AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 21, 1999

REGISTRATION NO. 333-87319

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

WASTE MANAGEMENT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	4953	73-1309529
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1001 FANNIN STREET
SUITE 4000
HOUSTON, TEXAS 77002
(713) 512-6200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

BRYAN J. BLANKFIELD
ASSISTANT GENERAL COUNSEL
1001 FANNIN STREET, SUITE 4000
HOUSTON, TEXAS 77002
(713) 512-6200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: [ ]

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT BEING REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
6.000% Senior Notes Due 2001........................	$ 200,000,000	100%	$200,000,000	$ 55,600
6.500% Senior Notes Due 2004........................	200,000,000	100%	200,000,000	55,600
6.875% Senior Notes Due 2009........................	500,000,000	100%	500,000,000	139,000
7.375% Senior Notes Due 2029........................	250,000,000	100%	250,000,000	69,500
Guarantee of Senior Notes(2)....................	$1,150,000,000	100%		(3)

(1) Estimated solely for the purpose of calculating the registration fee.

(2) See inside facing page for additional registrant guarantors.

(3) Pursuant to Rule 457(n), no separate fee for the Guarantee is payable.

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

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TABLE OF ADDITIONAL REGISTRANT GUARANTORS

EXACT NAME AS SPECIFIED IN ITS CHARTER	STATE OR OTHER JURISDICTION OF INCORPORATION OF ORGANIZATION	IRS EMPLOYER IDENTIFICATION NUMBER	ADDRESS INCLUDING ZIP CODE AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICE
Waste Management Holdings, Inc.	Delaware	36-2660763	1001 Fannin Street Suite 4000 Houston, Texas 77002 (713) 512-6200

SUBJECT TO COMPLETION, DATED DECEMBER 21, 1999

WASTE MANAGEMENT, INC.
OFFERS TO EXCHANGE

$200,000,000 6.000% SENIOR NOTES DUE 2001
$200,000,000 6.500% SENIOR NOTES DUE 2004
$500,000,000 6.875% SENIOR NOTES DUE 2009
$250,000,000 7.375% SENIOR NOTES DUE 2029

FOR

$200,000,000 6.000% SENIOR NOTES DUE 2001
$200,000,000 6.500% SENIOR NOTES DUE 2004
$500,000,000 6.875% SENIOR NOTES DUE 2009
$250,000,000 7.375% SENIOR NOTES DUE 2029

THE EXCHANGE OFFER:

- We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradeable.

- You may withdraw tenders of outstanding notes at any time prior to the expiration of the exchange offer.

- The exchange offer expires at 5:00 p.m., New York City time, on , 1999, unless extended. We do not currently intend to extend the expiration date.

THE EXCHANGE NOTES:

- Terms: Will be substantially identical to the outstanding notes except that the exchange notes will be freely tradeable.

RESALES OF EXCHANGE NOTES:

- The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods.

YOU SHOULD CONSIDER CAREFULLY THE RISK FACTORS BEGINNING ON PAGE 9 OF THIS PROSPECTUS BEFORE PARTICIPATING IN THE EXCHANGE OFFER

Neither the Securities and Exchange Commission, nor any state securities commission, has approved or disapproved of these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 1999

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YOU SHOULD RELY ONLY ON THE INFORMATION INCORPORATED BY REFERENCE OR CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS.

WHERE TO FIND MORE INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934, and in accordance therewith we file reports, proxy and information statements and other information with the Securities and Exchange Commission. You can inspect and copy these reports, proxy and information statements and other information at:

- the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington DC 20549, and

- the regional offices of the Commission located at:

  - 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and

  - 7 World Trade Center, Suite 1300, New York, New York 10048.

You also can obtain copies of these materials from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, DC 20549 at prescribed rates. You may obtain information regarding the operation of the public reference facilities by calling the Commission at 1-800-SEC-0330. You can obtain electronic filings made through the Electronic Data Gathering, Analysis and Retrieval System at the Commission's web site, http://www.sec.gov.

In addition, you can inspect material filed by us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which shares of our common stock are listed.

We are incorporating by reference in this Prospectus some information we file with the Commission, which means that we are disclosing important information to you by referring you to those documents. Specifically, we incorporate by reference the documents set forth below that we have previously filed with the Commission:

COMMISSION FILINGS (FILE NO. 1-12154)	PERIOD/DATE
- Annual Report on Form 10-K	Year ended December 31, 1998
- Quarterly Report on Form 10-Q	Quarter ended March 31, 1999 (certain items in financial statements were revised in June 30, 1999 Form 10-Q)
- Quarterly Report on Form 10-Q	Quarter ended June 30, 1999
- Quarterly Report on Form 10-Q (as amended on Form 10-Q/A)	Quarter ended September 30, 1999
- Current Report on Form 8-K	September 16, 1999
- Current Report on Form 8-K	October 20, 1999
- Proxy Statement for the 1999 Annual Meeting of Stockholders	April 5, 1999

The documents we have filed with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and before the termination of the offering made by this Prospectus are also incorporated by reference into this Prospectus.

This Prospectus, which is a part of the exchange offer registration statement, does not contain all of the information found in the exchange offer registration statement. You should refer to the registration statement, including its exhibits and schedules, for further information.

YOU MAY REQUEST A COPY OF THIS INFORMATION, THE EXCHANGE OFFER REGISTRATION STATEMENT, AND THE COMMISSION FILINGS AT NO COST, BY WRITING OR TELEPHONING US AT THE FOLLOWING ADDRESS:

WASTE MANAGEMENT, INC.
1001 FANNIN STREET, SUITE 4000
HOUSTON, TEXAS 77002
(713) 512-6200
ATTN: SECRETARY

TO ENSURE TIMELY DELIVERY, YOU SHOULD REQUEST THESE FILINGS NO LATER THAN ________________.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus, including the financial data and related notes and the information incorporated by reference into this prospectus, before making an investment decision. In this prospectus, the terms "our," "we," "us," "Waste Management," and similar terms refer to Waste Management, Inc. and include all of our consolidated subsidiaries. In this prospectus, the term "you" refers to a holder of the outstanding notes or the exchange notes.

