

P97000021081

CARLTON FIELDS
Requestor Name

Post Office Drawer 190
Address

Tallahassee, FL 32302
City/State/Zip

Nancy Hurd
224-1585
Phone #

Office Use Only

CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

1. Eastern Environmental Services of Florida, Inc. P97000021081
(Corporation Name) (Document #)

2. Waste-X, Services, Inc. J95168
(Corporation Name) (Document #)

3. (Corporation Name) (Document #) 800002272838-2
-08/20/97-01107-003
****122.50 ****122.50

4. (Corporation Name) (Document #)

☒ Walk in ☒ Pick up time 8/15/97 ☒ Certified Copy
☐ Mail out ☐ Will wait ☐ Photocopy ☐ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
XX	Share Exchange

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

No Exhibits attached - many schedules referred to but not stated as attached.

Examiner's Initials

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

97 AUG 15 PM 3:53

FILED

8/15

Share Exchange

J.C.

RECEIVED
97 AUG 15 AM 11:37

CARLTON FIELDS

ATTORNEYS AT LAW

ONE HARBOUR PLACE
777 E. HARBOUR ISLAND BOULEVARD
TAMPA, FLORIDA 33602-5799

MAILING ADDRESS:
P.O. BOX 3239, TAMPA, FL 33601-3239
TEL (813) 223-7000 FAX (813) 229-4133

Tampa

August 15, 1997

Ms. Joy French
Florida Secretary of State
409 E. Gaines Street
Tallahassee, FL 32399

Via Telecopy

Re: Articles of Share Exchange/Waste-X Services,
Inc./Eastern Environmental Services of Florida, Inc.

Dear Joy:

Confirming our discussion today, enclosed is a revised page 25 of the Plan of Share Exchange, showing the state of incorporation for Eastern Environmental Services of Florida, Inc. as Florida. I have also enclosed a notice to be attached at the end of the Plan (prior to the amendments), confirming the omission of schedules from the Plan as filed as these are not relevant to the specific manner and basis of the exchange.

Thank you for your help. As we discussed, we wish to retain the initial filing date of August 15, 1997. Please call me if you have any questions. My number is 813-229-4139.

Yours sincerely,


Laurel Lockett

ence.

cc: Sandy Weiss, Esq.
Robert Kramer, Esq.

CARLTON, FIELDS, WARD, EMMANUEL, SMITH & CUTLER, P.A.

TAMPA

ORLANDO

PENSACOLA

TALLAHASSEE

WEST PALM BEACH

ST. PETERSBURG

FILED**ARTICLES OF SHARE EXCHANGE**

97 AUG 15 PM 3: 53

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1105 of the Florida Statutes, the undersigned corporations adopt the following articles of share exchange for the purpose of effecting a share exchange:

1. The name of the acquiring corporation of the share exchange is Eastern Environmental Services of Florida, Inc., a Florida corporation ("EESFI").
2. The name of the corporation the shares of which will be acquired is Waste-X, Services, Inc., a Florida corporation ("Waste-X").
3. On August 6, 1997, the Plan of Share Exchange, a copy of which is attached hereto, (the "Plan of Share Exchange") was approved by the respective board of directors of EESFI and Waste-X.
4. On August 6, 1997, the Plan of Share Exchange, was approved by the shareholders of Waste-X. Pursuant to Florida Statute Section 607.1103(1), approval of the Plan of Share Exchange by the sole shareholder of EESFI was not required.
5. The effective date of the share exchange shall be August ¹⁴ 1997.

WASTE-X SERVICES, INC.BY: 

Deidre Laratro, President

DATE 8/13/97ATTEST: 

Joseph Laratro, Secretary

EASTERN ENVIRONMENTAL SERVICES OF FLORIDA, INC.BY: 

Neal Rodriguez

DATE 8/13/97

ATTEST: _____

Robert M. Kramer, Secretary

PLAN OF SHARE EXCHANGE
(Attached)

AGREEMENT FOR PURCHASE OF STOCK

AGREEMENT FOR THE PURCHASE OF STOCK OF WASTE-X SERVICES, INC. ("Company") (this "**Agreement**") dated as of July 7, 1997, by and among **EASTERN ENVIRONMENTAL SERVICES, INC.**, a Delaware corporation ("**EESI**"), **EASTERN ENVIRONMENTAL SERVICES OF FLORIDA, INC.**, a Florida corporation and a wholly owned subsidiary of EESI ("**Buyer**"), and **DEIDRE LARATRO** and **DANIEL LARATRO** (collectively referred to as "**Shareholder**").

RECITALS

Company operates a waste collection, recycling, transportation and disposal business located in Dade County, Florida (the "**Business**"). Buyer is a wholly owned subsidiary of EESI. Shareholder owns all of the issued and outstanding shares of Company. EESI and Buyer are unwilling to enter into this Agreement without certain covenants and promises from Shareholder, and Shareholder is willing to make the covenants and promises set forth in this Agreement. The parties hereto have entered into this Agreement to evidence their understandings and agreements.

The Shareholder and the respective board of directors of Buyer and EESI believe that the transactions described in this Agreement are in the best interest of the parties and their shareholders and have approved the transactions described in this Agreement. The Buyer desires to purchase all of the Company Stock and acquire the Company and the Shareholder desires to sell all of the Company Stock and sell the Company. EESI is the parent and sole shareholder of the Buyer. EESI, the Buyer and Shareholder have entered into this Agreement to set forth their agreement concerning the purchase and sale of the Company Stock. This Agreement provides for the acquisition of the Company by Buyer pursuant to the exchange of stock of the Company for certain stock of EESI. At the Closing, the outstanding shares of Company, which comprise 200 common shares, par value \$1.00 (the "**Company Stock**"), shall be exchanged for the number of fully paid, nonassessable shares of the EESI's common stock, par value \$0.01 as set forth in Article II, plus debt assumption in the amount set forth in Article II. As a result, the Shareholder shall become a shareholder of EESI. In addition, Shareholder and Daniel Laratro shall deliver a Non-Competition Agreement in favor of EESI and Buyer as more particularly defined in Section 3.2(c).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, received to the full satisfaction of each of them, the parties hereby agree as follows:

ARTICLE I.
THE AGREEMENT AND ASSETS

Section 1.1. Incorporation of Recitals. The recitals set forth above are incorporated herein by reference and are a part of this Agreement.

Section 1.2. Agreement to Sell Stock of Companies; Consideration. At the Closing, the Shareholder agrees to transfer and deliver to Buyer all of the Company Stock, and Buyer agrees to purchase and pay for the Company Stock, the total consideration as set forth in Article II.

Section 1.3. The Assets The Shareholder represents and warrants that the assets of the Company ("Assets") as of the Balance Sheet Date and as of the Closing Date include, without limitation, the following:

- a. All containers, carts and compactors (the "Containers and Compactors") are described by capacity, location, type and serial number on *Schedule 1.1(a)*;
- b. All motor vehicles and all attachments, accessories and materials handling equipment (the "Rolling Stock"), are described by manufacturer, model number and model year on *Schedule 1.1(b)*;
- c. All recycling equipment ("Recycling Equipment") is described on *Schedule 1.1(c)*;
- d. All radios located in the Rolling Stock, the radio base station, and all manual and automated routing and billing systems and components thereof, including, without limitation, all computerized routing and billing software and programs, and all computer hardware, including without limitation, printers, CPU's, keyboards and monitors, are listed on *Schedule 1.1(d)* as (the "Radios and Automated Systems"). The Radios are fully operational and include two way radios for each piece of Rolling Stock and a base station with sufficient power to communicate with all Rolling Stock at all Customs locations;
- e. All inventory of parts, tires and accessories (the "Parts Inventory") are listed on *Schedule 1.1(e)*. The Parts Inventory is sufficient to operate the Rolling Stock and Assets of the Company for a period of three (3) weeks;
- f. All trade secrets, proprietary rights, symbols, trademarks, service marks, logos and trade names used in the Business and owned by Company are listed on *Schedule 5.10*;
- g. All contractual rights of Company with its customers (whether oral or in writing) relating to the conduct of the Business (the "Customer Contracts") are summarized on *Schedule 1.1(g)* along with a complete and accurate list of the Customer Contracts. Complete and correct copies of the Customer Contracts shall be delivered to Buyer at Closing;

h. All accounts receivable of the Company of the Closing Date whether or not billed to clients ("Accounts Receivable") and all prepaid deposits ("Prepaid Deposits"), by customer code and age, are listed on *Schedule 1.1(h)*;

i. All permits, licenses, franchises, consents and other approvals from governments, governmental agencies (federal, state and local) and/or third parties relating to, used in or required for the operation of the Business, including without limitation any pending application for same (the "Approvals") are listed on *Schedule 1.1(i)*;

j. All names used or owned by the Company, including "Waste-X Services" and all similar names (the "Business Name") in connection with any and all aspects of the waste disposal industry, including without limitation, waste collection, waste recycling, waste transfer and landfills;

k. All the telephone number(s) used by the Company are: 305-688-0000 and facsimile 305-688-1886;

l. All shop tools ("Shop Tools") are listed on *Schedule 1.1(l)*. The Shop Tools are sufficient to complete routine repairs on the Rolling Stock;

m. All furniture and office or other equipment ("Furniture and Equipment") is listed on *Schedule 1.1(m)*;

n. All the leases ("Leases") under which Company rents any real property (the "Leased Real Property") or personal property or to which the Company is a party are listed and summarized on *Schedule 1.1(n)*. If not attached hereto, complete and accurate copies of the Leases shall be delivered to Buyer at or before Closing;

o. All the security deposits for telephone service and all other utilities, and any pre-paid solid waste disposal contract deposits, all of which are listed on *Schedule 1.1(o)* (the "Deposits"). If not attached hereto, the Deposits shall be provided at or before Closing;

p. All cash on hand and on deposit in bank accounts on the day of closing, a list of which banks, account numbers and balances are set forth on *Schedule 1.1(p)* (the "Cash"). If not attached hereto, the Cash shall be provided at or before Closing;

q. All claims and the proceeds of those certain litigation matters identified on *Schedule 5.17*; and

r. the goodwill of the Company.

All of the assets of the Company, including without limitation the assets, properties and contractual rights described above, are collectively referred to in this Agreement as the "Assets."

Company and Shareholder represent and warrant to Buyer that the Assets include all the tangible and intangible property owned by Company or in which Company has an interest.

ARTICLE II. **CONSIDERATION**

Section 2.1. Consideration. The amount to be paid to Shareholder at Closing, subject to adjustment as set forth in Section 2.2 below, shall be Six Million Four Hundred Thousand Dollars (\$6,400,000.00) ("Consideration"). The Consideration shall be paid as follows:

(a) Five Million Five Hundred Thousand Dollars (\$5,500,000.00) shall be paid in the fully paid, nonassessable, common stock of EESI (the "Stock Consideration") based on the per share price of \$12.25 per share (the "Per Share Price").

(b) Buyer accepting the Company Stock with the Company having total liabilities not to exceed Nine Hundred Thousand Dollars (\$900,000.00) as more particularly set forth on *Schedule 1.3*. To the extent that the Company's liabilities at closing are less than \$900,000.00, Shareholder shall be paid the balance in the fully paid, nonassessable, common stock of EESI at the Per Share Price.

Section 2.2. Non-Competition Consideration. Four Hundred Thousand Dollars (\$400,000.00) shall be payable to Daniel Laratro and Deidre Laratro in consideration of the Non-Competition Agreements as set forth in Section 2.5, below.

Section 2.3. Adjustments to Consideration.

(a) **Escrowed Consideration.**

i) Six Hundred Forty Thousand Dollars (\$640,000.00) of the Consideration comprising a portion of the Stock Consideration ("Escrowed General Stock Consideration") shall be issued and held by Unregistered Robert M. Kramer, Esq. as escrow agent (the "Escrow Agent") over a period of twelve (12) months (the "General Claims Period"), in accordance with the following and an escrow agreement ("Escrow Agreement") to be provided by Buyer at Closing. The Escrowed General Stock Consideration shall be reduced by any amount equal to any Indemnification Demand or Third Party Claim made by or on behalf of Buyer under Article X, including without limitation, any claim, expense, loss, obligation, debt, demand, or liability of the Company, whether fixed or contingent, existing or arising out of the Company's business or operations before the Closing ("Pre-Closing Debt") that (i) has not been paid prior to Closing or (ii) is not expressly set forth on *Schedule 1.3* and expressly assumed by Buyer at Closing under this Agreement. The amount of the deduction to the Escrowed General Stock Consideration shall be calculated by valuing each share of the Escrowed General Stock Consideration at each date in connection with the disbursement shall be calculated by valuing each share of the Escrowed Stock Consideration to be drawn against the average closing price

for EESI's common stock for the five (5) trading days which end five (5) business days prior to each date of disbursement (the then applicable "Five Day Average").

