

**FIRST AMENDMENT TO AGREEMENT FOR SOLID WASTE
HANDLING SERVICES BETWEEN CITY OF FULLERTON
AND M-G DISPOSAL SERVICES, LLC**

This First Amendment (the "First Amendment") to the Agreement for Solid Waste Handling Services between the City of Fullerton (hereinafter "City") and M-G Disposal Services, LLC (hereinafter "Contractor") is made and entered so as to be effective as of February 5, 2013.

1. RECITALS

A. City and Contractor have entered that certain Agreement for Solid Waste Handling Services effective as of March 1, 2009 (the "Agreement").

B. Contractor is an affiliate of Republic Services, Inc., a Delaware corporation ("Guarantor"), and Guarantor has entered into a written Guarantee Agreement (the "Guarantee") with City related to Contractor's performance pursuant to the terms of the Agreement.

C. The Agreement contains a provision known as a "reopener" by which the parties agreed to enter good faith negotiations in 2013 related to sharing of revenues from Recyclable Materials Collected in connection with the Agreement.

D. City and Contractor have come to an agreement regarding how to best share in revenues from Recyclable Materials, and further have agreed to modify other aspects of the Agreement, and desire to enter this *First Amendment for the purpose of setting forth their agreements and understandings with respect to these issues, while leaving all other aspects of the Agreement unchanged.*

E. Guarantor has reviewed this First Amendment and remains willing to apply the Guarantee to Contractor's performance under the Agreement as amended by this First Amendment.

2. COVENANTS

Section 1. Amendment to definition of "Gross Receipts." Section 2.21 of the Agreement is hereby amended in its entirety to read as follows:

2.21 Gross Receipts

"Gross Receipts" shall mean and include all monies, fees, charges, consideration, and revenue received, charged or imputed to Contractor and any Affiliate of Contractor, in connection with, arising from, or in any way attributable to the Solid Waste Handling Services carried out by or on behalf of Contractor pursuant to this Agreement. Gross Receipts includes, without limitation, monthly Customer charges for Collection of Solid Waste, without subtracting Franchise Fees, fees imposed and collected pursuant to this Agreement, sums collected in connection with Temporary Services, and transportation charges. Notwithstanding anything in this Section to the contrary, for purposes of calculating Franchise Fees due to City by Contractor, Gross Receipts shall be deemed to

not include (1) an amount equal to AB 939 Fees paid by Contractor to City pursuant to Section 11.6 of this Agreement, and (2) revenue received by Contractor from the sale of Recyclable Materials Collected pursuant to this Agreement (including, without limitation, revenue received from the State of California's CRV fund).

Section 2. Amendment to CRV Revenue Sharing Provisions. Section 11.5 of the Agreement is hereby amended in its entirety to read as follows:

11.5 CRV Revenue Share Payment

Contractor shall share in revenue it receives from the sale of Recyclable Materials by paying the City an amount equal to \$18,000.00 per month (the "CRV Revenue Share Payment"), during the Term of this Agreement. Said CRV Revenue Share Payment shall be paid to City monthly on or before the fifteenth (15th) day of each month. Should any such due date fall on a weekend or holiday in which the City's business offices are closed, payment shall be due on the first day thereafter in which the City's business offices are open. The amount of the CRV Revenue Sharing Payment shall be adjusted annually on July 1 (commencing on July 1, 2013) by the change in the Consumer Price Index for the 12 month period ending the preceding March 31 [All Urban Consumers, CUURA421SA0 not seasonally adjusted, all items index (CPI-U) – Los Angeles County, Riverside County, Orange County average.]

Section 3. Adjustments to CRV Revenue Share Payment. The CRV Revenue Share Payment noted in Section 2 hereof is intended to commence on January 2013. Accordingly, upon the effective date of this First Amendment Contractor shall make a payment to the City in an amount equal to \$18,000 to cover the January 2013 payment, with the next payment due on or before February 15, 2013. The CRV Revenue Share Payment shall be subject to an adjustment on July 1, 2019 and July 1, 2024. The adjustments to the CRV Revenue Share Payment shall be proportionate to any adjustment in either (or both) the adjustment in the amount of Recyclable Materials (including without limitation CRV materials) Collected and recovered by Contractor (or its affiliates) as a result of its operations pursuant to the Agreement or the increase in the average price paid in the open marketplace for the types of Recyclable Materials (including without limitation CRV materials) Collected by Contractor pursuant to the Agreement.