THE COMPANY

OVERVIEW

We are a global leader in providing integrated waste management services. In North America, we provide solid waste management services throughout the United States, as well as in Canada, Mexico and Puerto Rico, including collection, transfer, recycling and resource recovery services, and disposal services, including the landfill disposal of hazardous wastes. In addition, we are a leading developer, operator and owner of waste-to-energy facilities in the United States. We also engage in other hazardous waste management services throughout North America, as well as low-level and other radioactive waste services. Internationally, we operate throughout Europe, the Pacific Rim, South America and other select international markets. Our diversified customer base includes commercial, industrial, municipal and residential customers, other waste management companies, governmental entities and independent power markets.

RECENT DEVELOPMENTS

On July 6, 1999, we announced that we had lowered our expected earnings per share for the three-month period ended June 30, 1999. On July 29, 1999, we announced a further reduction in our expected earnings for that period. On August 3, 1999, we announced that our reported operating income for the three-month period ended March 31, 1999 may have included certain non-recurring pretax income items. Between July 8, 1999 and September 3, 1999, numerous lawsuits that purport to be based on one or more of these announcements have been filed against us and certain of our officers and directors. Taken together, the plaintiffs of these lawsuits purport to assert claims on behalf of a class of purchasers of our common stock between June 10, 1998 and August 2, 1999. Among other things, the plaintiffs allege that Waste Management and certain of its officers and directors (i) made knowingly false earnings projections for the three months ended June 30, 1999 and (ii) failed to adequately disclose facts relating to its earnings projections that the plaintiffs allege would have been material to purchasers of Waste Management's common stock. The plaintiffs also claim that certain of Waste Management's officers and directors sold common stock at prices known to be inflated by the alleged material misstatements and omissions. The plaintiffs in these actions seek damages with interest, costs and such other relief as the respective courts deem proper.

In addition, three of Waste Management's shareholders have filed lawsuits against certain of our officers and directors in connection with the events surrounding our second quarter 1999 earnings projections and July 6, 1999 earnings announcement. The plaintiffs in these actions purport to allege derivative claims on behalf of Waste Management against these officers and directors for alleged breaches of fiduciary duty resulting from their alleged stock sales during the three-month period ended June 30, 1999 and/or their oversight of Waste Management's affairs. The lawsuits name Waste Management, Inc. as a nominal defendant and seek compensatory and punitive damages with interest, equitable and/or injunctive relief, costs and such other relief as the respective courts deem proper.

In addition, the Commission has notified us of an informal inquiry into the period ended June 30, 1999, as well as certain sales of our common stock that preceded our July 6, 1999 earnings announcement.

The New York Stock Exchange has notified us that its market Trading Analysis Department is reviewing transactions in our common stock prior to the July 6, 1999 earnings forecast announcement.

We are conducting a thorough investigation of each of the allegations that have been made in connection with our second quarter 1999 earnings communications. As part of this investigation, our Board of Directors has authorized a review of the allegations that have been made against certain of our officers and directors. Roderick M. Hills, a former chairman of the Commission and chairman of our audit committee, is directing the review.

It is not possible at this time to predict the impact that the above lawsuits may have on Waste Management Holdings or Waste Management, nor is it possible to predict whether any other suits or claims may arise out of these matters in the future. However, it is reasonably possible that the outcome of any present or future litigation may have a material adverse impact on our financial condition or results of operations in one or more future periods. Waste Management and Waste Management Holdings intend to defend themselves vigorously in all the above matters.

On November 10, 1999, we announced the selection of A. Maurice Myers as our Chairman, Chief Executive Officer and President. Mr. Myers, 59, joins us from Yellow Corporation, where he has been Chairman, CEO and President since April 1996. Yellow Corporation is the parent company of Yellow Freight, one of the nation's oldest and largest trucking companies. Under Mr. Myers' leadership, Yellow Corporation returned to profitability in just one year, after three years of negative earnings. Mr. Myers also implemented a productivity initiative and a re-structuring of the company's largest subsidiary, Yellow Freight, dividing that company into five regionally-based business units and reducing operating costs, while significantly increasing the company's ability to meet changing customer needs. Mr. Myers is a recognized leader in integrating information technology with business operations. He directed the re-engineering of Yellow Corporation's information systems, providing the company with greater financial accountability and a distinct competitive advantage over other freight haulers. In 1999, Yellow Corporation was named one of the nation's top 100 Information Technology companies, the only freight transportation company to be so recognized. Prior to joining Yellow Corporation in 1996, Mr. Myers served as President and Chief Operating Officer of America West Airlines and is credited in part for that company's financial turnaround. Mr. Myers also served as President and CEO of Aloha Airlines, and held a senior management position with Continental Airlines.

On November 23, 1999 we announced the appointment of Thomas L. Smith as Senior Vice President -- Information Systems. Mr. Smith will report to A. Maurice Myers, and will be responsible for our information systems strategies and implementation efforts. Mr. Smith joins us from Yellow Services, Inc., a wholly owned subsidiary of Yellow Corporation, where he served as President. Under Smith's leadership, Yellow Corporation was recently named as a recipient of the 1999 CIO-100 Award by CIO Magazine for having information systems best positioned to succeed beyond 2000.

An Executive Committee of our Board of Directors has been formed, consisting of A. Maurice Myers, Ralph V. Whitworth, Roderick M. Hills and Jerome P. York. The Board of Directors has appointed Mr. Whitworth, a managing member of Relational Investors LLC, as Chairman of the Executive Committee.

The Board of Directors has initiated a strategic initiative aimed at increasing shareholder value. We have engaged Chase Securities Inc. and Donaldson, Lufkin and Jenrette Securities Corporation as financial advisors to assist us in this matter. The plan calls for disposition of some or all of our international assets, a substantial majority of our non-core assets, and certain non-strategic North American solid waste assets that account for 10% of our operating revenues in that sector. We intend immediately to initiate the disposition of these assets, and plan to substantially complete these asset sales in the next 12 months, although there can be no assurance that these dispositions will be completed in the contemplated time frame. We expect to use the proceeds of these asset dispositions as they are realized to repay debt, repurchase shares and pursue tuck-in acquisitions.

