, the Company and the Employee wish to make further amendments to the Agreement to reflect various changes that have been agreed to since October 25, 2000, including changes to Employee's compensation, all as set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the Company and the Employee agree as follows:

- A. The recitals set forth above are incorporated in this Amendment by reference thereto.
- B. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
- C. For all purposes therein, clauses (a) and (b) of Section 2 of the Agreement are hereby deleted, in their entirety, and replaced with the following:

**2. Compensation.**

**"(a) Base Salary.** In consideration for the Employee's services hereunder and the restrictive covenants contained herein, the Employee shall be paid an annual base salary of \$400,000 for the 2006 Fiscal Year (the "Salary" or the "Base Salary"), payable in accordance with the Company's customary payroll practices. Notwithstanding the foregoing, Employee's annual Base Salary may be increased at anytime and from time to time to levels greater than the levels set forth in the preceding sentence at the discretion of the Board of Directors of the

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Company to reflect merit or other increases. The Base Salary for each Fiscal Year shall become effective as of January 1 of such Fiscal year. The Employee's Base Salary for any Fiscal Year after 2006 shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise.

**(b) Bonus.** In addition to the Base Salary, the Employee shall be eligible to receive a bonus ("Bonus") in an amount equal to 60% of the Employee's Base Salary during the 2006 Fiscal Year. The Bonus shall be based on the achievement of corporate goals and objectives as established by the Compensation Committee of the Board of Directors. The Bonus shall be subject to escalation as provided in the Company's Executive Incentive Plan (the "Plan"). The achievement of said goals and objectives shall be determined by the Compensation Committee of the Board of Directors. With respect to any Fiscal Year during which the Employee is employed by the Company for less than the entire Fiscal Year, the Bonus shall be prorated for the period during which the Employee was so employed. The Bonus shall be payable within thirty (30) days after the end of the Company's Fiscal Year. The term "Fiscal Year" as used herein shall mean each period of twelve (12) calendar months commencing on January 1st of each calendar year during the Employment Period and expiring on December 31st of such year. The maximum percentage of Base Salary which the Employee's Bonus for any year after the 2006 Fiscal Year may represent shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise."

D. For all purposes therein, Section 2 of the Agreement is hereby amended to insert the following clause (m):

## **2. Compensation**

\*\*\*

**"(m) Long Term Incentive.** On April 26, 2001, the Board of Directors adopted the Republic Services, Inc. Long Term Incentive Plan, effective January 1, 2001 to provide for long term incentive cash grants for specified employees of the Company, including the Employee. Effective January 1, 2003, the Long Term Incentive Plan was amended, restated and renamed to the Executive Incentive Plan (as previously defined in Section 2, clause (b), the "Plan") to provide not only for long term incentive cash grants but also to include the annual Bonus referred to above. Employee has participated in the Long Term Incentive Plan and the Plan since inception, and Employee shall be entitled to continue to participate in the Plan for purposes of receiving long term cash incentive grants pursuant to the terms and condition of this Agreement and the Plan."

E. For all purposes therein, the following Sections 21 and 22 shall be added to the Agreement:

**"21. Retirement Eligibility.** For all stock option or restricted stock awards ("Equity Awards") and all monetary awards (including annual bonus and long-



term incentive awards and retirement contributions to the deferred compensation program) (“Monetary Awards” and together collectively with Equity Awards, “Awards”) granted to Employee prior to July 26, 2006 (“Prior Awards”), such Employee shall be eligible to retire for purposes of the Prior Awards upon attaining either (a) the age of fifty-five (55) and having completed six (6) years of service with the Company or (b) the age of sixty-five (65) without regard to years of service with the Company (the “Original Retirement Policy”). For all Awards granted to Employee following July 26, 2006 (“Prospective Awards”), the Original Retirement Policy shall apply provided, and only to the extent that, the Employee shall provide the Company with not less than twelve (12) months prior written notice of Employee’s intent to retire. Failure by Employee to provide such written notice shall cause the Revised Retirement Policy (as hereinafter defined) to apply to Prospective Awards, but such failure shall have no effect whatsoever on the Prior Awards, all of which shall continue to be subject to the Original Retirement Policy. For purposes of this Agreement, “Revised Retirement Policy” shall mean Employee has attained the age of (x) sixty (60) and has completed fifteen (15) years of continuous service with the Company or (y) sixty-five (65) with five (5) years of continuous service with the Company.