Section 4. Amendment to Annual Community Program Contribution Provisions. Section 11.6 of the Agreement is hereby amended in its entirety to read as follows:

11.6 Annual Contribution to Community Programs

As further consideration for the rights granted to Contractor herein, Contractor shall make a payment of \$300,000.00 to City each year during the Term hereof for City to use for community programs of any nature as it deems appropriate (the "Community Program Payment"). Such payment shall be due on or before July 1 of each year, with the final payment due on or before July 1, 2027. Commencing with the payment due on July 1, 2013, the Community Program Payment shall be adjusted each year during the Term by the change in the Consumer Price Index for the 12-month period ending the

preceding March 31[All Urban Consumers, CUURA421SA0 not seasonally adjusted, all items index (CPI-U) – Los Angeles County, Riverside County, Orange County average.]

The City also recognizes that these contributions from Contractor will be given appropriate recognition for the sponsorships of the Community Programs.

Section 5. Retroactive Adjustment for First Community Program Payment. The \$300,000 Community Program Payment noted in Section 4 above reflects an increase of the amount of this payment called for in the Agreement. Under the terms of the Agreement a Community Program Payment for fiscal year 2012-2013 was made by Contractor in the amount of \$66,893.18. The parties have agreed that the increased Community Program Payment shall become effective in the 2012-2013 fiscal year, and accordingly upon the effective date of this First Amendment Contractor shall make a payment to City in the amount of \$233,106.82 in order to bring the total Community Program Payment for fiscal year 2012-2013 to \$300,000. The next Community Program Payment will be due on or before July 1, 2013.

Section 6. Amendment to Term. Section 6 of the Agreement is hereby amended in its entirety to read as follows:

Section 6 TERM

The term of this Agreement (the "Term") shall be for the period of time commencing on March 1, 2009, and ending at midnight on June 30, 2027, unless this Agreement is terminated sooner pursuant to Section 18 hereof, or otherwise.

Section 7. Consideration for Extension of Term. In consideration for the extension of the Term set forth in this First Amendment, and in addition to such other consideration set forth herein, Contractor expressly agrees to pay City the amount of \$7,000,000.00 (the "Extension Payment.") The Extension Payment shall be paid to City in 13 payments, with the first payment due upon the effective date of this First Amendment, and annual payments due thereafter on or before January 15 of each year. The amount of each payment and the payment due dates are more fully set forth in the attached Exhibit D, which is hereby incorporated into this First Amendment and the Agreement. Contractor acknowledges that City intends to competitively bid the services set forth in the Agreement at the end of the Term hereof, and that City does not intend to grant any further extensions of the Term.

Section 8. Amendment to Extra Refuse Cart Provision. Section 8.2.1 of the Agreement is amended by the addition of the following sentence to the end of the existing language, and in all other respects Section 8.2.1 remains unchanged:

Contractor may charge Customers rates that do not exceed the maximum rates set forth in Exhibit A for each additional Refuse Cart requested from Contractor, or for each such Refuse Cart required to be delivered to such Customer by the City Manager pursuant to this Section 8.2.1.

Section 9. Amendment to Exhibit A. To provide a maximum rate on Exhibit A to correspond with the provisions of Section 6 of this First Amendment by which Section 8.2.1 of

the Agreement was amended to allow Contractor to charge for extra Refuse Carts, Exhibit A of the Agreement is amended to add the following information:

	Base Maximum Rate For Service Component	Disposal Component Tonnage Basis	Maximum Rate for Disposal Component	Total: Maximum Rate to Customer
Each Additional Refuse Cart	\$1.80	.0879	\$2.76	\$4.56

Section 10. Temporary Freeze of Automatic CPI Adjustments to Maximum Rates.

As additional consideration for the terms and conditions set forth herein, the automatic increases to the service component of the maximum rate that may be charged to Customers at Single Family Dwellings utilizing Refuse Carts set forth in Section 24.5 of the Agreement were not implemented by the parties for fiscal year 2012-2013 and shall not be implemented in fiscal year 2013-2014. The parties agree that the provision of Section 24.5 related to automatic CPI rate increases to the service component of the maximum rates set forth in Exhibit A shall be suspended until July 1, 2014 when it will once again become effective. Similarly, the parties acknowledge that the provisions of Section 24.5 related to automatic CPI increase to the service component of the maximum rates set forth in Exhibit A applicable to other Customers (e.g., those using Bins, etc) were voluntarily not implemented at the commencement of fiscal year 2012-2013. The parties agree the maximum rates that would otherwise have been effective for such Customers as of July 1, 2012 shall become effective as of January 1, 2013.