In the event any Third Party Claim or Indemnification Demand arises within the General Claims Period which is not resolved to the satisfaction of Buyer prior to the expiration of the General Claims Period, the Consideration shall be reduced in an amount sufficient to satisfy the Escrowed General Stock Consideration and shall be used to satisfy the Third Party Claim or Indemnification Demand and the General Claims Period shall be extended with respect to that sum until such Third Party Claim or Indemnification Demand has been resolved to the satisfaction of Buyer, or becomes subject to a right of set off under Article X, in which case Buyer may satisfy such Third Party Claim or Indemnification Demand from the Escrowed General Stock Consideration. Unless otherwise retained, withdrawn or paid out by Buyer pursuant to the terms of this Section 2.2(a), the Buyer shall issue and deliver the Escrowed General Stock Consideration to Shareholder in the Shares of EESI calculated at the then applicable Five Day Average, along with a list of all payments made on the Company's behalf, if any, on the twelve (12) month anniversary of the Closing Date.

Nothing herein shall be deemed to limit or terminate any party's right to indemnification pursuant to Article X after the expiration of the General Claims Period.

ii) Nine Hundred Sixty Thousand Dollars (\$960,000.00) of the Consideration comprising a portion of the Stock Consideration ("Escrowed Litigation Consideration") shall be issued and held by the Unregistered Escrow Agent until such time as those certain litigation matters set forth on *Schedule 5.17* (the "Litigation") have been dismissed with prejudice and if the Litigation is settled, in addition to a dismissal with prejudice, the execution of a settlement agreement compromising or settling the Litigation which is reasonably acceptable to EESI (the "Litigation Claims Period"). The Escrowed Litigation Stock Consideration shall be reduced by any amount equal to any amount required to be paid by EESI or the Company to: (A) settle such Litigation; and (B) all costs and expenses incurred by EESI in monitoring the Litigation, or in enforcing, defending or interpreting the Company's or EESI's rights in the Litigation, including, but not limited to, all collection and court costs, and all attorneys', expert and paralegal fees, whether incurred out of court, at trial, in arbitration, mediation, or on appeal. Any deduction from the Escrowed Litigation Stock Consideration hereunder shall be made at the then applicable Five Day Average.

(b) Buyer shall receive a credit against the Consideration for Prepaid Deposits, the Cash, and the Deposits.

(c) At the Closing, the Stock Consideration shall be increased by the amount of the Accounts Receivable as of the Closing Date, subject to the following discount schedule:

- (1) 0-30 days - 5% discount (on the amount of such Accounts Receivable that are 0-30 days less the amount of any unearned revenue allocated to such receivables)

- (2) 31-60 days - 10% discount
- (3) 61-90 days - 40% discount
- (4) over 90 days - 90% discount

reduced by the amount of accounts payable. If accounts payable exceed the discounted amounts receivable, Buyer shall be entitled to deduct same from the Escrowed General Stock Consideration.

Section 2.4. Restrictions on Transfer of Unregistered Shares. Some or all of the Stock Consideration to be delivered to Shareholder in payment of a portion of the Consideration may not be registered under the Securities Act of 1933 ("Act") at the time of delivery ("Unregistered Shares"). In accordance with Section 2.4 below, EESI has agreed to register the Unregistered Shares. Shareholder understands and agrees that the following restrictions and limitations are applicable to the purchase and resale or other transfer of the Unregistered Shares pursuant to the Act until registered.

(a) Shareholder agrees that the Unregistered Shares shall not be sold or otherwise transferred unless, the Unregistered Shares are registered under the Act and state securities laws or are exempt therefrom.

(b) A legend in substantially the following form will be placed on the certificates evidencing the Unregistered Shares to be issued to Shareholder:

The securities represented by this certificate have not been registered under the Securities Act of 1933 or any state securities act. These shares have been acquired for investment and may not be sold, transferred, pledged or hypothecated unless (i) they shall have been registered under the Securities Act of 1933 and any applicable states securities act or (ii) Eastern Environmental Services, Inc., shall have been furnished with an opinion of counsel, satisfactory to counsel for Eastern Environmental Services, Inc. that registration is not required under any such acts; and

(c) Stop transfer instructions will be imposed with respect to the Unregistered Shares issued to Shareholder pursuant to this Agreement so as to restrict resale or other transfer thereof except in accordance with the foregoing provisions of this *Section 2.3*.

Section 2.5. Registration Rights.

(a) EESI shall file a registration statement to register one-third (1/3) of the Unregistered Shares under the Act for sale to the public pursuant to a "shelf registration" under Rule 415 of the Act within: (i) one hundred twenty (120) days; or (ii) upon the next filing of a registration statement by EESI after the Closing Date, whichever shall first occur. EESI will

give written notice to the Company of the "shelf" registration at least 15 days before the registration statement is filed. After receiving the notice of the "shelf" registration, Company will advise EESI in writing of the intended method of disposition of the Unregistered Shares to be registered. Notwithstanding the foregoing provisions, EESI may withdraw any registration statement referred to in this paragraph without incurring any liability to Company. Notwithstanding the above, EESI's obligation to file the shelf registration and/or keep the shelf registration continuously effective shall be suspended, for any period that there exists material, non-public information relating to EESI.

(b) With respect to the registration of the Unregistered Shares, EESI will, as expeditiously as possible: (i) furnish to Shareholder a prospectus, including copies of a preliminary prospectus, prepared in conformity with the requirements of the Act, and such other documents, as Shareholder may reasonably request in order to facilitate the public sale or other disposition of the securities to be sold by Shareholder; (ii) before filing the registration statement, prospectus or amendments or supplements thereto, furnish to counsel for Shareholder copies of all such documents proposed to be filed.

(c) Upon any registration under the Act of any of the Unregistered Shares, EESI shall indemnify Shareholder in accordance with the provisions of Article X from and against any and all losses, claims, damages and liabilities (collectively a "Security Liability") to which Shareholder may become subject under the Act, any state securities or "blue sky" law, any other statute or at common law, insofar as such Security Liability (or action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading. Notwithstanding the above, EESI shall not be liable to Shareholder if and to the extent that any Security Liability arises out of or is based upon any untrue statement or omission made in such registration statement, preliminary or final prospectus or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to EESI by Shareholder that is stated in writing to be specifically intended for such use; and provided further, that EESI shall not be required to indemnify Shareholder against (i) any Security Liability which arises out of the failure of Shareholder to deliver, or cause to be delivered, a prospectus as required by the Act or (ii) any Security Liability arising from any untrue or misleading statement contained in or omission from any preliminary prospectus, if such deficiency is corrected in the final prospectus.

(d) All expenses incurred in effecting the registrations provided for in this Section 2.4 shall be paid by EESI, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for EESI, fees and disbursement of counsel for Company (up to \$2,000 per year), underwriting expenses (other than commissions or discounts which shall be shared by the parties registering shares of EESI's common shares in proportion to the number of shares registered in each particular offering), expenses of any audits

incident to or required by any such registration and expenses of complying with the securities or "blue sky" laws of any jurisdictions.

Section 2.6. Consideration for Non-Competition Agreement from Laratro. At Closing, Buyer shall pay to Daniel Laratro and Shareholder Two Hundred Thousand Dollars (\$200,000.00) each in wire transferred funds or cash in consideration of the Non-Competition Agreements.

ARTICLE III. **CLOSING**

Section 3.1. Time and Place of Closing. Unless otherwise agreed to by the parties, this transaction shall be closed ("Closing") on or before July 15, 1997 or within fifteen (15) days of the date that the conditions to Closing set forth in *Articles VIII and IX* are satisfied or waived by the Buyer or Company, as the case may be. If Closing does not occur on or before ninety (90) days from the date of this Agreement, the parties have the right to terminate this Agreement as set forth in *Article XI* of this Agreement. If a written notice of termination is sent to all parties to this Agreement, in accordance with the provisions of *Article XI*, the parties shall have no further obligations to each other under this Agreement. The time of Closing shall be established in a written notice sent by Buyer to all other parties to this Agreement. Buyer may not set the Closing Date for a date within three (3) days of the date of the notice. On the Closing Date, the Closing may be adjourned, reconvened and/or continued as necessary to effectuate the Closing. The Closing shall take place at the offices of Carlton, Fields, Ward, Emmanuel, Smith & Cutler, P.A., in Miami, Florida, at Buyer's election. The date on which the Closing occurs shall be referred to as the ("Closing Date").

If the failure to conclude this transaction is due to the refusal and failure of Shareholder to perform its obligations under this Agreement, Buyer or EESI may seek to enforce this Agreement with an action of specific performance, in addition to, and not in limitation of, any other rights and remedies available to the Buyer or EESI, under this Agreement, or at law or in equity, including, without limitation an action to recover their actual damages resulting from the default of Shareholder. If the failure to conclude this transaction is due to the refusal and failure of Buyer or EESI to perform their obligations under this Agreement, Shareholder, or any of them, may, in addition to and not in limitation of any other rights and remedies available to the Shareholder, or any of them, under this Agreement, or at law or in equity, bring legal action to recover their actual damages resulting from the default of Buyer or EESI.

Section 3.2. Deliveries by Company and Shareholder. At the Closing, Company shall deliver to Buyer, all duly executed the following:

(a) certified copies of resolutions of the Company authorizing the execution of this Agreement, and the execution of all documents to be executed by Company or

Shareholder to consummate the transactions contemplated in this Agreement, along with an Incumbency Certificate of Company;

(b) Non-competition Agreement between the Buyer, Shareholder, and Daniel Laratro in form and substance as set forth on *Schedule 3.2(c)* (the "Non-competition Agreement");

(c) the original of all Customer Contracts;

(d) physical possession of all of the tangible property of Company and keys to all locks, labeled as to which property the key relates;

(e) certificates representing the Company Shares, duly endorsed to Buyer (or accompanied by duly executed assignments separate from certificate); and

(f) all books and records of the Company, including without limitation all original financial and operating records, the corporate minute books, the corporate stock ledgers, and related instruments; and

(g) current and updated copies of all Schedules hereto.

(h) a fully executed termination of that certain Lease Agreement (the "Real Estate Lease") between Deidre Laratro, as landlord, and Waste-X Services, Inc., as tenant, dated _____, 199_ (the "Real Estate Lease Termination").

Section 3.3. Deliveries by Buyer and EESI. At the Closing, Buyer and EESI shall deliver, all duly and properly executed (where applicable):

(a) the Consideration in the form of the Cash Consideration and certificates evidencing the Stock Consideration, as provided in Section 2.1 to be paid by Buyer;

(b) a certified copy of resolutions of the directors of Buyer and EESI authorizing the execution and delivery of this Agreement and the consummation of the transactions contemplated in this Agreement; and

(c) the Escrow Agreement pursuant to which the Escrowed General Stock Consideration and Escrowed Litigation Stock Consideration shall be held by Escrow Agent.

ARTICLE IV.
POST CLOSING COVENANTS

Section 4.1. Further Assurance. From time to time on and after the Closing and without further consideration, the parties hereto shall each deliver or cause to be delivered to any other party at such times and places as shall be reasonably requested, such additional instruments as any of the others may reasonably request for the purpose of carrying out this Agreement and the transactions contemplated hereby. Without further consideration to Shareholder, Shareholder agrees to cooperate with Buyer on and after the Closing Date in furnishing to Buyer information, evidence, testimony, and other assistance in connection all aspects of the Business, including, without limitation, (i) the accounting and business records of Company, (ii) obtaining and keeping in full force and effect all necessary permits and approvals for the Business and (iii) in connection with any actions, proceedings, arrangements or disputes of any nature with respect to matters pertaining to all periods prior to the Closing Date.

Section 4.2. Transition. Neither Company nor Shareholder will take any action that is designed or intended to have the effect of discouraging any customer or business associate of Company from maintaining the same business relationships with Buyer after the Closing that it maintained with Company before the Closing. Shareholder will refer all customer inquiries relating to the Business to Buyer from and after the Closing. Shareholder agrees that for a period of 60 days following the Closing Date, Shareholder will assist Buyer with the orderly transition of the operations of the Business to Buyer.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES OF COMPANY AND SHAREHOLDER

The Company and Shareholder, jointly and severally, represent and warrant to Buyer that the Assets constitute all the property and assets of Company of any kind and that the statements contained in this Article V, including the information to be set forth in the Schedules to this Agreement, to be delivered by Company and Shareholder to Buyer (such schedules are collectively referred to below as the "Schedules" and, individually, as a "Schedule") are correct and complete in all material respects as of the date they are delivered and will be correct and complete in all material respects as of the Closing Date. Any representation or warranty of Company or Shareholder made in this Agreement regarding matters of title, tax or environmental disclosure or liabilities, or any knowing misrepresentation or falsehood made herein, shall survive the Closing until the statute of limitations shall have run on any claim Buyer has as a result of a breach thereof. All other representations or warranties of Company and Shareholder shall survive for a period of two years.