**22. Timing of Severance Payments**. Notwithstanding anything in this Agreement to the contrary, if Employee is deemed to be a “key employee” for purposes of Internal Revenue Code Section 409A (“Section 409A”), no Severance Payment or other payments pursuant to, or contemplated by, this Agreement shall be made to Employee by the Company until the amount of time has elapsed that is necessary to avoid incurring excise taxes under Section 409A. Should this result in a delay of payments to Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the “409A Payment Date”), the Company shall begin to make such payments as described in this Section 22, provided that any amounts that would have been payable earlier but for the application of this Section 22, shall be paid in a lump-sum on the 409A Payment Date.”

F. All other provisions or terms of the Agreement are hereby ratified and confirmed, including but not limited to, the provisions and terms of Sections 5, 6, and 7 thereof.

[Remainder of Page Intentionally Left Blank]  
[Signature Page to Follow]

IN WITNESS WHEREOF, the Company and the Employee have executed this Amendment effective as of the date first written above.

**REPUBLIC SERVICES, INC.**,  
a Delaware corporation

EMPLOYEE:

By: /s/ W. Lee Nutter  
Its: Chairman of the Compensation  
Committee of the Board of Directors

/s/ T.C. Holmes  
TOD HOLMES

**AMENDMENT NUMBER TWO**

This **AMENDMENT NUMBER TWO** (hereinafter the "Amendment") is made and entered into as of this 10<sup>th</sup> day of October, 2006, by and between **REPUBLIC SERVICES, INC.**, a Delaware corporation, (hereinafter the "Company") and **DAVID A. BARCLAY**, a Florida Resident (hereinafter the "Employee"):

**RECITALS**

**WHEREAS**, the Company and the Employee have heretofore entered into a certain Employment Agreement dated as of October 25, 2000 (the "Employment Agreement"); and

**WHEREAS**, the Company and the Employee have heretofore entered into that certain Amendment Number One dated as of January 31, 2003 ("Amendment Number One" and, collectively, together with the Employment Agreement, the "Agreement"); and

**WHEREAS**, the Company and the Employee wish to make further amendments to the Agreement to reflect various changes that have been agreed to since October 25, 2000, including changes to Employee's compensation, all as set forth below.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the Company and the Employee agree as follows:

- A. The recitals set forth above are incorporated in this Amendment by reference thereto.
- B. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
- C. For all purposes therein, clauses (a) and (b) of Section 2 of the Agreement are hereby deleted, in their entirety, and replaced with the following:

**2. Compensation.**

**"(a) Base Salary.** In consideration for the Employee's services hereunder and the restrictive covenants contained herein, the Employee shall be paid an annual base salary of \$325,000 for the 2006 Fiscal Year (the "Salary" or the "Base Salary"), payable in accordance with the Company's customary payroll practices. Notwithstanding the foregoing, Employee's annual Base Salary may be increased at anytime and from time to time to levels greater than the levels set

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forth in the preceding sentence at the discretion of the Board of Directors of the Company to reflect merit or other increases. The Base Salary for each Fiscal Year shall become effective as of January 1 of such Fiscal year. The Employee's Base Salary for any Fiscal Year after 2006 shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise.

**(b) Bonus.** In addition to the Base Salary, the Employee shall be eligible to receive a bonus ("Bonus") in an amount equal to 50% of the Employee's Base Salary during the 2006 Fiscal Year. The Bonus shall be based on the achievement of corporate goals and objectives as established by the Compensation Committee of the Board of Directors. The Bonus shall be subject to escalation as provided in the Company's Executive Incentive Plan (the "Plan"). The achievement of said goals and objectives shall be determined by the Compensation Committee of the Board of Directors. With respect to any Fiscal Year during which the Employee is employed by the Company for less than the entire Fiscal Year, the Bonus shall be prorated for the period during which the Employee was so employed. The Bonus shall be payable within thirty (30) days after the end of the Company's Fiscal Year. The term "Fiscal Year" as used herein shall mean each period of twelve (12) calendar months commencing on January 1st of each calendar year during the Employment Period and expiring on December 31st of such year. The maximum percentage of Base Salary which the Employee's Bonus for any year after the 2006 Fiscal Year may represent shall remain as set for the 2006 Fiscal Year unless the Board of Directors expressly provides otherwise."