Section 11. Amendment to Section 23 Pertaining to Reports and Adverse Information. The First paragraph of Section 23 of the Agreement is amended to read as follows:

The parties acknowledge that City will require reporting at various intervals by which information important to City can be compiled and analyzed. Throughout the Term the parties agree to work together to address City's needs with respect to the information to be contained in reports prepared by Contractor. The following is intended as a starting point in order to have established an objective baseline for reporting, but the frequency and content of the reports called out below may be changed by agreement of the parties, provided any such change is approved by the City Manager in writing. Records related to performance of the Agreement shall be maintained by Contractor in forms that facilitate flexible use of data contained in them to structure reports as needed. The format of each report shall be approved by City. Contractor agrees to submit all reports in electronic format to City if requested. Monthly reports shall be submitted within twenty (20) calendar days after the end of each month. Quarterly reports shall be submitted within twenty (20) calendar days after the end of the calendar quarter. Pursuant to Section 18.7.3.4 of this Agreement, any report hereunder that is not received within seventy-two (72) business hours after receipt of a written request therefore shall be considered late until such time as a correct and complete report is received by City and subject to possible liquidated damaged as outlined within Section 18.7.3.4.

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Section 12. Unaffected Provisions Remain in Full Force. All provisions of the Agreement excepting for those expressly amended by this First Amendment, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to be effective as of the date and year written above.

CITY OF FULLERTON

By: Bruce Whitaker
Bruce Whitaker, Mayor

Attest:

By: Lucinda Williams
Lucinda Williams, City Clerk

Approved as to form:

By: Rutan & Tucker, LLP
Rutan & Tucker, LLP, Special Counsel

M-G Disposal Services, LLC

By: Camille Logans
its: General Manager

ACKNOWLEDGEMENT AND CONSENT BY CORPORATE GUARANTOR

A. M-G Disposal Services, LLC hereinafter (“Contractor”) is an affiliate of Republic Services, Inc., a Delaware corporation (“Guarantor”).

B. Guarantor has entered a Corporate Guarantee (the “Guarantee”) related to Contractor’s obligations pursuant to the Agreement, as defined above.

C. Guarantor hereby acknowledges and consents to the provisions of the forgoing First Amendment, and agrees that its obligations as set forth in the Guarantee provided as Exhibit C to the Agreement shall comply equally with the First Amendment set forth above as if fully restated with respect to said First Amendment.

GUARANTOR:

Republic Services, Inc., a Delaware Corporation

By: Marsha Lacy
Marsha Lacy, Assistant Treasurer

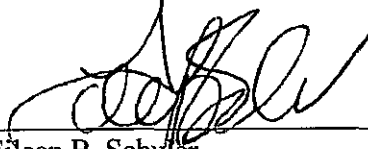
EXHIBIT D

Payment Due Date	Payment Amount
Effective Date of First Amendment	\$1,400,000.00
January 15, 2014	\$933,333.00
January 15, 2015	\$933,333.00
January 15, 2016	\$466,667.00
January 15, 2017	\$466,666.00
January 15, 2018	\$466,668.00
January 15, 2019	\$333,333.00
January 15, 2020	\$333,333.00
January 15, 2021	\$333,334.00
January 15, 2022	\$333,333.00
January 15, 2023	\$333,333.00
January 15, 2024	\$333,334.00
January 15, 2025	\$333,333.00
TOTAL:	\$7,000,000.00

CERTIFICATE

The undersigned certifies that (i) she is the duly elected, qualified and acting Secretary of **M-G DISPOSAL SERVICES, LLC**, a Delaware limited liability company (the "Company"); (ii) attached hereto as Schedule A is a true and correct copy of resolutions duly adopted by **REPUBLIC SERVICES, INC.**, a Delaware corporation, the sole member of the Company (the "Member") by written consent of the Member; and (iii) such resolutions have not been amended, rescinded, modified or revoked, and are in full force and effect on the date hereof.

Dated: January 22, 2013.



Eileen B. Schuler
Secretary

SCHEDULE A

RESOLVED, that the Company is hereby authorized to enter into that certain First Amendment to Agreement for Solid Waste Handling Services Between City of Fullerton and M-G Disposal Services, LLC (the "**Amendment**") with the City of Fullerton (the "**City**") in the State of California, substantially in the form presented to the Company, with such changes as may be approved by the officers or such other persons authorized to execute same and such actions are hereby approved, adopted, ratified and confirmed;

FURTHER RESOLVED, that the Company is hereby authorized and directed to execute and deliver the Renewal, and such other applications, exhibits, agreements or attachments necessary in connection with the Renewal and in connection with the performance of the Company's obligations and agreements as set forth therein;

FURTHER RESOLVED, that **DANIEL CAPENER**, as an authorized agent for the Company, or any officer of the Company, is hereby authorized and directed to execute and deliver Renewal to the City and to execute any and all other documents on behalf of the Company required by the City in connection with the Renewal and in connection with the performance of the Company's obligations and agreements set forth therein; and

FURTHER RESOLVED, that the Secretary, or any other officer of the Company, is hereby authorized to certify to the adoption of the foregoing resolutions as may be required.