Section 5.1. Organization; Authority.

(a) Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is now and has been at all times since its creation, duly authorized, qualified and licensed under all laws, regulations, ordinances and orders of public authorities to carry on its businesses in the places and in the manner as conducted at the time such activities were conducted, except for where failure to be so authorized, qualified or licensed would not have a material adverse effect on Company's business. Copies of Company's Certificate of Incorporation and a good standing certificate (certified by the Secretary of State of the Florida), are attached hereto as *Schedule 5.1(a)*. Except as set forth on *Schedule 5.1(a)*, Company does business solely in the State of Florida.

(b) Company and Shareholder have full legal right, power and authority (corporate and otherwise) to enter into this Agreement and to consummate the transactions contemplated by this Agreement, including, without limitation, the execution and delivery of this Agreement, and all documents required for this Agreement for the Closing. Shareholder is competent and under no legal restraint or duress. Neither Company nor Shareholder need give any notice to, or make any filing with, or obtain the authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(c) The execution, delivery and performance of this Agreement, the consummation of any transactions in this Agreement referred to or contemplated hereby and the fulfillment of the terms hereof and thereof will not: (i) conflict with, or result in a breach or violation of the Articles of Incorporation or By-Laws of Company; (ii) conflict with, or result in a breach under any document, agreement or other instrument to which Company or Shareholder is a party, or result in the creation or imposition of any lien, charge or encumbrance on any properties of Company or Shareholder pursuant to any applicable law or judgment, order or decree to which Company or Shareholder is bound or any of their respective property is subject; or (iii) result in termination or any impairment of any permit, license, franchise, contractual right or other authorization of Company.

Section 5.2. Stock Ownership; Absence of Adverse Claims. The authorized equity securities of the Company consist of 1,000 common voting shares, par value \$1.00 per share, of which two hundred (200) shares are issued and outstanding (the issued and outstanding shares being referred to elsewhere in this Agreement as the Company Shares). Shareholder represents and warrants that she is and will be on the Closing Date the record and beneficial owner and holder of his Company Shares, free and clear of all encumbrances, liens, or changes of any kind ("Encumbrance"). No legend or other reference to any purported Encumbrance appears upon any certificate representing the Company Shares. Shareholder represents and warrants that all of the Company Shares have been duly authorized and validly issued and are fully paid and nonassessable and that there are no contracts, agreements, or rights relating to the issuance, sale, or transfer of any the Company Shares or other securities of the Company. None of the

outstanding Company Shares or other securities of the Company was issued in violation of any securities law or law, rule, ordinance, or regulation.

Section 5.3. Predecessor Entities and Subsidiaries. There are no predecessors to Company or subsidiaries of Company having any interest in the Business or Assets, except as more particularly described on *Schedule 5.3*. Company has always conducted the Business under the Business Name, except as more particularly described on *Schedule 5.3*.

Section 5.4. Financial Statements. Company has delivered to Buyer or will provide at Closing, true and correct copies of the following financial statements audited by a certified public accountant selected by EESI (the "Financial Statements"):

Company's balance sheet for the 12 month periods ending June 30, 1996 and June 30, 1997 (the "Balance Sheet Date"), and a statement of income, changes in shareholder equity, cash flow and retained earnings for the 12 month periods ending June 30, 1995, June 30, 1996, and June 30, 1997, all prepared on an accrual basis.

If any of the Financial Statements are not completed by Closing, then the parties agree to cooperate to complete same as soon after Closing as is reasonably possible. The parties agree to share equally the cost of the preparation of the Financial Statements. The representations and warranties given herein shall be true as of the date hereof, the Closing, and any other date on which the Financial Statements are delivered to Buyer. Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP"), applied on a consistent basis throughout the periods indicated, except that no adjustments have been made for deferred tax liabilities and other matters, which matters would not materially already change the Financial Statements. The Financial Statements have been audited. To the best of Company's knowledge each of the Financial Statements (including all footnotes thereto) is true, complete and correct. The balance sheets shall present fairly the financial condition of Company as of the dates indicated thereon and the statements of income present fairly on an accrual basis the results of the operations of Company for the periods indicated thereon. Since formation, Company has not (i) made any material change in its accounting policies or (ii) effected any prior period adjustment to, or other restatement of, its financial statements for any period. The Financial Statements are consistent with the books and records of Company (which books and records are correct and complete). Since the date of the Financial Statements, there has not been any material adverse change in the income, expenses or assets of Company.

Section 5.5. Property.

(a) Listed on *Schedule 1.1(a)* is a complete and accurate list of all Containers and Compactors. The Containers and Compactors have no material defects known to Company or Shareholder which the Company or Shareholder has failed to disclose to Buyer. Listed on *Schedule 1.1(a)* next to each item comprising the Containers and Compactors are all defects to each item of Containers and Compactors.

(b) Listed on *Schedule 1.1(b)* is a complete and accurate list of all Rolling Stock. The Rolling Stock is in good operating condition, subject to normal wear and tear. Listed on *Schedule 5.5(b)* next to each item comprising the Rolling Stock are all defects to each item of Rolling Stock.

(c) Listed on *Schedule 1.1(c)* is a complete and accurate list of all Recycling Equipment. The Recycling equipment is in good operating condition, subject to normal wear and tear. Listed on *Schedule 1.1(c)* next to each item comprising the Recycling Equipment are all defects to each item of Recycling Equipment.

(d) Listed on *Schedule 1.1(d)* is a complete and accurate list of all radios located in the Rolling Stock, the radio base station and all manual and automated routing and billing systems and components, including without limitation associated computer hardware and software. The radios and automated routing and billing systems and components are in good operating condition and have no material defects known to Company which the Company has failed to disclose to Buyer.

(e) Listed on *Schedule 1.1(e)* is a complete and accurate list of substantially all of Company's inventory of parts, tires and accessories of every kind, nature, and description including specifically those items having a value of over \$250.00 each, used by Company in the Business. All items forming a part of the Parts Inventory are in good condition and have no material defects known to Company which the Company has failed to disclose to Buyer.

(f) To the best knowledge of the Company and Shareholder, all accounts receivable and prepaid deposits of the Company that are reflected on the Company Financial Statements or on the accounting records of the Company as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from services or sales actually performed in the ordinary course of business. To the knowledge of the Company and Shareholder, except as set forth in *Schedule 1.1(h)*, there is no contest, claim, or right of set-off, under any contract, agreement, or obligation with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable. *Schedule 1.1(h)* contains a complete and accurate list of all Accounts Receivable as of the date of the Company Financial Statements, which list sets forth the aging of such Accounts Receivable.

(g) Listed on *Schedule 1.1(m)* is a complete and accurate list of all Furniture and Equipment owned by Company. The Furniture and Equipment have no material defects known to Company which the Company have failed to disclose to Buyer.

(h) Listed on *Schedule 1.4* is a list of all Customer Contracts requiring consent to their transfer by virtue of the transaction contemplated herein. Notwithstanding anything to the contrary in this Agreement, to the extent that any Customer Contract shall require the consent of any third party by virtue of this transaction, neither this Agreement nor any action taken pursuant to its provisions shall constitute an assignment or an agreement to assign, if such assignment or attempted assignment would constitute a breach of the Customer Contract;

provided, however, that in each such case, Company shall use its best efforts to obtain the consent of such other party to such assignment and assumption by Buyer. If such consent is not obtained, Company shall cooperate with Buyer in any reasonable arrangement designed to provide for Buyer the benefits under any such Customer Contract, including, without limitation, enforcement for the account and benefit of Buyer, of any and all rights of Company against any other person arising out of the breach or cancellation of any such Customer Contract, by such other person or otherwise. The failure or refusal of any customer to agree to an assignment of any Customer Contract shall not affect Buyer's obligations under this Agreement.

(i) Listed on *Schedule 1.5* is a list of all Approvals requiring consent to transfer by virtue of the transaction as contemplated herein. Notwithstanding anything to the contrary in this Agreement, to the extent that the Approvals shall require the consent of any government or governmental agency by virtue of this transaction, neither this Agreement nor any action taken pursuant to its provisions shall constitute an assignment or an agreement to assign, if such assignment or attempted assignment would not be permitted under the Approval. Company shall use its best efforts to aid Buyer to obtain a transfer of the Approvals or new licenses, permits, consents or approvals in Buyer's name for any Approvals which cannot be transferred.

(j) Listed on *Schedule 5.5(j)* is a complete and accurate list of all real property or other interests, other than Leases, therein owned or previously owned by the Company. The Company has delivered or made available to Buyer copies of the deeds and other instruments (as recorded) by which the Company acquired such real property and interests, and copies of all title insurance policies, opinions, abstracts, and surveys in the possession of Shareholder or Company and relating to such property or interests. All properties and assets are reflected in the Company Financial Statements and are free and clear of all Encumbrances and are not, in the case of real property, subject to any rights of way, building or land use restrictions, exceptions, variances, reservations, or limitations of any nature except for liens for current year taxes not yet due and as set forth on *Schedule 5.5(j)*.

(k) Listed on *Schedule 1.1(o)* are all the Deposits, including the name of the deposit holder, the date and amount of the deposit, and the reason the deposit was given;

(l) Listed on *Schedule 1.1(p)* is all the Cash, including a list of banks name, branch location, account numbers and balances; and

(m) Listed on *Schedule 5.17* are all a complete list, accompanied by a detailed explanation, of all pending litigation and any other factual matters known to Company or Shareholder, which, with the passage of time, might result in a claim against the Company or the Assets (the "Adverse Matters").

All of the Assets are owned by Company. On Closing, Company will hold good and marketable title to all Assets free and clear of all liens, leases, security interests or other claims, subject only to matters expressly set forth on *Schedule 1.3*. The Assets constitute all of the property

owned by Company on the Closing Date. The Assets are not materially different in type, quality and quantity from the property used by Company in the operation of the Business during the twelve months prior to Closing, including without limitation, property owned by Company or owned by others and used by Company. The Assets include all the property used by Company for the conduct of the Business during the twelve months prior to Closing, except for property purchased, sold or retired from use in the ordinary course of Business.

Section 5.6. Debt/Condition and Sufficiency of Assets. Company has good and marketable title to its Assets, free and clear of all liens, encumbrances, leases, security interests, equities or restrictions whatsoever except as otherwise listed on *Schedule 1.3*. At Closing the Company's Debt will not exceed Nine Hundred Thousand Dollars (\$900,000.00) as more particularly described on *Schedule 1.3*, attached hereto and incorporated by reference; comprising \$_____ in "Long Term Debt" and \$_____ in short term "Accounts Payable" as those terms are defined on *Schedule 1.3*. Any Shareholder's Debt in excess of the sum set forth in *Section 2.1(b)* and not satisfied by Shareholder may be satisfied by Buyer from the Escrowed General Stock Consideration.

To the Knowledge of the Company, the buildings, structures, and equipment of the Company are in operating condition and are adequate for the uses to which they are being put. To the knowledge of the Company and Shareholder, the building, plants, structures, and equipment of the Company are sufficient for the continued conduct of the Business immediately after the Closing in substantially the same manner as conducted prior to the Closing.

Section 5.7. Contracts. The Customer Contracts and list of Customer Contracts to be delivered to Buyer at Closing will be true and correct. To the best of Company's and Shareholder's knowledge in all material respects, all Customer Contracts are and on the Closing Date will be in full force and effect, valid, binding and enforceable against the respective parties thereto in accordance with their respective provisions. To the best of Company's and Shareholder's knowledge after due inquiry, Company is not in default in, nor has there occurred an event or condition (including Company's execution and delivery of or performance under this Agreement) which with the passage of time or the giving of notice, or both, would constitute a default, with regard to the payment or performance of any obligation under any Customer Contract; no claim of such a default has been asserted and there is no reasonable basis upon which such a claim could validly be made. Company has not received any written notice that any person intends or desires to modify, waive, amend, rescind, release, cancel or terminate any Customer Contract. By virtue of the Merger, Buyer shall own and hold all right, title and interest of Company in and to the Customer Contracts, without the consent or approval of any other person or entity.