In the second quarter of 1999, we entered into an agreement to purchase all of the Canadian solid waste assets of Allied Waste Industries, Inc. ("Allied") that Allied acquired upon its acquisition of Browning-Ferris Industries, Inc. The purchase price of these assets was to be approximately $501 million

in cash. On November 8, 1999, we entered into revised agreements with Allied, which replace the original agreement.

Under the terms of the revised agreements, Allied has agreed to sell to us all of the shares of Browning-Ferris Industries Limited ("BFIL"), which owns the solid waste operations of Browning-Ferris in Canada, including collection operations, transfer stations, landfill operations and recycling facilities. Annual run rate revenues generated from these operations are approximately US $176 million. Allied will continue to operate certain of the Canadian operations that we are being required to divest by the Competition Bureau of Canada and market those operations for sale, on behalf of BFIL, after the closing. The sale of the BFIL shares is subject to final approval pursuant to the Competition Act and the Investment Canada Act. Additionally, we have agreed to sell to Allied certain U.S. solid waste services assets with combined reported historical revenue of approximately $132 million, including nine landfill operations, 19 collection operations, five transfer stations and a landfill operating contract. The sale of such assets is subject to final approval pursuant to the Hart-Scott Rodino Act. We expect to receive net cash proceeds as a result of the revised transactions.

On December 15 and 16, 1999 we permanently amended our two domestic bank credit facilities and two Euro facilities, respectively, for which waivers were sought in the third quarter 1999. The amended terms and conditions of the facilities also contain the necessary provisions for us to follow through with our strategy of divesting our international and non-core assets. Initial proceeds from the sales of such assets will be used to reduce debt and improve our financial position.

SUMMARY OF TERMS OF THE EXCHANGE OFFER

On May 21, 1999, we completed the private offering of the outstanding notes, consisting of:

- $200 million principal amount of 6.000% Senior Notes due 2001;
- $200 million principal amount of 6.500% Senior Notes due 2004;
- $500 million principal amount of 6.875% Senior Notes due 2009; and
- $250 million principal amount of 7.375% Senior Notes due 2029.

We and the guarantor executed a registration rights agreement with the initial purchasers in the private offering of the outstanding notes in which we and the guarantor agreed to deliver to you this prospectus and agreed to:

- file an exchange offer registration statement with the Commission within 120 days after May 21, 1999;
- have the exchange offer registration statement declared effective by the Commission within 210 days after May 21, 1999; and
- consummate the exchange offer within 30 business days after the date on which the exchange offer registration statement is declared effective by the Commission.

You are entitled to exchange in the exchange offer your outstanding notes for exchange notes which are identical in all material respects to the outstanding notes except that:

- the exchange notes have been registered under the Securities Act; and
- certain contingent interest rate provisions are no longer applicable.

The Exchange Offer......... We are offering to exchange the aggregate principal amount of exchange notes for the aggregate principal amount of outstanding notes. The outstanding notes may be exchanged only in amounts which are equal to whole multiples of $1,000.

Resales of Exchange Notes..................... Based on Commission no action letters, we believe that after the exchange offer you may offer and sell the exchange notes without registration under the Securities Act so long as:

- You acquire the exchange notes in the ordinary course of business.

- When the exchange offer begins you do not have an arrangement with another person to participate in a distribution of the exchange notes.

- You are not engaged in a distribution of, nor do you intend to distribute, the exchange notes.

When you tender the outstanding notes, we will ask you to represent to us that:

- You are not an affiliate of Waste Management.

- You will acquire the exchange notes in the ordinary course of business.

- When the exchange offer begins you are not engaged in, nor do you have plans with another person to be engaged in, a distribution of the exchange notes.

If you are unable to make these representations, you will be required to comply with the registration and prospectus delivery requirements under the Securities Act in connection with any resale transaction.

If you are a broker-dealer and receive exchange notes for your own account, you must acknowledge that you will deliver a prospectus if you resell the exchange notes. By acknowledging your intent and delivering a prospectus you will not be deemed to admit that you are an "underwriter" under the Securities Act. You may use this prospectus as it is amended from time to time when you resell exchange notes which were acquired from market-making or trading activities. For a year after the expiration date we will make this prospectus available to any broker-dealer in connection with such a resale. See "Plan of Distribution."

Consequences of Failure to Exchange Notes.......... If you do not exchange your outstanding notes during the exchange offer you will no longer be entitled to registration rights. You will not be able to offer or sell the outstanding notes unless they are later registered, sold pursuant to an exemption from registration or sold in a transaction not subject to the Securities Act or state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act. See "The Exchange Offer -- Consequences of Failure to Exchange."

Expiration Date........... The exchange offer will expire at 5:00 p.m., New York City time, on   , 1999 or such later date and time to which we extend it, referred to as the "expiration date."

Conditions to the Exchange Offer................... No minimum principal amount of outstanding notes must be tendered to complete the exchange offer. However, the exchange offer is subject

to certain customary conditions which we may waive. See "The Exchange Offer -- Conditions."

Procedures for Tendering Outstanding Notes........ If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal or a facsimile copy and mail it or deliver it to the exchange agent along with any necessary documentation. Instructions and the address of the exchange agent are on the letter of transmittal and in this prospectus. See "The Exchange Offer -- Procedures for Tendering" and "-- Exchange Agent." You may also effect a tender of outstanding notes pursuant to the procedures for book-entry transfer as described in this prospectus. See "The Exchange Offer -- Procedures for Tendering."

Guaranteed Delivery Procedures............... If you cannot tender the outstanding notes, complete the letter of transmittal or provide the necessary documentation prior to the termination of the exchange offer, you may tender your outstanding notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures."