D. For all purposes therein, Section 2 of the Agreement is hereby amended to insert the following clause (m):

**2. Compensation**

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**"(m) Long Term Incentive.** On April 26, 2001, the Board of Directors adopted the Republic Services, Inc. Long Term Incentive Plan, effective January 1, 2001 to provide for long term incentive cash grants for specified employees of the Company, including the Employee. Effective January 1, 2003, the Long Term Incentive Plan was amended, restated and renamed to the Executive Incentive Plan (as previously defined in Section 2, clause (b), the "Plan") to provide not only for long term incentive cash grants but also to include the annual Bonus referred to above. Employee has participated in the Long Term Incentive Plan and the Plan since inception, and Employee shall be entitled to continue to participate in the Plan for purposes of receiving long term cash incentive grants pursuant to the terms and condition of this Agreement and the Plan."

E. For all purposes therein, the following Sections 21 and 22 shall be added to the Agreement:

**"21. Retirement Eligibility.** For all stock option or restricted stock awards ("Equity Awards") and all monetary awards (including annual bonus and long-

term incentive awards and retirement contributions to the deferred compensation program) (“Monetary Awards” and together collectively with Equity Awards, “Awards”) granted to Employee prior to July 26, 2006 (“Prior Awards”), such Employee shall be eligible to retire for purposes of the Prior Awards upon attaining either (a) the age of fifty-five (55) and having completed six (6) years of service with the Company or (b) the age of sixty-five (65) without regard to years of service with the Company (the “Original Retirement Policy”). For all Awards granted to Employee following July 26, 2006 (“Prospective Awards”), the Original Retirement Policy shall apply provided, and only to the extent that, the Employee shall provide the Company with not less than twelve (12) months prior written notice of Employee’s intent to retire. Failure by Employee to provide such written notice shall cause the Revised Retirement Policy (as hereinafter defined) to apply to Prospective Awards, but such failure shall have no effect whatsoever on the Prior Awards, all of which shall continue to be subject to the Original Retirement Policy. For purposes of this Agreement, “Revised Retirement Policy” shall mean Employee has attained the age of (x) sixty (60) and has completed fifteen (15) years of continuous service with the Company or (y) sixty-five (65) with five (5) years of continuous service with the Company.

**22. Timing of Severance Payments**. Notwithstanding anything in this Agreement to the contrary, if Employee is deemed to be a “key employee” for purposes of Internal Revenue Code Section 409A (“Section 409A”), no Severance Payment or other payments pursuant to, or contemplated by, this Agreement shall be made to Employee by the Company until the amount of time has elapsed that is necessary to avoid incurring excise taxes under Section 409A. Should this result in a delay of payments to Employee, on the first day any such payments may be made without incurring a penalty pursuant to Section 409A (the “409A Payment Date”), the Company shall begin to make such payments as described in this Section 22, provided that any amounts that would have been payable earlier but for the application of this Section 22, shall be paid in a lump-sum on the 409A Payment Date.”

F. All other provisions or terms of the Agreement are hereby ratified and confirmed, including but not limited to, the provisions and terms of Sections 5, 6, and 7 thereof.

[Remainder of Page Intentionally Left Blank]  
[Signature Page to Follow]

IN WITNESS WHEREOF, the Company and the Employee have executed this Amendment effective as of the date first written above.

**REPUBLIC SERVICES, INC.**,  
a Delaware corporation

EMPLOYEE:

By: /s/ W. Lee Nutter  
Its: Chairman of the Compensation  
Committee of the Board of Directors

/s/ D.A. Barclay  
DAVID A. BARCLAY