Section 5.8. Leases. True and correct copies of all leases have been delivered to Buyer for its review. The leases listed in *Schedule 1.1(n)* (the "Leases") are all the Leases to which Company is a party and the Leases have not been amended, except as set forth on *Schedule 1.1(n)*, except as are required to be amended and restated as expressly set forth in *Section 3.2*, above. The Leases are and on the Closing Date will be in full force and effect, valid, binding

and enforceable against the respective parties thereto in accordance with their respective provisions. Company is not in default in, nor has there occurred an event or condition (including Company's execution and delivery of or performance under this Agreement) which with the passage of time or the giving of notice, or both, would constitute a default, with regard to the payment or performance of any obligation under any Lease; no claim of such a default has been asserted and there is no reasonable basis upon which such a claim could validly be made. Company has not received any written notice that any person intends or desires to modify, waive, amend, rescind, release, cancel or terminate any of Leases. By virtue of the grant, conveyance, sale, transfer and assignment of the Leases by Company to Buyer hereunder, Buyer shall own and hold all right, title and interest of Company in and to the Leases, without the consent or approval of any other person or entity.

Section 5.9. Approvals and Compliance With Laws. Listed on *Schedule 1.1(i)* is a complete and accurate list of all Approvals. All Approvals are in full force and effect. Except as set forth on *Schedule 5.9*, to the best of Company's and Shareholder's knowledge, Company has in the past complied, and is in compliance with all the Approvals and all federal, state and local statutes, laws, rules, regulations, orders (including, without limitation, zoning restrictions environmental laws and land use requirements) and licenses and all administrative and judicial judgments, rulings, decisions and orders affecting or otherwise applicable to the protection of the environment, the Assets, and the conduct of the Business (collectively, the "Applicable Laws"). Neither Company nor Shareholder has received any formal written notice, or to the best of Company's or Shareholder's knowledge, any informal notice of any violation of the Approvals or Applicable Laws, except as set forth on *Schedule 5.9*.

Section 5.10. Proprietary Rights. *Schedule 5.10* is a complete and accurate list and summary description as of the date hereof of all trademarks, trade names, patents, patent applications and copyrights owned or held by Company and to the best of Company's knowledge, none of the trademarks, tradenames, patents, patent applications and copyrights, infringe on the rights of others and all of which are now valid, in good standing and in full force and effect.

Section 5.11. Environmental Documents. Company has delivered to Buyer, a description of and copies, as of the date of this Agreement, of all records of Company, correspondence to or from government regulatory agencies, official reports, notifications, permits, pending permit applications, licenses and pending license applications, environmental impact studies, assessments and audits and all official notifications from governmental agencies and any other person or entity and any other documents in the possession or control of Company relating to: (a) each actual and alleged violation of Applicable Laws (as defined in Section 5.9) by Company or otherwise relating to the Business or the Assets and all, if any, claims thereof; (b) each actual or threatened claim or lawsuit against Company, affecting or relating to all or any portion of the Assets; (c) the discharge, leakage, spillage, transport, disposal or release of any material into the environment by Company; (d) the arrangement for transport, disposal or release of material into the environment by Company; and (e) the health of employees of Company (whether direct or indirect), public health or the environment (collectively, the

"Environmental Documents"). Company, has provided to the government agencies requiring the same, all reports, notices, filings and other disclosures required by Applicable Laws and all such reports, notices, filings and other documents were complete and accurate in all material respects at the time provided to said government agencies.

Section 5.12. Hazardous Materials; Disposal Sites. To Company's and Shareholder's best knowledge after due inquiry, Company has never generated, transported, stored, handled, recycled, reclaimed, disposed of, or contracted for the disposal of, hazardous materials, hazardous wastes, hazardous substances, toxic wastes or substances, infectious or medical waste, radioactive waste or sewage sludge, as those terms are defined by the Resource Conservation and Recovery Act of 1976; the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"); the Atomic Energy Act of 1954; the Toxic Substances Control Act; the Occupational Health and Safety Act; Ch. 376 and 403, *Florida Statutes*, and any other comparable or similar Florida statute; or the rules and regulations promulgated under any of the foregoing, as each of the foregoing may have been from time to time amended (collectively, "Hazardous Materials"). Company has never owned, operated, had an interest in, engaged in and/or leased a waste transfer, recycling, treatment, storage or disposal facility, business or activity other than the business operation located at 3051 W. 129th St. N.W., Opa Locka, FL 33054. Company has obtained and maintained, when required to do so under Applicable Laws, trip tickets, signed by the applicable waste generators demonstrating the nature of all waste transported in connection with the Business. To the best knowledge of Company and Shareholder, no employee, contractor or agent of Company has, in the course and scope of employment with Company, been harmed by exposure to Hazardous Materials. Attached hereto as *Schedule 5.12* is a complete list and address of all disposal sites at any time now or in the past utilized by Company or any predecessor of Company or to the best of Company's knowledge after due inquiry any prior owner of the Assets or any portion thereof, none of which sites is listed on the CERCLIS list or the National Priorities List of hazardous waste sites, except as noted on *Schedule 5.12*. Except as set forth on *Schedule 5.12*, attached hereto, neither Company nor Shareholder is listed as a potentially responsible party under CERCLA or any comparable or similar Florida statute and neither Company nor Shareholder has received notice of such a listing. No liens with respect to environmental liability have been imposed against Company or Shareholder under CERCLA, any comparable Florida statute or other Applicable Law, and no facts or circumstances exist which would give rise to the same.

Section 5.13. Insurance Policies. Attached as *Schedule 5.13* is a complete and accurate list as of the date hereof of all insurance policies carried by Company and an accurate list of all insurance loss runs and workers' compensation claims received for the past three policy years. Company at Closing will deliver to Buyer true and correct copies of Company's insurance policies. All current insurance policies are in full force and effect and shall remain in full force and effect through the Closing Date. Except as set forth on *Schedule 5.13*, Company's insurance has never been cancelled, and Company has not been denied coverage within the last three years.

Section 5.14. Employees; Compensation. Attached as *Schedule 5.14* is a complete and accurate list of all employees of Company and their rate of compensation (including an analysis of the portion thereof attributable to salary, bonus and other compensation) as of the date hereof. Except as set forth on *Schedule 5.14*, each employee of Company is an employee at will.

Section 5.15. Employee Relations and Benefit Plans. Set forth on *Schedule 5.15* is an accurate and complete list of all agreements of any kind between Company and its employees or group of employees, including, without limitation, employment agreements, collective bargaining agreements and benefit plans. Buyer shall not, by the execution and delivery of this Agreement or otherwise, become obligated to employ any employee of Company or assume any liabilities or contractual obligations with respect to such employees or otherwise become liable for or obligated in any manner (contractual or otherwise) to any employee of Company, including, without limiting the generality of the foregoing, any liability or obligation pursuant to any collective bargaining agreement, employment agreement, or pension, profit sharing or other employee benefit plan (within the meaning of Section 3(3) of the Employment Retirement Income Security Act of 1974, as amended (or any other fringe benefit program maintained by Company or to which Company contributes or any liability for the withdrawal or partial withdrawal from or termination of any such plan or program by Company. There are no current or former employees owed any accrued benefits, including without limitation, sick time or vacation time. Company's 401(k) Plan has been fully funded and Company has no unfunded liabilities with respect thereto.

Section 5.16. Taxes.

(a) Company has filed or caused to be filed (on a timely basis since the date of incorporation) all returns (including any information returns), reports, statements, schedules, notices, forms, or other documents or information filed with or submitted to, or required to be filed with or submitted to, any government or governmental agency in connection with the determination, assessment, collection, or payment of any tax (including any income tax, capital gains tax, value-added tax, sales tax, property tax, gift tax, or estate tax), levy, assessment, tariff, duty (including any customs duty), deficiency, or other fee, any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any government or governmental agency or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee ("Tax") or in connection with the administration, implementation, or enforcement of or compliance with any government or governmental law, rule, ordinance, principal of common law, regulation, or statute relating to any tax ("Tax Return") that are or were required to be filed by or with respect to Company, separately or as a member of a group of corporations, pursuant to applicable law, rule, ordinance, principal of common law, regulation, or statute relating to any Tax. Company and Shareholder have delivered to Buyer copies of, and *Schedule 5.16* contains a complete and accurate list of, all such Tax Returns filed since the date of incorporation. Company has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to those Tax Returns or otherwise, or pursuant to any assessment received by Shareholder or Company.

(b) The United States federal and state income Tax Returns of Company subject to such Taxes have been audited by the IRS or relevant state tax authorities or are closed by the applicable statute of limitations for all taxable years through December 31, 1996. *Schedule 5.16* contains a complete and accurate list of all audits of all such Tax Returns, including a reasonably detailed description of the nature and outcome of each audit. All deficiencies proposed as a result of such audits have been paid or settled, or, as described in *Schedule 5.16*, are being contested in good faith by appropriate proceedings. *Schedule 5.16* describes all adjustments to the United States federal income Tax Returns filed by Company or any group of corporations including Company for all taxable years since the date of incorporation, and the resulting deficiencies proposed by the IRS. Company has not given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other person) of any statute of limitations relating to the payment of Taxes of Company or for which Company may be liable.

(c) The charges, accruals, and reserves with respect to Taxes on the books of Company are adequate (determined in accordance with GAAP) and are at least equal to Company's liability for Taxes. There exists no proposed tax assessment against Company except as disclosed in the Balance Sheet or in *Schedule 5.16*.

(d) No consent to the application of Section 341(f)(2) of the Code has been filed with respect to any property or assets held, acquired, or to be acquired by Company.

(e) All Taxes that Company is or was required by law, rule, ordinance, principal of common law, regulation, or statute relating to any tax, to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper government or governmental agency or other person.

(f) All Tax Returns filed by (or that include on a consolidated basis) Company are true, correct, and complete. There is no tax sharing agreement that will require any payment by Company after the date of this Agreement.

Section 5.17. Litigation. Except as set forth on *Schedule 5.17*, there is no claim, litigation, action, suit or proceeding, formal arbitration, informal arbitration or mediation, administrative, judicial or otherwise, pending or, to the best knowledge of Company or Shareholder, threatened against Company, or otherwise relating to the Assets, or Business, or to Merger at law or in equity, before any federal, state or local court or regulatory agency, or other governmental or private authority, and no notice of any of the above has been received by Company or Shareholder. Also listed on *Schedule 5.17* are all instances where Company is the plaintiff, or complaining or moving party, under any of the above types of proceedings or otherwise.

Section 5.18. Absence of Price Renegotiation Contracts. Company is not now and has never been a party to any governmental contracts subject to price redetermination or renegotiation.

Section 5.19. Conduct of Company's Business Since Balance Sheet Date. Since the Balance Sheet Date, as set forth in Section 5.4 there has not been any:

- (a) work interruption, labor grievance or claim filed against Company;
- (b) proposed law or regulation, to the best knowledge of Company or Shareholder, relating in any way to the operations of Company, or other event or condition of any character which, singly or in the aggregate with other such events or conditions, materially and adversely affects the Business or future prospects of the Business;
- (c) any agreement to sell or transfer, any of the Assets or any plan, agreement or arrangement granting any preferential right to purchase or acquire any interest in any of the Assets, or requiring consent of any party to the consummation of the Merger or other transactions contemplated by this Agreement;
- (d) any transaction by Company outside the ordinary course of its business.

Section 5.20. Corrupt Practices. Company has not made, offered or agreed to offer anything of value to any employees of any customers of Company for the purpose of attracting business to Company, or any foreign or domestic governmental official, political party or candidate for government office or any of their respective employees or representatives, nor has it otherwise taken any action which would cause it to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, nor has Company or Shareholder otherwise given which act, gift or similar benefit, if not given any gift or similar benefit which, if not given in the past, would have materially and adversely affected the Company's prospects, business, properties or assets.

Section 5.21. Complete Disclosure. This Agreement and the schedules hereto and all other documents and information furnished to Buyer by Company or Shareholder in writing and their representatives pursuant hereto or pursuant to the negotiation of this transaction or the investigations conducted by Buyer or its employees or representatives, taken as a whole, do not and will not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. If Company or either Shareholder becomes aware of any fact or circumstance which would materially change a representation or warranty of the Company or Shareholder in this Agreement or any other statement made or document provided to Buyer, the party with such knowledge shall immediately give notice of such fact or circumstance to Buyer. The truth and accuracy of each representation and warranty of the Company and Shareholder in this Agreement, shall be a precondition to the consummation of this transaction.