Special Procedures for Beneficial Owners.......... If you are a beneficial owner of outstanding notes which are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Withdrawal Rights.......... You may withdraw outstanding notes that have been tendered at any time prior to the expiration date by sending a written or facsimile withdrawal notice to the Exchange Agent.

Acceptance of Outstanding Notes and Delivery of Exchange Notes.......... All outstanding notes properly tendered to the Exchange Agent by the expiration date will be accepted for exchange. The exchange notes will be delivered promptly after the expiration date. See "The Exchange Offer -- Acceptance of Notes for Exchange; Delivery of Exchange Notes."

Certain U.S. Federal Income Tax Consequences.......... The exchange of outstanding notes for exchange notes will not be a taxable event for U.S. federal income tax purposes. See "Certain United States Federal Income Tax Consequences."

Exchange Agent............ Chase Bank of Texas, National Association is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in the section captioned "The Exchange Offer -- Exchange Agent" of this prospectus.

SUMMARY OF TERMS OF THE EXCHANGE NOTES

Issuer	Waste Management, Inc.
Notes Offered	$200 million principal amount of 6.000% Senior Notes due 2001; $200 million principal amount of 6.500% Senior Notes due 2004; $500 million principal amount of 6.875% Senior Notes due 2009; and $250 million principal amount of 7.375% Senior Notes due 2029.
Maturities	For the 2001 exchange notes, May 15, 2001; for the 2004 exchange notes, May 15, 2004; for the 2009 exchange notes, May 15, 2009; and for the 2029 exchange notes, May 15, 2029.
Interest Payment Dates	Interest on all exchange notes will be paid semi-annually in cash in arrears on May 15 and November 15 of each year, commencing November 15, 1999.
Optional Redemption	Except for the exchange notes due in 2001, the exchange notes will be redeemable at our option. The exchange notes may be redeemed in whole or in part, at any time or from time to time, on not less than 30 days' notice, at the make-whole price as defined under "Description of the Exchange Notes -- Optional Redemption."
Ranking	The outstanding notes are, and the exchange notes will be, our general unsecured senior obligations and will rank equal in right of payment to all of our other existing and future senior and unsecured indebtedness, including debt under our credit facilities. See "Description of Exchange Notes -- Ranking."
Subsidiary Guarantee	The outstanding notes are, and the exchange notes will be, guaranteed by our subsidiary Waste Management Holdings, Inc. on a full and unconditional basis. The subsidiary guarantee will be equal in right of payment to all senior and unsecured indebtedness of Waste Management Holdings, Inc.
Covenants	We issued the outstanding notes, and will issue the exchange notes, under an indenture with Chase Bank of Texas, National Association, the trustee. The indenture, among other things, restricts our ability and the ability of our subsidiaries to: - create liens securing indebtedness; and - engage in sale and leaseback transactions. For more details, see "Description of Exchange Notes -- Certain Covenants."

The exchange notes will be freely transferable but will also be new securities for which there will not initially be a market. Accordingly, we cannot assure you whether a market for the exchange notes will develop or as to the liquidity of any such market. We do not intend to apply for a listing of the exchange notes on any securities exchange or automated dealer quotation system. The initial purchasers in the private offering of the outstanding notes have advised us that they intend to make a market in the exchange notes. However, they are not required to do so, and any market-making activities with respect to the exchange notes may be discontinued without notice.

HISTORICAL AND SELECTED FINANCIAL INFORMATION

The following selected consolidated financial information as of December 31, 1997 and 1998, and for each of the years in the three year period ended December 31, 1998, has been derived from Waste Management's audited consolidated financial statements incorporated by reference herein. This information should be read in conjunction with such consolidated financial statements and related notes thereto. The selected consolidated financial information as of December 31, 1994, 1995 and 1996, and for each of the years in the two year period ended December 31, 1995, has been derived from audited consolidated financial statements, that have been previously included in Waste Management's reports under the Exchange Act, restated for certain pooling of interests transactions. The following selected historical financial information as of and for the nine months ended September 30, 1998 and 1999 has been derived from Waste Management's unaudited historical financial statements and reflects all adjustments management considers necessary for a fair presentation of the financial position and results of operations for these periods. The results of operations for the nine months ended September 30, 1999 are not necessarily indicative of the results that may be expected for the full year.

The Company recorded significant adjustments in the quarter ended September 30, 1999, certain of which affect account balances applicable to periods prior to the quarter ended September 30, 1999. Accordingly, the Company, after consultation with its independent public accountants, has concluded that its internal controls for the preparation of interim financial information did not provide an adequate basis for its independent public accountants to complete reviews of the quarterly data for the quarters in the nine-month period ended September 30, 1999. The Company believes that certain charges that were recorded in the quarter ended September 30, 1999 may relate to individual prior periods; however, the Company does not have sufficient information to identify all specific charges attributable to prior periods. Based on its quantitative and qualitative analysis of available information, the Company, after consultation with its independent accountants, has concluded that it does not have, nor is it able to obtain, sufficient information to conclude whether or not a material amount of these charges relate to any prior year, although qualitative analysis indicates that these charges are principally related to 1999. The Company has been advised by its independent public accountants that their report on the Company's December 31, 1999 financial statements will specifically refer to the matters discussed above regarding the interim periods within 1999.