Section 5.22. Representations as to Private Offering. The Stock Consideration is being delivered to Shareholder in a private placement under Section 4.2 of the Act and under Regulation D promulgated under the Act. To induce EESI to issue the Stock Consideration, Shareholder represents and warrants as follows:

(a) Shareholder maintains her residence in Florida and has no intention of changing such domicile prior to the Closing.

(b) Shareholder acknowledges that she has received a copy of EESI's Public Reports as hereinafter defined;

(c) Shareholder represents and warrants that the Stock Consideration is being acquired for her own account without a view to public distribution or resale and that Shareholder has no contract, undertaking, agreement or arrangement to sell or otherwise transfer or dispose of Stock Consideration, or any portion thereof, to any other person.

(d) Shareholder represents and warrants that, in determining to acquire the Stock Consideration, she has relied solely upon her independent investigation, including the advice of her legal counsel and accountants or other financial advisers or purchaser representatives, and has, during the course of discussions concerning her acquisition of the Stock Consideration, been offered the opportunity to ask such questions and inspect such documents concerning EESI and Buyer and their business and affairs as she has requested so as to more fully understand the nature of the investment and to verify the accuracy of the information supplied.

(e) SHAREHOLDER ACKNOWLEDGES THAT THE ACQUISITION OF THE STOCK CONSIDERATION INVOLVES A HIGH DEGREE OF RISK, and represents and warrants that she can bear the economic risk of the acquisition of the Stock Consideration, including the total loss of her investment.

(f) Shareholder represents and warrants that (i) she has adequate means of providing for her current needs and financial contingencies, (ii) she has no need for liquidity in this investment, (iii) she has no debts or other obligations, and cannot reasonably foresee any other circumstances, that are likely in the future to require her to dispose of the Stock Consideration, and (iv) all her investments in and commitments to non-liquid investments are, and after her acquisition of the Stock Consideration, will be reasonable in relation to her net worth and current needs.

(g) Shareholder understands that no federal or state agency has approved or disapproved the Stock Consideration or made any finding or determination as to the fairness of the Stock Consideration for investment.

(h) Shareholder understands that the Stock Consideration is being offered and sold in reliance on specific exemptions from the registration requirements of federal and state securities laws and that EESI and Buyer are relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements and understandings set forth in this Agreement in order to determine the applicability of such exemption and the suitability of Shareholder to acquire the Stock Consideration.

(i) Shareholder has not entered into any contract, agreement, undertaking, or arrangement to sell or otherwise transfer or dispose of the Stock Consideration or any portion thereof to any other person.

(j) Shareholder hereby agrees that she will not, directly or indirectly, offer, sell, transfer, pledge, hypothecate, or otherwise dispose of any Stock Consideration (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of any Stock Consideration) unless (i) the Stock Consideration is registered under the Securities Act and the securities laws of all other applicable jurisdictions, and the rules and regulations promulgated thereunder, or (ii) Shareholder obtains an opinion of counsel which is reasonably satisfactory to EESI that an exemption from such registration requirements is available.

(k) Shareholder further acknowledges that she is familiar with the operations of EESI, and that she has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares.

(l) Shareholder's net worth exceeds One Million and no/100 Dollars (\$1,000,000.00) and for the past two (2) years, Shareholder has had annual income of at least Two Hundred Thousand and no/100 Dollars.

Section 5.23. Books and Records. The books of account, minute books, stock record books, and other records of the Company, all of which have been made available to Buyer are complete and correct and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. At the Closing, all of those books and records will be in the possession of the Company.

Section 5.24. No Material Adverse Change. Since the date of the Company Financial Statements and the Balance Sheet Date, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of the Company, and no event has occurred or circumstance exists that may result in such a material adverse change.

Section 5.25. Banks. *Schedule 1.1(p)* contains a correct and complete list of every bank, savings and loan, or other financial institution in which the Company has any accounts or lock boxes and the corresponding account identification number, if any, and the names of Persons authorized to make withdrawals therefrom or have access thereto.

Section 5.26. Customers. *Schedule 1.1(g)* sets forth a list of the customers of the Company during the fiscal year ended December 31, 1996, and during the fiscal quarter ended June 30, 1997.

Section 5.27. Corporate Organization. Company has full legal right, power and authority (corporate and otherwise) to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Company does not need to give any notice to, or

make any filing with, or obtain the authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

Section 5.28. Company Stock. The Company Stock owned by Shareholder is legally and validly authorized and issued, fully paid and non-assessable. Shareholder has full right and authority to execute this Agreement and convey all of the Company Stock to Buyer pursuant to this Agreement.

Section 5.29. No Undisclosed Liabilities. Except as set forth in *Schedule 5.29*, the Company has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Balance Sheet and current liabilities incurred in the ordinary course of business since the date of the Balance Sheet.

Section 5.30. Legality of Operation. In regard to each Company:

(a) Except as disclosed in *Schedule 5.17* to this Agreement, the Company is in material compliance with all Federal, state and local laws, rules and regulations including, without limitation, the following laws: land use laws; payroll, employment, labor, or safety laws; or federal, state or local "anti-trust" or "unfair competition" or "racketeering" laws such as but not limited to the Sherman Act, Clayton Act, Robinson Patman Act, Federal Trade Commission Act, or Racketeer Influenced and Corrupt Organization Act ("Law"). Except as disclosed in *Schedule 5.9*, the Company is in material compliance with all permits, franchises, licenses, and orders that have been issued with respect to the Laws and are or may be applicable to the Company's property and operations, including, without limitation, any order, decree or directive of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality wherever located, federal, state and local permits, orders, franchises and consents. Except as set forth on *Schedule 5.17*, with respect to any Law there are no claims, actions, suits, investigations or proceedings pending, or, to the knowledge of Shareholder or Company threatened against or affecting the Company, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, wherever located, which would result in an material change in the financial condition or business of the Companies or which would invalidate this Agreement or any action taken in connection with this Agreement. Except as disclosed in *Schedule 5.17*, the Company has received notification of any past or present failure by the Company to comply with any Law applicable to it or its assets. As used in this Section 5.30, "material" shall mean any single event or number of events causing a loss to the Companies of \$5,000 for an individual event or \$20,000 for all events in the aggregate.

(b) Except as disclosed in *Schedule 5.17* to this Agreement, the Company is in material compliance with all Federal, state and local laws, rules and regulations relating to environmental issues of any kind and/or the receipt, transport or disposal of any hazardous or non-hazardous waste materials from any source ("Environmental Law"). Except as disclosed in *Schedule 5.17*, with respect to any Environmental Law, the Company is in material compliance

with all permits, licenses, and orders related thereto or issued thereunder, as are or may be applicable to the Company's property and operations, including, without limitation, any order, decree or directive of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as set forth on *Schedule 5.17*, there are no Environmental Law related claims, actions, suits or proceedings pending, or, to the knowledge of Shareholder or Company, threatened against or affecting the Company, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, wherever located, which would result in an adverse change in the financial condition or business of the Companies of \$5,000 or more or which would invalidate this Agreement or any action taken in connection with this Agreement.

(d) *Schedule 5.17* lists all remedied violations of Laws and Environmental Laws which existed within the past ten years and all outstanding unremedied notices of violations issued to any of the Companies by any federal, state or local regulatory agency.

(e) To the knowledge of Shareholder, neither Shareholder nor Company is under investigation by the Attorney General of the State of Florida, or any State's Attorney or office in the State of Florida, or any United States Attorney for the violation of any Laws, including, without limitation, the violation of any anti-trust, racketeering, or unfair competition Laws.

(f) All pending or, to Shareholder's knowledge, threatened litigation and administrative or judicial proceedings involving the Company, or its assets or liabilities, and a description of all such proceedings is set forth on *Schedule 5.17* attached.

Section 5.31. Pooling Restrictions. EESI and Shareholder agree that a material factor in their execution of this Agreement is that the transactions contemplated by this Agreement be treated as a "pooling of interests" for accounting purposes. If for any reason a provision in this Agreement would prevent the transaction being accounted for as a "pooling of interests," the parties agree to negotiate in good faith to modify the agreement so the transaction can be accounted for as a "pooling of interests," as long as the economics of the transaction are not changed. Notwithstanding any other provision of this Agreement, prior to the publication and dissemination by EESI of consolidated financial results which include results of combined operations of the Company and EESI for at least 30 days on a consolidated basis following the Closing Date, Shareholder shall not sell or otherwise transfer or dispose of, or in any way reduce his or her or its risk relative to, any shares of the EESI Stock received by Shareholder (including by way of example and not limitation, engaging in put, call, short-sale, straddle or similar market transactions). EESI agrees that such consolidated financial results shall be published and disseminated no later than 120 days after the Closing Date. The Securities Exchange Commission ("SEC") has issued Accounting Series Release Nos. 130 and 135, as amended (collectively, the "ASRs"), setting forth certain restrictions applicable to the availability of "Pooling-of-interests" accounting treatment in transactions of the type contemplated by this Agreement. Shareholder therefore covenants and agrees with Buyer to hold the EESI Stock and to comply with the ASRs until the requirements of the ASRs have been met. In addition, the

certificates evidencing the EESI Stock to be received by Shareholder will bear a legend substantially in the form set forth below:

"The shares represented by this certificate may not be sold, transferred or assigned, and Eastern Environmental Services, Inc., shall not be required to give effect to any attempted sale, transfer or assignment prior to the publication and dissemination of financial statements by Eastern Environmental Services, Inc., which include the results of at least 30 days of combined operations of Eastern Environmental Services of Florida, Inc., and the Company acquired by Eastern Environmental Services of Florida, Inc., for which these shares are issued. Upon the written request of the holder hereof directed to Eastern Environmental Services, Inc., the issuer agrees to remove this restrictive legend (and any stop order places with the transfer agents) when the requirements of Accounting Series Releases Nos. 130 and 135, as amended, of the Securities Exchange Commission have been met."

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES OF BUYER AND EESI

Buyer and EESI, jointly and severally, represent and warrant that the statements contained in this Section 6 are correct and complete as of the date of this Agreement; and shall survive the Closing for a period of one year.

Section 6.1. Corporate Organization.

(a) Buyer and EESI are corporations duly organized, validly existing and in good standing under the laws of the States of Florida and Delaware, respectively, and are now and have been at all times since their creation, duly authorized, qualified and licensed under all laws, regulations, ordinances and orders of public authorities to carry on their business.

(b) Buyer and EESI have full legal right, power and authority (corporate and otherwise) to enter into this Agreement and to consummate the transactions contemplated by this Agreement. Buyer and EESI do not need to give any notice to, or make any filing with, or obtain the authorization, consent or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(c) The execution, delivery and performance of this Agreement, the consummation of any transactions referred to in this Agreement or contemplated by this Agreement and the fulfillment of the terms hereof and thereof will not: (i) conflict with, or result in a breach or violation of the Articles of Incorporation or By-Laws of Buyer or EESI; or (ii) conflict with, or result in a breach under any document, agreement or other instrument to which Buyer or EESI is a party, or result in the creation or imposition of any lien, charge or encumbrance on any properties of Buyer or which its property is subject.

Section 6.2. Corporate Authority. The officer of Buyer and EESI executing this Agreement has the corporate authority to enter into and bind Buyer and EESI, as applicable, to the terms of this Agreement, and Buyer and EESI have taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. All corporate action by Buyer and EESI necessary to approve the transaction, including both shareholder and director approvals, have been taken. As set forth in Article III, Buyer shall deliver to Company a copy of a corporate resolution authorizing Buyer to enter into this transaction, including, without limitation, the execution and delivery of this Agreement and all agreements to be delivered at Closing.

Section 6.3. Binding Agreement. This Agreement is the binding and valid obligation of Buyer and EESI, enforceable against them in accordance with its terms.

Section 6.4. Complete Disclosure. This Agreement and the schedules hereto and all other documents and information furnished to Company or Shareholder by Buyer in writing and their representatives pursuant hereto or pursuant to the negotiation of this transaction or the investigations conducted by Company or its employees or representatives or Shareholder, taken as a whole, do not and will not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. If Buyer becomes aware of any fact or circumstance which would materially change a representation or warranty of the Buyer in this Agreement or any other statement made or document provided to Company or Shareholder, Buyer shall immediately give notice of such fact or circumstance to Company and to Shareholder. The truth and accuracy of each representation and warranty of the Buyer in this Agreement, shall be a precondition to the consummation of this transaction. EESI has made all filings with Securities and Exchange Commission that it is required to make under the Securities Act of 1933 (the "Act") and the Securities Exchange Act of 1934 (the "Exchange Act"), as amended (collectively, the "Public Reports"). The Public Reports accurately and completely describe, in all material respects, EESI's financial status, business operations and prospects as of the date of such filings, and do not contain any untrue statement of a material fact or omit any material fact(s) necessary to make the information contained in the filings not misleading.

ARTICLE VII.

COVENANTS OF COMPANY AND SHAREHOLDER PRIOR TO CLOSING

Section 7.1. Access to Records/Inspection of Assets. Between the date of this Agreement and the Closing Date, Company shall afford to or obtain for the officers and authorized representatives of Buyer access to all of the books and records of Company, including, without limitation, the Environmental Documents, at all reasonable times and upon reasonable notice and will furnish Buyer with such additional financial and operating data and other information as to the business and Assets of Company as Buyer may from time to time reasonably request. Company will cooperate with Buyer, its representatives, engineers, auditors and counsel in the preparation of any documents or other material which may be required in connection with any documents or materials required by any governmental agency. Buyer will

cause all information obtained in connection with the negotiation and performance of this Agreement to be treated as confidential in accordance with the provisions of *Article XII*.

Section 7.2. Activities of Company Prior to Closing. Between the date of this Agreement and the Closing Date, Company shall:

(a) operate the business of the Company in the ordinary course of business and maintain the Assets in as good working order and condition as at present, ordinary wear and tear excepted;

(b) perform all of its obligations under the Customer Contracts or other agreements material to the Business;

(c) keep in full force and effect present insurance policies or other comparable insurance coverage with reputable insurers;

(d) use reasonable efforts to maintain its relationships with suppliers, customers, consultants, independent contractors and others having business relations with Company;

(e) maintain compliance with all Applicable Laws and the Approvals;

(f) provide all reasonable assistance to Buyer to provide for an orderly transition;

(g) confer with Buyer concerning operational matters of a material nature; and

(h) otherwise report periodically to Buyer of the business operations, and finances of Company.

Section 7.3. Prohibited Activities Prior to Closing. Between the date of this Agreement and the Closing Date, Company agrees that it shall not, without the prior written consent of Buyer:

(a) issue any shares, or grant any options, warrants, puts, calls, conversion rights or commitments relating to any securities of Company of any kind;

(b) amend or terminate, any Customer Contract, except in the ordinary course of the business;

(c) amend or repeal its Articles of Incorporation or Bylaws;

(d) increase the rate of compensation of any officer or employee;

- otherwise;
- (e) adopt or increase any employee benefit, whether under a qualified plan or otherwise;
- (f) permit damage to any of the Assets;
- (g) enter into any contract, joint venture, arrangement, or agreement involving a total commitment by the Company exceeding \$10,000;
- (h) sell, lease, or dispose of any Assets or mortgage, pledge, or impose or permit any lien or encumbrance on any Asset;
- (i) cancel or waive any claim or right with a value in excess of \$5,000;
- (j) materially change an accounting method;
- (k) knowingly breach any Customer Contract; or
- (l) make any oral or written announcement concerning this transaction, except as may be required by law, all of which announcements, if any, shall be forwarded to Buyer for review and comment at least seven (7) days prior to dissemination.

Section 7.4. Contact with Government Officials. Company shall use its best efforts to cooperate with Buyer in making contact with the appropriate governmental agencies and officials having information about or jurisdiction over Company, Assets, Approvals or obligations or rights of Company, including, without limitation, environmental and land use agencies and officials, in order to assist Buyer in completing its regulatory evaluation of Company and their respective obligations.

ARTICLE VIII. **CONDITIONS PRECEDENT TO OBLIGATIONS OF SHAREHOLDER**

The obligations of Shareholder hereunder are subject to the completion, satisfaction, or at her option, waiver, on or prior to the Closing Date, of the following conditions.

Section 8.1. Representations, and Warranties. The representations and warranties of Buyer and EESI contained in this Agreement shall be accurate on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date.

Section 8.2. Covenants. Each and all of the terms, covenants and conditions of this Agreement to be complied with and performed by Buyer and EESI on or before the Closing Date shall have been duly complied with and performed.

Section 8.3. No Adverse Proceeding. No action or proceeding before a court or any other governmental agency or body shall have been instituted or, to the best of Company's or Shareholder's knowledge, threatened to restrain or prohibit any of the transactions contemplated by this Agreement due to the actions of Buyer or EESI.

Section 8.4. Non-competition Agreements. Buyer shall have executed and delivered at the Closing the Non-competition Agreements.

ARTICLE IX.
CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER AND EESI

The obligations of Buyer and EESI hereunder are subject to the completion, satisfaction or, at their option, waiver, on or prior to the Closing Date, of the following conditions.

Section 9.1. Representations and Warranties and Obligations. The representations and warranties of Shareholder contained in this Agreement shall be accurate on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date.

Section 9.2. Covenants. Each and all of the terms, covenants and conditions of this Agreement to be complied with and performed by Company and Shareholder on or before the Closing Date shall have been duly complied with and performed.

Section 9.3. No Adverse Proceeding. No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit any of the transactions contemplated by this Agreement, and no governmental agency or body shall have taken any other action or made any request of Buyer or EESI as a result of which the management of Buyer or EESI deems it inadvisable to proceed with the Closing.

Section 9.4. No Adverse Change. No material and adverse change in the Business and Assets shall have occurred since the Balance Sheet Date. Company shall not have suffered any loss or damage to any of its properties or assets, whether or not covered by insurance, since the Balance Sheet Date, which change, loss or damage would materially affect or impair the ability of Buyer to conduct the Business.

Section 9.5. Conditions. All consents or Approvals required by any governmental authority or agency or other third party relating to the consummation of the transactions contemplated in this Agreement shall have been obtained and made.

Section 9.6. Transferability of Permits. Buyer shall have determined, in its sole discretion, that all licenses, permits and other approvals required for the operation of the Business have been obtained by Buyer, transferred to Buyer, or can be so obtained or transferred.

Section 9.7. Legal Opinion to be given to Buyer on Behalf of Shareholder. At the Closing, Company will deliver to Buyer a legal opinion of Florida counsel reasonably acceptable to Buyer with respect to the matters set forth in *Schedule 9.8*.

Section 9.8. General. All actions taken by Company and Shareholder in connection with the consummation of the transactions contemplated hereby and all certificates, opinions and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to Buyer.

Section 9.9. Bank Approval. EESI's lending institution shall have approved this Agreement.

Section 9.10. Termination of Lease. Company shall have delivered to EESI a fully executed, enforceable Real Estate Lease Termination.

ARTICLE X. **INDEMNIFICATION**

Section 10.1. Indemnification by Company and Shareholder. Company and Shareholder agrees that they will, jointly and severally, indemnify, defend, protect and hold harmless Buyer, its officers, shareholders, directors, agents, employees, successors and assigns at all times from and after the date of this Agreement from and against all claims, damages, actions, suits, proceedings, demands, assessments, adjustments, penalties, costs and expenses whatsoever (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation) incurred by Buyer as a result of or incident to: (a) any breach of, misrepresentation in, untruth in or inaccuracy in the representations and warranties by Company or Shareholder, set forth in this Agreement or in the Schedules, Exhibits or certificates attached to this Agreement or delivered pursuant to this Agreement; (b) nonfulfillment or nonperformance of any agreement, covenant or condition on the part of Company or Shareholder made in this Agreement and to be performed on after or before the Closing Date; or (c) any claim by a third party that, if true, would mean that a condition for indemnification set forth in subsections (a) or (b) of this Section 10.1 of this Agreement has occurred; or (d) any claim arising out of those matters set forth on Section 5.17. Buyer agrees that it will not make a claim for indemnification under this Section 10.1 for matters in the aggregate having a value of less than \$5,000.00.

Section 10.2. Indemnification by Buyer. Buyer and EESI agree that they will indemnify, defend, protect and hold harmless Company and Shareholder at all times from and after the date of this Agreement from and against all claims, damages, actions, suits, proceedings, demands, assessments, adjustments, penalties, costs and expenses whatsoever (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation) incurred by or Shareholder as a result of or incident to: (a) any breach of, misrepresentation in, untruth in or inaccuracy in the representations and warranties of Buyer or EESI set forth in this Agreement; (b) nonfulfillment of any agreement, covenant or condition

on the part of Buyer or EESI made in this Agreement; (c) any Security Liability; and (d) any claim by a third party that, if true, would mean that a condition for indemnification set forth in subsections (a), (b) or (c) of this Section 10.2 has occurred. Company and Shareholder agree that they will not make a claim for indemnification under this Section 10.2 for matters in the aggregate having a value of less than \$5,000.00.

Section 10.3. Procedure for Indemnification with Respect to Third Party Claims.

(a) If any third party shall notify a party to this Agreement (the "Indemnified Party") with respect to any matter ("Third Party Claim") that may give rise to a claim for indemnification against any other party to this Agreement (the "Indemnifying Party") under this Article X, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice satisfactory to the Indemnified Party so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within ten (10) days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any adverse consequences (which will include, without limitation, all losses, claims, liens, and reasonable attorneys' fees and related expenses) the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (ii) the Indemnifying Party provides the Indemnified Party with evidence acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder, (iii) the Third Party Claim involves only monetary damages and does not seek an injunction or equitable relief, (iv) settlement of, or adverse judgment with respect to the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice adverse to the continuing business interests of the Indemnified Party, and (v) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 10.3(b) above, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third party Claim without the prior written consent of the Indemnifying Party (which will not be unreasonably withheld) and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (which will not be unreasonably withheld).

(d) If any of the conditions set forth in Section 10.3(b) above is or becomes unsatisfied, (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim and any matter it may deem appropriate and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith, (ii) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the cost of defending against the Third Party Claim (including attorneys' fees and expenses) and (iii) the Indemnifying Party will remain responsible for any adverse consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this Article X. If the Indemnified Party is Buyer or EESI, then in addition to the foregoing, for any sum owing the Indemnified Party, Buyer may set off such sum against the Escrowed General Stock Consideration pursuant to Section 2.2(a).

Section 10.4. Procedure for Non-Third Party Claims. If Buyer, EESI, or Shareholder wish to make a claim for indemnity under Section 10.1 or Section 10.2, as applicable, and the claim does not arise out of a third party notification which makes the provisions of Section 10.3 applicable, the party desiring indemnification ("Indemnified Party") shall deliver to the parties from which indemnification is sought ("Indemnifying Party") a written demand for indemnification ("Indemnification Demand"). The Indemnification Demand shall state: (a) the amount of losses, damages or expenses to which the Indemnified Party has incurred or has suffered or is expected to incur or suffer to which the Indemnified Party is entitled to indemnification pursuant to Section 10.1 or Section 10.2, as the case may be; (b) the nature of the event or occurrence which entitles the Indemnified Party to receive payment under Section 10.1 or Section 10.2, as the case may be. If the Indemnifying Party wishes to object to an Indemnification Demand, the Indemnifying Party must send written notice to the Indemnified Party stating the objections and the grounds for the objections ("Indemnification Objection"). If no Indemnification Objection is sent within fifteen (15) days after the Indemnification Demand, the Indemnifying Party shall be deemed to have acknowledged the correctness of the claim or claims specified in the Indemnification Demand and shall pay the full amount claimed in the Indemnification Demand within thirty (30) days of the day the Indemnification Demand is dated. If for any reason the Indemnifying Party does not pay the amounts claimed in the Indemnification Demand, within thirty (30) days of the Indemnification Demand's date, the Indemnified Party may institute legal proceedings to enforce payment of the indemnification claim contained in the Indemnification Demand and any other claim for indemnification that the Indemnified Party may have or if the Indemnified Party is the Buyer or EESI, then Buyer may set off the amount of the Indemnification Demand against the Escrowed General Stock Consideration pursuant to Section 2.2(a).

ARTICLE XI.

TERMINATION OF AGREEMENT

Section 11.1. Termination by Buyer. Buyer, by notice in the manner provided below on or before the Closing Date, may terminate this Agreement in the event of (i) a material breach by Company or Shareholder in the observance or in the due and timely performance of

any of the material agreements or conditions contained in this Agreement on their part to be performed, and such breach shall not have been cured on or before the Closing Date, or (ii) the falsity of any material representation or warranty given by Company or Shareholder in this Agreement.

Section 11.2. Termination by Company. Company or Shareholder may, by notice in the manner provided below on or before the Closing Date, terminate this Agreement in the event of (i) a breach by Buyer or EESI in the observance or in the due and timely performance of any of the material agreements or conditions contained in this Agreement on the part of Buyer to be performed, and such breach shall not have been cured on or before the Closing Date, or (ii) the falsity of any material representation or warranty given by Buyer in this Agreement.