	YEARS ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1995	1996	1997	1998	1998	1999
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)						
STATEMENT OF OPERATIONS DATA:							
Operating revenues	$ 9,677,048	$10,432,775	$10,998,602	$11,972,498	$12,625,769	$ 9,393,165	$ 9,790,462
Costs and expenses:							
Operating (exclusive of depreciation and amortization shown below)	5,705,355	6,261,745	6,564,234	7,482,273	7,283,251	5,496,144	6,110,317
General and administrative	1,236,765	1,279,719	1,316,480	1,438,501	1,332,736	1,049,994	1,309,829
Depreciation and amortization	1,129,890	1,186,492	1,264,196	1,391,810	1,498,712	1,125,046	1,202,735
Merger costs	3,782	26,539	126,626	112,748	1,807,245	1,579,127	111,263
Asset impairments and unusual items	122,233	394,092	529,768	1,771,145	864,063	666,952	700,034
(Income) loss from continuing operations held for sale, net of minority interest	(24,143)	(25,110)	(315)	9,930	151	151	--
	8,173,882	9,123,477	9,800,989	12,206,407	12,786,158	9,917,414	9,434,178
Income (loss) from operations	1,503,166	1,309,298	1,197,613	(233,909)	(160,389)	(524,249)	356,284
Other income (expense):							
Interest expense	(437,946)	(534,964)	(525,340)	(555,576)	(681,457)	(503,347)	(549,702)
Interest income	47,878	41,565	34,603	45,214	26,829	21,760	28,823
Minority interest	(126,042)	(81,367)	(41,289)	(45,442)	(24,254)	(14,298)	(17,706)
Other income, net	113,526	257,773	108,645	127,216	139,392	122,960	39,268
	(402,584)	(316,993)	(423,381)	(428,588)	(539,490)	(372,925)	(499,317)

	YEARS ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1995	1996	1997	1998	1998	1999
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)						
Income (loss) from continuing operations before income taxes	1,100,582	992,305	774,232	(662,497)	(699,879)	(897,174)	(143,033)
Provision for income taxes	498,233	493,375	486,700	363,341	66,923	(66,887)	139,790
Income (loss) from continuing operations	602,349	498,930	287,532	(1,025,838)	(766,802)	(830,287)	(282,823)
Income (loss) from discontinued operations	27,324	4,863	(263,301)	95,688	--	--	--
Extraordinary item	--	--	--	(6,809)	(3,900)	(3,900)	--
Accounting change	(1,281)	--	--	(1,936)	--	--	--
Net income (loss)	$ 628,392	$ 503,793	$ 24,231	$ (938,895)	$ (770,702)	$ (834,187)	$ (282,823)
Basic earnings (loss) per common share:							
Continuing operations	$ 1.24	$ 0.99	$ 0.54	$ (1.84)	$ (1.31)	$ (1.44)	$ (0.46)
Discontinued operations	0.06	0.01	(0.49)	0.17	--	--	--
Extraordinary item	--	--	--	(0.01)	(0.01)	--	--
Accounting change	--	--	--	--	--	--	--
Net income (loss)	$ 1.30	$ 1.00	$ 0.05	$ (1.68)	$ (1.32)	$ (1.44)	$ (0.46)
Diluted earnings (loss) per common share:							
Continuing operations	$ 1.23	$ 0.97	$ 0.53	$ (1.84)	$ (1.31)	$ (1.44)	$ (0.46)
Discontinued operations	0.05	0.01	(0.49)	0.17	--	--	--
Extraordinary item	--	--	--	(0.01)	(0.01)	--	--
Accounting change	--	--	--	--	--	--	--
Net income (loss)	$ 1.28	$ 0.98	$ 0.04	$ (1.68)	$ (1.32)	$ (1.44)	$ (0.46)
Cash dividends per common share	$ 0.60	$ 0.58	$ 0.57	$ 0.56	$ 0.16	$ 0.15	$ 0.01
BALANCE SHEET DATA (AT END OF PERIOD):							
Working capital (deficit)	$ (681,813)	$(1,027,093)	$ (258,210)	$(1,967,278)	$ (412,269)	$ (329,055)	$(1,086,024)
Intangible assets, net	3,661,594	4,329,909	4,681,381	4,848,176	6,250,324	5,942,764	5,505,362
Total assets	18,124,674	19,950,426	20,727,524	20,156,424	22,715,198	22,029,650	21,425,014
Long-term debt, including current maturities	7,677,360	8,404,034	9,064,566	9,479,961	11,697,943	10,538,299	11,403,244
Stockholders' equity	4,506,454	5,184,104	5,201,610	3,854,929	4,372,496	4,351,521	4,533,048

RISK FACTORS

In addition to the information set forth in this Prospectus, you should carefully consider the risks described below before deciding whether to participate in the exchange offer. The following risks include all of the risks which we believe to be material at the current time. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

THE NOTES ARE SUBORDINATED TO THE DEBT OF OUR SUBSIDIARIES

As a holding company, we conduct our operations through our subsidiaries. Our only significant assets are the capital stock of our subsidiaries. Accordingly, our ability to meet our cash obligations depends in part upon the ability of our subsidiaries to make cash distributions to us. The ability of our subsidiaries to make distributions to us is, and will continue to be, restricted by, among other limitations, applicable provisions of the laws of national or state governments and contractual provisions. Our right to participate in the assets of any subsidiary (and thus the ability of holders of the exchange notes to benefit indirectly from such assets) is generally subject to the prior claims of creditors, including trade creditors, of that subsidiary, except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would still be subject to any security interest of other creditors of such subsidiary. Therefore, except as described below, the exchange notes will be subordinated by operation of law to creditors, including trade creditors, of our subsidiaries with respect to the assets of the subsidiaries, against which these creditors have a claim.

The exchange notes will be guaranteed by our subsidiary Waste Management Holdings. Our obligations under our credit facilities and our other senior indebtedness are also currently guaranteed by Waste Management Holdings. Similarly, we have guaranteed the outstanding senior indebtedness of Waste Management Holdings. Thus, the exchange notes will rank equally in right of payment with the senior indebtedness of Waste Management Holdings, the debt under our credit facilities and our other senior indebtedness. Because of our holding company structure and the impact of the Waste Management Holdings' guarantee, the exchange notes will be structurally subordinated to the claims of creditors of our subsidiaries, other than Waste Management Holdings. As of September 30, 1999, the amount of this subsidiary indebtedness was approximately $1.6 billion out of our total consolidated long-term debt of approximately $11.4 billion.

Upon any release by the lenders under our credit facilities (or any replacement or new principal credit facility) of the Waste Management Holdings' guarantee, we and Waste Management Holdings will each be deemed automatically and unconditionally released and discharged from our respective obligations under the guarantees of the senior indebtedness of the other so guaranteed. In such event, the claims of creditors of Waste Management Holdings will effectively have priority with respect to the assets and earnings of Waste Management Holdings over the claims of our creditors, including the holders of the exchange notes.

U.S. BANKRUPTCY OR FRAUDULENT CONVEYANCE LAW MAY INTERFERE WITH THE PAYMENT OF THE NOTES

Various applicable fraudulent transfer laws allow courts, under specific circumstances, to avoid guarantees by a subsidiary and require holders of the guaranteed obligations to return any payments received from the subsidiary guarantors. A court may use these laws to avoid the Waste Management Holdings guarantee of the exchange notes in the event of bankruptcy or insolvency of Waste Management Holdings.

A court could set aside Waste Management Holdings' guarantee of the exchange notes to the extent that either of the following were true at the time it issued the guarantee:

- Waste Management Holdings incurred the guarantee with the intent to hinder, delay or defraud any of its present or future creditors or contemplated insolvency with a design to favor one or more creditors to the total or partial exclusion of others; or

- Waste Management Holdings did not receive fair consideration or reasonably equivalent value for issuing the guarantee and, at the time it issued the guarantee, it:

  - was insolvent or was rendered insolvent by reason of the issuance of the guarantee;

  - engaged or was about to engage in a business or transaction for which Waste Management Holdings' remaining assets constituted unreasonably small capital; or

  - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

Among other things, a legal challenge to Waste Management Holdings' guarantee of the exchange notes on fraudulent transfer grounds may focus on the benefits, if any, realized by it as a result of our issuance of the exchange notes. To the extent Waste Management Holdings' guarantee of the exchange notes were to be avoided on fraudulent conveyance grounds or held unenforceable for any other reason, you would cease to have any claim in respect of Waste Management Holdings' guarantee and would be solely our creditors. In such event, your claim against Waste Management Holdings would be subject to the prior payments of all Waste Management Holdings' obligations. Waste Management Holdings may not have sufficient assets, after providing for all prior claims, to satisfy the claims of all holders of the exchange notes relating to any voided guarantee.

The obligations of Waste Management Holdings under its guarantee of the exchange notes are limited to an amount which would not cause such guarantee to be a fraudulent transfer or conveyance. Waste Management Holdings has issued similar guarantees of certain of our other indebtedness. The determination of the amount that would be due under its guarantee of the exchange notes or any of such other guarantees is uncertain.

YOU MAY NOT BE ABLE TO SELL YOUR EXCHANGE NOTES

There is no active trading market for the exchange notes and this market may never develop. If any of the exchange notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Factors that could cause the exchange notes to trade at a discount are:

- an increase in prevailing interest rates;

- a decline in our credit worthiness;

- a weakness in the market for similar securities; and

- declining general economic conditions.

Future trading prices of the exchange notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. We do not intend to apply for a listing of the exchange notes on any securities exchange or automated dealer quotation system. The initial purchasers of the outstanding exchange notes have advised us that they currently intend to make a market in the exchange notes. However, they are not obligated to do so and any market making may be discontinued at any time without notice.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the exchange notes will be subject to disruptions. Any disruptions may have a negative effect on you, as a holder of the exchange notes, regardless of our prospects and financial performance.

ACCOUNTING CHARGES HAVE NEGATIVELY IMPACTED REPORTED FINANCIAL RESULTS, RESULTED IN THE IMPAIRMENT OF THE VALUE OF CERTAIN ASSETS AND MAY DECREASE OUR FUTURE CASH FLOWS

During the third quarter of 1999, we initiated a comprehensive review of our accounting records, systems, processes and controls at the direction of our Board of Directors, which was completed in November 1999. As a result of this review, we recorded certain charges and adjustments in the quarter

ended September 30, 1999 totaling $1.23 billion after tax. Because of the size of the charges, generally accepted accounting principles require us to attempt to determine whether portions of the charges apply to prior periods. While we believe that certain of these charges may relate to prior periods, we do not currently have sufficient information to identify all specific charges attributable to prior periods. Producing the information required to identify these charges would be cost prohibitive and disruptive to our operations.

Some of the charges and adjustments we recorded in the third quarter 1999, such as certain increases in insurance reserves, environmental reserves, loss contract provisions and adjustments resulting from completing account reconciliations, are recurring in nature, and should therefore be expected to occur in future periods. Additionally, certain of these charges and adjustments, including receivables-related adjustments and insurance reserves, could have an impact on our future cash flows.

Because some of the charges discussed above affect account balances applicable to periods prior to the quarter ended September 30, 1999, we concluded, after consultation with our independent public accountants, that our internal controls for the preparation of interim financial information did not provide an adequate basis for them to complete reviews of the quarterly data for the quarters in the nine months ended September 30, 1999. The review was completed in November 1999, and we do not anticipate any additional material adjustments to our financial statements based on the review. However, we may not be able to successfully stabilize our accounting systems and procedures, and close our accounting records and report our 1999 annual results in accordance with yearend audit procedures. Any failure to stabilize our accounting systems could result in additional material charges and adjustments in the future.

WE MAY ENCOUNTER DIFFICULTIES IN IMPLEMENTING OUR PROPOSED STRATEGIC INITIATIVE

Our ability to successfully implement our proposed strategic initiative may be affected by the willingness of prospective purchasers to purchase the assets we identify as divestiture candidates on terms we find acceptable, the timing and terms on which such assets may be sold, uncertainties relating to regulatory approvals and other factors affecting the ability of prospective purchasers to consummate such transactions. The success of our strategic initiative could also be affected by the availability of financing, and uncertainties relating to the impact of the proposed strategic initiative on our credit ratings and, consequently, the availability and cost of debt and equity financing to us.

WE ARE UNDERGOING CHANGES IN MANAGEMENT

Our business may be affected by our ability to attract and retain qualified individuals to serve in senior management positions.

WE FACE UNCERTAINTIES RELATING TO PENDING LITIGATION AND INVESTIGATIONS

We face uncertainties relating to pending litigation and investigations as described in "The Company -- Recent Developments" above. We are unable to predict the outcome or impact of these matters and there can be no assurance that they will not have a material adverse effect on us and our business.