ARTICLE XII. **NONDISCLOSURE OF CONFIDENTIAL INFORMATION**

Section 12.1. Nondisclosure by Company. Company and Shareholder recognize and acknowledge that they had in the past, currently have, and in the future will have certain confidential information of the Business, and Assets such as lists of customers, operational policies, and pricing and cost policies that are valuable, special and unique assets of Buyer and/or the Business. Company and Shareholder agree that they will not disclose such confidential information to any person, firm, corporation, association or other entity for any purpose or reason whatsoever, except to authorized representatives of Buyer, unless (i) such information becomes known to the public generally through no fault of Company's or the Shareholder's or (ii) the Company is compelled to disclose such information by a governmental entity or pursuant to a court proceeding. In the event of a breach or threatened breach by Company or Shareholder of the provisions of this Section, Buyer shall be entitled to an injunction restraining Company or Shareholder, as the case may be, from disclosing, in whole or in part, such confidential information. Nothing in this Article shall be construed as prohibiting Buyer from pursuing any other available remedy for such breach or threatened breach, including, without limitation, the recovery of damages.

Section 12.2. Nondisclosure by Buyer. Buyer recognizes and acknowledges that it has in the past, currently has, and prior to the Closing Date, will have access to certain confidential information of Company, such as lists of customers, operational policies, and pricing and cost policies that are valuable, special and unique assets of Company and the Business. Buyer agrees that it will not disclose such confidential information to any person, firm, corporation, association, or other entity for any purpose or reason whatsoever, unless (i) such information becomes known to the public generally through no fault of Buyer (ii) Buyer is compelled to disclose such information by a governmental entity or pursuant to a court proceeding. In the event of a breach or threatened breach by Buyer of the provisions of this Section, Company shall be entitled to an injunction restraining Buyer from disclosing, in whole or in part, such confidential information. Nothing contained in this Article shall be construed as prohibiting Company from pursuing any other available remedy for such breach or threatened breach,

including, without limitation, the recovery of damages. The provisions of this Section 12.2 shall expire upon the Closing of the purchase under this Agreement by Buyer.

ARTICLE XIII. **GENERAL**

Section 13.1. Assignment; Binding Effect; Amendment. This Agreement and the rights of the parties hereunder may not be assigned (except by operation of law) and shall be binding upon and shall inure to the benefit of the parties hereto, the successors of Buyer, EESI, Company, and the respective heirs and legal representative of Shareholder. This Agreement, upon execution and delivery, constitutes a valid and binding agreement of the parties hereto enforceable in accordance with its terms and may be modified or amended only by a written instrument executed by all parties hereto. Notwithstanding the above, at or before Closing, Buyer may assign its rights and obligations under this Agreement to any other wholly owned subsidiary of EESI.

Section 13.2. Entire Agreement. This Agreement is the final, complete and exclusive statement and expression of the agreement among the parties hereto with relation to the subject matter of the Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter as this Agreement. This Agreement supersedes, and cannot be varied, contradicted or supplemented by evidence of any prior to contemporaneous discussions, correspondence, or oral or written agreements of any kind. The parties hereto represent and warrant to each other that they have relied on their own advisors for all legal, accounting, tax or other advice whatsoever with respect to the Agreement and the transactions contemplated hereby.

Section 13.3. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 13.4. Expenses of Transaction. Whether or not the transactions contemplated in this Agreement shall be consummated: (a) Buyer and EESI will pay the fees, expenses and disbursements of Buyer and EESI and its agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments hereto and all other costs and expenses incurred in the performance and compliance with all conditions to be performed by Buyer or EESI under this Agreement; and (b) Company will pay personally the fees, expenses and disbursements of Company and Shareholder and their respective agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments hereto and all other costs and expenses incurred in the performance and compliance with all conditions to be performed by Company and Shareholder under this Agreement. All such fees, expenses and disbursements of Company and Shareholder shall be paid by Company prior to the Closing so that the Assets will not be charged with or diminished by any such fee, cost or expense.

Section 13.5. Notices. All notices or other communications required or permitted under this Agreement shall be in writing and may be given by depositing the same in United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier or by delivering the same in person to such party.

(a) If to Buyer or EESI, addressed:

President, Louis Paolino, Jr.
Eastern Environmental Services, Inc.
1000 Crawford Place
Mount Laurel, New Jersey 08054

with a copy to:

Robert M. Kramer & Assoc., P.C.
1150 First Avenue, Suite 900
King of Prussia, Pennsylvania 19406

Laurel Lockett, Esq.
Carlton Fields
1 Harbour Place
Tampa, Florida 33602

(b) If to Company or Shareholder, addressed:

Deidre Laratro, President
Waste-X Services, Inc.
3051 W. 129th Street, N.W.
Opa Locka, Florida 33054

with a copy to:

Samuel G. Weiss, Esquire
30 Main Street, Suite 300
Port Washington, New York 11050

Notice shall be deemed given and effective the day personally delivered, the day after being sent by overnight courier and three business days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received, if earlier. Any party may change the address for notice by notifying the other parties of such change in accordance with this Section 13.5.

Section 13.6. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida, without giving effect to any choice

or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

Section 13.7. No Waiver. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

Section 13.8. Time of the Essence. Time is of the essence of this Agreement.

Section 13.9. Captions. The headings of this Agreement are inserted for convenience only, shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

Section 13.10. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 13.11. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute shall be deemed to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" means included, without limitation. The parties intend that each representation, warranty and covenant contained in this Agreement shall have independent significance.

Section 13.12. No Shop Agreement. Unless and until this Agreement is terminated pursuant to Article XI without the Closing having taken place, Company and Shareholder will not directly or indirectly solicit offers for the shares or the assets of Company or for a merger or consolidation involving Company, or respond to inquiries from, share information with, negotiate with or in any way facilitate inquiries or offers from, third parties who express or who have heretofore expressed an interest in acquiring Company by merger, consolidation or other combination or acquiring any of Company's assets; nor will Shareholder permit Company to do any of the foregoing.

Section 13.13. Survival. The representations, warranties, covenants, and terms of this Agreement shall survive Closing.

Section 13.14. Incorporation of Schedules. All Schedules and exhibits attached to this Agreement are hereby incorporated by reference as fully as if set forth in the body of the Agreement.

Section 13.15. Arbitration.

(a) Each and every controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the commercial rules (the "Rules") of the American Arbitration Association then obtaining in Ft. Lauderdale, Florida (or the nearest city thereto with an AAA office), and judgment upon the award rendered in such arbitration shall be final and binding upon the parties and may be confirmed in a ny court having jurisdiction thereof. Notwithstanding the foregoing, this Agreement to arbitrate shall not bar any party from seeking temporary or provisional remedies in any Court having jurisdiction if such party can establish irreparable harm. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement, which such demand shall set forth in the same degree of particularity as required for complaints under the Federal Rules of Civil Procedure the claims to be submitted to arbitration. Additionally, the demand for arbitration shall be stated with reasonable particularity with respect to such demand with documents attached as appropriate. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statutes of limitations.

(b) The arbitrators shall have the authority and jurisdiction to determine their own jurisdiction and enter any preliminary awards that would aid and assist the conduct of the arbitration or preserve the parties' rights with respect to the arbitration as the arbitrators shall deem appropriate in their discretion. The award of the arbitrators shall be in writing and it shall specify in detail the issues submitted to arbitration and the award of the arbitrators with respect to each of the issues so submitted.

(Rest of page intentionally left blank)

(c) Within sixty (60) days after the commencement of any arbitration proceeding under this Agreement, each party shall file with the arbitrators its contemplated discovery plan outlining the desired documents to be produced, the depositions to be taken, if ordered by the arbitrators in accordance with the Rules, and any other discovery action sought in the arbitration proceeding. After a preliminary hearing, the arbitrators shall fix the scope and content of each party's discovery plan as the arbitrators deem appropriate. The arbitrators shall have the authority to modify, amend or change the discovery plans of the parties upon application by either party, if good cause appears for doing so.

(d) The award pursuant to such arbitration will be final, binding and conclusive.

(e) Counsel to the Purchaser and the Company in connection with the negotiation of and consummation of the transactions under this Agreement shall be entitled to represent their respective party in any and all proceedings under this Section or in any other proceeding (collectively, "Proceedings"). The Purchaser and the Company, respectively, waive the right and agree they shall not seek to disqualify any such counsel in any such Proceedings for any reason, including but not limited to the fact that such counsel or any member thereof may be a witness in any such Proceedings or possess or have learned of information of a confidential or financial nature of the party whose interests are adverse to the party represented by such counsel in any such Proceedings.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Witnesses

EASTERN ENVIRONMENTAL SERVICES, INC.

By: 

Robert M. Kramer
As its Vice President

EASTERN ENVIRONMENTAL SERVICES OF
FLORIDA, INC.

By: 

Robert M. Kramer
As its Vice President

Ernest Aron

David Gallegos

WASTE-X SERVICES, INC.

By:

Daidin Laroza
Daidin Laroza, as late Shareholder and
As Its President

Daniel Laroza by
Daidin Laroza as Daidin Laroza
attorney in fact.
Daidin Laroza
attorney in fact.

Maryle Whorton

Daniel Laroza
DANIEL LAROTZ

SENT BY:CFWESC-FAXROOM

; 8-15-97 ; 5:08PM ;CARLTON,FIELDS-TAMPA--

850 487 6019: # 4/ 4

**SCHEDULES REFERENCED IN THIS PLAN OF SHARE
EXCHANGE HAVE NOT BEEN ATTACHED AS SUCH DOCUMENTS
DO NOT RELATE TO THE SPECIFIC MANNER AND BASIS
OF THE SHARE EXCHANGE**

SENT BY:CFWESC-FAXROOM

; 8-15-97 ;10:13AM ;CARLTON,FIELDS-TAMPA-

904 222 0398;#11/12

SAMUEL G. WEISS

ATTORNEY AT LAW

30 MAIN STREET

PORT WASHINGTON, N. Y. 11050

(516) 844-7749

NEW YORK OFFICE
381 BROADWAY - SUITE 800
NEW YORK, N.Y. 10013
(212) 431-0004

TELECOPIER
(516) 844-7630

July 11, 1997

BY TELEFAX

Laurel Lockett, Esq.
Carlton Fields
P.O. Bo 150
West Palm Beach, Fl 33402-0150

Re: Waste-X with EESI

Dear Laurel:

This will confirm our understanding that the Closing between Waste X, Inc. and EESI will be rescheduled for July 30, 1997.

Sincerely,

Samuel G. Weiss
Samuel G. Weiss

SGW:Ph

SENT BY:CFWESC-FAXROOM

: 8-15-97 :10:13AM :CARLTON, FIELDS-TAMPA-

904-222-0398:#12/12

SAMUEL G. WEISS

ATTORNEY AT LAW

30 MAIN STREET

PORT WASHINGTON, N. Y. 11050

(516) 944-7740

NEW YORK OFFICE
361 BROADWAY - SUITE 500
NEW YORK, N.Y. 10013
(212) 431-0064

TELECOPIER
(516) 944-7530

July 30, 1997

BY TELEFAX

Laurel Lockett, Esq.
Carlton Fields
P.O. Bo 150
West Palm Beach, Fl 33402-0150

Re: Waste-X with EESI and EESI-FL

Dear Laurel:

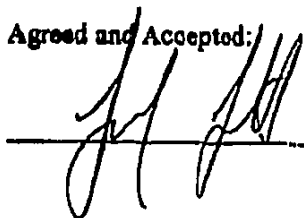
This will confirm our agreement that the Closing date for the Closing in the above captioned matter will be extended until August 7, 1997. Please sign the enclosed copy of this letter and return it to me.

Sincerely,


Samuel G. Weiss

SGW:Ph

Agreed and Accepted:

 for EESI, EESF

**AMENDED AND RESTATED
THIRD AMENDMENT TO
AGREEMENT FOR PURCHASE OF STOCK**

THIS THIRD AMENDMENT TO AGREEMENT FOR THE PURCHASE OF STOCK OF WASTE-X SERVICES, INC. ("Company") (this "Agreement") dated effective as of July 30, 1997, by and among EASTERN ENVIRONMENTAL SERVICES, INC., a Delaware corporation ("EESI"), EASTERN ENVIRONMENTAL SERVICES OF FLORIDA, INC., a Florida corporation and a wholly owned subsidiary of EESI ("Purchaser"), and DEIDRE LARATRO and DANIEL LARATRO (collectively the "Shareholder").

Whereas, the parties have entered into that certain agreement bearing an effective date of July 7, 1997, as extended by letter agreement dated July 11, 1997 and July 30, 1997 (collectively the "Agreement");

Whereas the Agreement calls for a closing on August 7, 1997 and makes certain provisions for the registration of the stock of EESI to be provided to Shareholder;

Whereas the parties wish to amend the agreement as set forth herein;

Now, therefore, the parties hereby agree as follows:

1. The Per Share Price shall be Fourteen and 25/100 Dollars (\$14.25).
2. Section 2.3(a) shall be replaced in its entirety with the following:

(a) Escrowed Consideration.

i) Six hundred thirty-six thousand seven hundred seventy-one and no/100 Dollars of the Consideration (\$636,771.00) comprising a portion of the Stock Consideration described in Section 2.4(d) ("Escrowed General Stock Consideration") shall be issued and held by Unregistered Robert M. Kramer, Esq. as escrow agent (the "Escrow Agent") over a period of twelve (12) months (the "General Claims Period"), in accordance with the following and an escrow agreement ("Escrow Agreement") to be provided by Buyer at Closing. The Escrowed General Stock Consideration shall be reduced by any amount equal to any Indemnification Demand or Third Party Claim made by or on behalf of Buyer under Article X, including without limitation, any claim, expense, loss, obligation, debt, demand, or liability of the Company, whether fixed or contingent, existing or arising out of the Company's business or operations before the Closing ("Pre-Closing Debt") that (i) has not been paid prior to Closing or (ii) is not expressly set forth on *Schedule 1.3* and expressly assumed by Buyer at Closing under this Agreement. The amount of any deduction to the Escrowed General Stock Consideration hereunder shall be calculated by valuing each share of the Escrowed General Stock Consideration at the time of disbursement at the Per Share Price.

In the event any Third Party Claim or Indemnification Demand arises within the General Claims Period which is not resolved to the satisfaction of Buyer prior to the expiration of the General Claims Period, the Consideration shall be reduced in an amount sufficient to satisfy the Escrowed General Stock Consideration and shall be used to satisfy the Third Party Claim or Indemnification Demand and the General Claims Period shall be extended with respect to that sum until such Third Party Claim or Indemnification Demand has been resolved to the satisfaction of Buyer, or becomes subject to a right of set off under Article X, in which case Buyer may satisfy such Third Party Claim or Indemnification Demand from the Escrowed General Stock Consideration. Unless otherwise retained, withdrawn or paid out by Buyer or EESI pursuant to the terms of this Section 2.2(a)(i), the Escrow Agent shall issue and deliver the remaining Escrowed General Stock Consideration to Shareholder along with a list of all payments made on the Company's behalf, if any, on the twelve (12) month anniversary of the Closing Date.

Nothing herein shall be deemed to limit or terminate any party's right to indemnification pursuant to Article X after the expiration of the General Claims Period.

ii) One million two hundred seventy-three thousand five hundred forty-one and no/100 Dollars of the Consideration (\$1,273,541.00) comprising the Stock Consideration described in Section 2.4(d) ("Escrowed Litigation Stock Consideration") shall be issued and held by the Escrow Agent pending resolution ("Resolution") of the following matters:

(A) resolution of all open litigation and claims against the Company as described on *Schedule 5.17* (the "Pending Claims"). All Pending Claims must be dismissed with prejudice and if settled, then, in addition to a dismissal with prejudice, settlement must be evidenced by the execution of a settlement agreement compromising or settling the Pending Claim which is reasonably acceptable to EESI. Buyer shall be entitled to withdraw and deduct from the Escrowed Litigation Stock Consideration any amount equal to any amount required to be paid by EESI, Buyer or the Company to: (A) settle such Pending Claims; and (B) all costs and expenses incurred by EESI or Buyer in monitoring the Pending Claims, or in enforcing, defending or interpreting the Company's, Buyer's or EESI's rights in the Pending Claims, including, but not limited to, all collection and court costs, and all attorneys', expert and paralegal fees, whether incurred out of court, at trial, in arbitration, mediation, or on appeal.

(B) Cleanup of the Leased Property in compliance with all Applicable Laws and Environmental Laws as set forth in Section 5.33. The Escrowed Litigation Stock Consideration shall be reduced by any amount equal to any amount paid by EESI, Buyer or the Company to: (A) Cleanup the Leased Property in compliance with Applicable Law and Environmental Laws as set forth in Section 5.33, and (B) all costs and expenses incurred by EESI, Buyer or Company in monitoring the Cleanup. Cleanup shall be deemed complete

when Buyer and EESI have received a certification from a licensed Florida consulting or engineer firm reasonably acceptable to Buyer, signed and sealed by a licenced P.E. or P.G., certifying the Cleanup has been completed, and, in the event that any governmental agency(s) has jurisdiction over the Cleanup, written confirmation from such agency(s) that the Cleanup is complete.

(C) The Escrowed Litigation Stock Consideration shall be reduced by the amount of any Liquidated Damages under Section 5.32, valuing the Escrowed Litigation Stock Consideration at the Per Share Price, and Escrow Agent shall disburse such stock to Buyer.

Any deduction from the Escrowed Litigation Stock Consideration under this Agreement shall be made by valuing the Escrowed Litigation Stock Consideration at the time of disbursement at the Per Share Price. Unless otherwise retained, withdrawn, or paid out by Buyer or EESI pursuant to the terms of Section 2.2(a)(ii), the Escrow Agent shall issue and deliver the remaining Escrowed Litigation Stock Consideration to Shareholders, upon Resolution of the matters.

3. The following shall be added to Section 2.3:

(e) Commencing July 30, 1997, Buyer has conducted certain vehicle maintenance and advanced certain operational costs (including without limitation costs of truck rental, fuel, waste disposal costs) (collectively "Buyer's Costs") on Seller's behalf. There shall be an adjustment to the Stock Consideration for Buyer's Costs through the date of Closing.

4. Section 2.4 will be replaced in its entirety by the following:

Section 2.4. Restrictions on Transfer of Unregistered Shares. Some or all of the Stock Consideration to be delivered to Shareholder in payment of a portion of the Consideration may not be registered under the Securities Act of 1933 ("Act") at the time of delivery ("Unregistered Shares"). In accordance with Section 2.5 below, EESI has agreed to register the Unregistered Shares. Shareholder understands and agrees that the following restrictions and limitations are applicable to the purchase and resale or other transfer of the Unregistered Shares pursuant to the Act until registered.

a. Shareholder agrees that the Unregistered Shares shall not be sold or otherwise transferred unless, the Unregistered Shares are registered under the Act and state securities laws or are exempt therefrom.

b. A legend in substantially the following form will be placed on the certificates evidencing the Unregistered Shares to be issued to Shareholder pursuant to Section 2.5(a):

The securities represented by this certificate have not been

registered under the Securities Act of 1933 or any state securities act. These shares have been acquired for investment and may not be sold, transferred, pledged or hypothecated unless (i) they shall have been registered under the Securities Act of 1933 and any applicable states securities act or (ii) Eastern Environmental Services, Inc., shall have been furnished with an opinion of counsel, satisfactory to counsel for Eastern Environmental Services, Inc. that registration is not required under any such acts; and

c. Except for that portion of the Unregistered Shares which are registered under the Act by EESI pursuant to Section 2.5(a), below, Seller and Shareholder agree that the Unregistered Shares shall not be sold or otherwise transferred until the eighteen (18) month anniversary of the Closing Date under this Agreement.

d. A legend in substantially the following form will be placed on the certificates evidencing the remaining balance of the Unregistered Shares to be issued Seller and Shareholder pursuant to Section 2.5:

The securities represented by this certificate have not been registered under the Securities Act of 1933 or any state securities act. These shares have been acquired for investment and may not be sold, transferred, pledged or hypothecated until ____*[insert date which is the eighteen (18) month anniversary of the Closing Date]*____.

e. Stop transfer instructions will be imposed with respect to the Unregistered Shares issued to Shareholder pursuant to this Agreement so as to restrict resale or other transfer thereof except in accordance with the foregoing provisions of this Section 2.3.

5. Section 2.5(a) Registration Rights of the Agreement shall be replaced in its entirety with the following:

a. EESI shall file a registration statement to register one-third (1/3) of the Unregistered Shares under the Act for sale to the public pursuant to a "shelf registration" under Rule 415 of the Act by February 15, 1998. EESI will give written notice to the Shareholders of the "shelf" registration at least 15 days before the registration statement is filed. After receiving the notice of the "shelf" registration, Shareholders will advise EESI in writing of the intended method of disposition of the Unregistered Shares to be registered. Notwithstanding the foregoing provisions, EESI may withdraw any registration statement referred to in this paragraph without incurring any liability to Shareholders. Notwithstanding the above, EESI's obligation to file the shelf registration and/or keep the shelf registration continuously effective shall be suspended, for any period that there exists material, non-public information relating to EESI.

6. In Section 3.1, the date "August 7, 1997" shall be replaced with the date "August 14, 1997."

7. The following shall be added as a new Section 5.32:

Section 5.32. Milton Contracts. Shareholders represent and warrant that there are no defaults or acts of non-performance that have occurred prior to the Closing Date for the following accounts:

3000010	4000992	4001694
4000464	4000993	4000038
4000521	4000994	4000327
4000656	4000998	4000058
4000951	4001033	4000143
4000952	4001202	

If any of the foregoing accounts are terminated during the ninety (90) day period following the Closing Date as a result of an act of non-performance or default that occurred prior to the Closing Date, it shall constitute a breach of this representation and warranty by Shareholders entitling Buyer to specific liquidated damages as follows:

3000010	217,927.50
4000464	13,346.13
4000521	13,346.13
4000656	13,346.13
4000951	13,346.13
4000952	13,346.13
4000992	13,346.13
4000993	13,346.13
4000994	13,346.13
4000998	13,346.13
4001033	13,346.13
4001202	1,328.25
4001694	12,900.93
4000038	73,338.30
4000327	31,227.00
4000058	42,955.50
4000143	973.35

(The "Liquidated Damages").

8. The following shall be inserted as a new section:

Section 5.33. Adverse Environmental Matters. Seller has disclosed the existence of a

warning letter from Dade County Environmental Management (DERM) with respect to certain alleged discharges of contaminants to soil at the Company's Leased Property and other potential violations of Applicable Laws and Environmental Laws on the Leased Property as described on Schedule 5.17. Seller has provided at Seller's sole cost and expense, a written estimate of the not to exceed cost (the "Estimated Remediation Cost") to assess and remediate all contamination on the Leased Property in accordance with all Environmental Laws and Applicable Laws (the "Cleanup") from ERM-South, Inc., sealed and certified to Buyer and Seller, showing the estimated worst case Estimated Remediation Cost of \$396,000.00. Shareholders may select and direct the Cleanup. L&M shall provide access to the Leased Property as necessary to complete the Cleanup.

9. The following shall be inserted at the end of Section 5.5.

Seller's Financial Statements shall be provided within sixty (60) days of the Closing Date.

10. The following subparagraph shall be added to Section 10.1. Indemnification by Company and Shareholder:

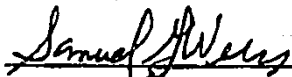
(e) any and all contamination of the Leased Property prior to the Closing Date.

11. By execution of this Amendment, L&M Realty Holdings Corp. ("L&M") hereby agrees that it will, jointly and severally with Shareholders, pursuant to Section 10.1 of the Agreement, indemnify, defend, protect and hold harmless Buyer, its officers, shareholders, directors, agents, employees, successors and assigns at all times from and after the date of this Agreement from and against all claims, damages, actions, suits, proceedings, demands, assessments, adjustments, penalties, costs and expenses whatsoever (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation) incurred by Buyer as a result of or incident to any and all contamination of the Leased Property prior to the Closing Date.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Witnesses

EASTERN ENVIRONMENTAL SERVICES, INC.



By: 

Neal W. Rodrigue
As its Vice President

**EASTERN ENVIRONMENTAL SERVICES OF
FLORIDA, INC.**Samuel H. WeissScott M. WebbBy: Neal W. Rodriguez
Neal W. Rodriguez
As its Vice President**WASTE-X SERVICES, INC.**Samuel H. WeissScott M. WebbBy: Deidre Laratro
Deidre Laratro, as Shareholder and
As Its PresidentBy: Deidre Laratro ATTORNEY-IN-FACT
Daniel Laratro, as Shareholder PURSUANT TO POWER OF
By Deidre Laratro, Attorney-in-fact ATTORNEY DATED 8/15/97**L&M-REALTY HOLDINGS CORP.**Samuel H. WeissScott M. WebbBy: Deidre Laratro
Deidre Laratro, as Sole Shareholder and
President