WE FACE POTENTIAL DIFFICULTIES IN CONTINUING TO EXPAND AND MANAGE OUR GROWTH

We have grown rapidly, primarily through acquisitions. We cannot guarantee that we will be able to continue to expand and successfully manage our growth. We also cannot guarantee that our existing or acquired operations will not be adversely affected by the pace of our growth. Improving the productivity of our acquired operations and using our asset base and strategic position to operate more efficiently is very important to our financial results and prospects. In particular, whether we will ultimately achieve the

anticipated benefits of acquired operations will depend on a number of factors, including our ability to effect:

- administrative cost savings;
- rationalization of collection routes;
- insurance and bonding cost reductions; and
- general economies of scale.

Moreover, our ability to continue to grow will depend on a number of factors, including:

- competition from other waste management companies;
- the availability of attractive acquisition opportunities;
- our ability to mitigate antitrust concerns related to acquisitions in several markets;
- the availability of working capital;
- our ability to maintain margins on existing or acquired operations; and
- our ability to manage costs in a changing regulatory environment.

OUR ACQUISITION STRATEGY INVOLVES POTENTIAL RISKS

We regularly pursue opportunities to expand by acquiring additional waste management businesses and operations that can be effectively integrated with our existing operations. In addition, we regularly pursue mergers and acquisition transactions, some of which are significant, in new markets where we believe that we can successfully become a provider of integrated waste management services. As one of the leading industry consolidators, we could announce transactions with either publicly or privately owned businesses at any time.

Our acquisition strategy involves potential risks. These risks include:

- our failure to accurately assess all of the pre-existing liabilities of acquired companies;
- unexpected difficulties in successfully integrating the operations of acquired companies with our existing operations;
- a lack of attractive acquisition opportunities;
- our inability to obtain the capital required to finance potential acquisitions on satisfactory terms;
- the businesses we acquire not proving profitable; and
- our incurring additional indebtedness or issuing additional equity securities as a result of future acquisitions.

WE MAY NEED ADDITIONAL CAPITAL IF OUR CASH FLOW IS LESS THAN EXPECTED

We expect to generate sufficient cash flow from our operations to cover our anticipated cash needs for capital expenditures and acquisitions. If our cash flow from operations is less than currently expected, or our capital requirements increase, either due to strategic decisions or otherwise, we may elect to incur indebtedness or issue equity securities to cover any additional capital needs. However, we cannot guarantee that we will be successful in obtaining additional capital in this manner on acceptable terms.

We also cannot guarantee that we will be successful in renewing our existing credit facilities, or that we will be able to renew the credit facilities on terms acceptable to us. If we are unable to renew our existing credit facilities, or to obtain other financing sources, our business and operating results could be affected adversely to a material extent.

FLUCTUATING VARIABLE INTEREST RATES COULD AFFECT US

In the past, we have used variable rate debt under revolving bank credit arrangements as one method of financing our rapid growth. Although our recent financings have reduced the amount of variable rate debt as a percentage of total indebtedness outstanding, issuing variable rate debt will continue to be an alternative for us. Fluctuations in variable interest rates, which may occur as general interest rates change, could have a material effect on us.

INTENSE COMPETITION COULD REDUCE OUR PROFITABILITY

We encounter intense competition from governmental, quasi-governmental and private sources in all aspects of our operations.

In North America, the waste management services industry consists of large national companies and local and regional companies of varying sizes and financial resources. We compete with numerous waste management companies as well as with counties and municipalities that maintain their own waste collection and disposal operations. These counties and municipalities may have financial competitive advantages because tax revenues and tax-exempt financing are available to them. In addition, competitors may reduce their prices to expand sales volume or to win competitively bid municipal contracts. Profitability may decline because of the national emphasis on recycling, composting, and other waste reduction programs that could reduce the volume of solid waste collected or deposited in disposal facilities.

Outside of North America, the waste management services industry is very decentralized and highly fragmented. In some markets, however, we compete with substantial companies that hold significant market shares, particularly in Finland, Germany, the Netherlands, Sweden and the United Kingdom. Some of our international competitors may have greater financial resources and greater technical resources than we do with respect to specific matters. Especially in the case of larger contracts, we may be required to commit substantial resources over a long period of time during the proposal phase without any assurance that the contract will be awarded to us. Examples include contracts for city-cleaning services, contracts or bids with respect to the construction or development of water and wastewater facilities, or permitting and development of a new treatment facility, waste-to-energy facility, incinerator or landfill.

OUR ACCOUNTING POLICIES CONCERNING UNAMORTIZED CAPITALIZED EXPENDITURES COULD RESULT IN A MATERIAL CHARGE AGAINST OUR EARNINGS

In accordance with generally accepted accounting principles, we capitalize certain expenditures and advances relating to acquisitions, pending acquisitions, and disposal site development and expansion projects. We expense indirect acquisition costs, such as executive salaries, general corporate overhead, public affairs and other corporate services, as incurred. Our policy is to charge against earnings any unamortized capitalized expenditures and advances relating to any facility or operation that is permanently shut down, any pending acquisition that is not consummated, and any disposal site development or expansion project that is not completed or is no longer deemed to be profitable within certain time frames. The charge against earnings is reduced by any portion of the capitalized expenditure and advances that we estimate will be recoverable, through sale or otherwise. In future periods, we may be required to incur a charge against earnings in accordance with our policy. Depending on its magnitude, any such charge could have a material adverse effect on our consolidated financial statements.

GOVERNMENTAL REGULATIONS MAY RESTRICT OUR OPERATIONS OR INCREASE THE LEVEL OF COSTS OF OUR OPERATIONS

Stringent government regulations at the federal, state and local level in the United States and in other countries have a substantial impact on our operations. A large number of complex laws, rules, orders and interpretations govern environmental protection, health and safety, land use, zoning and related matters.

Among other things, they may restrict our operations and adversely affect our operating results and financial condition by imposing conditions such as:

- limitations on the siting and construction of new waste disposal, transfer or processing facilities or the expansion of existing facilities;

- limitations or bans on disposal of out-of-state waste or certain categories of waste; or

- mandates regarding the disposal of solid waste.

Regulations also affect the siting, design and closure of landfills and could require us to undertake investigatory or remedial activities, curtail operations or close a landfill temporarily or permanently. Future changes in these regulations may require us to modify, supplement or replace equipment or facilities. The costs of complying with these regulations could be substantial.

In order to develop, expand or operate a landfill or other waste management facility, we must have various facility permits and other governmental approvals, including those relating to zoning, environmental protection and land use. These permits and approvals are difficult, time consuming and costly to obtain, in part because of possible opposition by governmental officials or citizens. In addition, these permits and approvals may contain conditions that limit operations and our ability to change the facility or are otherwise difficult to comply with. We cannot guarantee that we will be successful in obtaining and maintaining in effect permits and approvals required for the successful operation and growth of our business, including permits and approvals for the development of additional disposal capacity needed to replace existing capacity that is exhausted.

Courts in the United States, basing their decisions on constitutional law, have ruled that state and local governments may not use regulatory flow control laws to restrict the free movement of waste in interstate commerce. We cannot predict what impact, if any, these decisions will have on our disposal facilities.

WE COULD BE LIABLE FOR ENVIRONMENTAL DAMAGES RESULTING FROM OUR DISPOSAL FACILITIES AND COLLECTION OPERATIONS

We could be liable if our disposal facilities or collection operations cause environmental damage to our properties or to nearby landowners, particularly as a result of the contamination of drinking water sources or soil. Under current law, we could even be held liable for damage caused by conditions that existed before we acquired the assets or operations involved. Also, we could be liable if we arrange for the transportation, disposal or treatment of hazardous substances that cause environmental contamination, or if a predecessor owner made such arrangements and under applicable law we are treated as a successor to the prior owner. Any substantial liability for environmental damage could have a material adverse effect on our operating results and financial condition.

In the ordinary course of our business, we may become involved in a variety of legal and administrative proceedings relating to land use and environmental laws and regulations. These may include proceedings in which:

- agencies of federal, state, local or foreign governments seek to impose liability on us under applicable statutes, sometimes involving civil or criminal penalties for violations, or to revoke or deny renewal of a permit we need; and

- citizen groups, adjacent landowners or governmental agencies oppose the issuance of a permit or approval we need, allege violations of the permits under which we operate or laws or regulations to which we are subject, or seek to impose liability on us for environmental damage for which we may be responsible.

The adverse outcome of one or more of these proceedings could have a material adverse effect on our financial position, results of operations or cash flows.

From time to time we have received citations or notices from governmental authorities that our operations are not in compliance with our permits or certain applicable environmental or land use laws and regulations. In the future we may receive additional citations or notices. We generally seek to work with the authorities to resolve the issues raised by such citations or notices. However, we cannot guarantee that we will always be successful in this regard. Where we are not, we may incur fines, penalties or other sanctions that could have a material adverse effect on our financial position, results of operations or cash flows.

Our insurance for environmental liability meets or exceeds statutory requirements. However, because we believe that the cost for such insurance is high relative to the coverage it would provide, our coverages are generally maintained at statutorily required levels. Due to the limited nature of such insurance coverage for environmental liability, if we were to incur liability for environmental damage, such liability could have a material adverse effect on our financial position, results of operations or cash flows.

THE DEVELOPMENT AND ACCEPTANCE OF ALTERNATIVES TO LANDFILL DISPOSAL AND WASTE-TO-ENERGY FACILITIES COULD REDUCE OUR ABILITY TO OPERATE AT FULL CAPACITY

Our customers are increasingly using alternatives to landfill disposal, such as recycling and composting. In addition, state and local governments are increasingly mandating recycling and waste reduction at the source and prohibiting the disposal of certain types of wastes, such as yard wastes, at landfills or waste-to-energy facilities. These developments could reduce the volume of waste going to landfills and waste-to-energy facilities in certain areas, which may affect our ability to operate our landfills and waste-to-energy facilities at full capacity as well as the prices that we can charge for landfill disposal and waste-to-energy services.

FLUCTUATIONS IN THE PRICE OF RECYCLABLE MATERIALS AFFECT OUR OPERATING REVENUES

Recyclable materials that we process for sale, including paper, plastics, aluminum and other commodities, are subject to significant price fluctuations. These fluctuations will affect our future operating revenues and income.

THE COMMISSION IS INVESTIGATING THE ACCOUNTING PRACTICES OF WASTE MANAGEMENT HOLDINGS

The Commission has commenced a formal investigation with respect to the previously filed financial statements (which were subsequently restated) and the related accounting policies, procedures and system of internal controls of Waste Management Holdings, Inc., or "WM Holdings," which we acquired through a merger in July 1998. Several lawsuits and claims have been filed against WM Holdings and some of its former officers and directors in connection with the restatement of WM Holdings' financial statements. We are unable to predict the outcome or impact of the investigation or any previously filed or future lawsuits or claims arising out of the restatement. However, it is reasonably possible that they could have a material adverse impact on our financial condition or results of operations in one or more future periods.

OUR INTERNATIONAL OPERATIONS ENCOUNTER SOCIAL, POLITICAL AND ECONOMIC RISKS

Our operations in foreign countries generally are subject to a number of risks inherent in any business operating in foreign countries, all of which are beyond our control. These risks include:

- political, social and economic instability;

- inflation;

- general strikes;

- nationalization of assets;

- currency restrictions and exchange rate fluctuations;

- nullification, modification or renegotiation of contracts; and

- governmental regulation.

We can make no prediction as to how existing or future foreign governmental regulations in any jurisdiction may affect us in particular or the waste management industry in general.

OUR BUSINESS IS SEASONAL IN NATURE AND OUR REVENUES AND RESULTS VARY FROM QUARTER TO QUARTER

Our operating revenues are usually lower in the winter months, primarily because the volume of waste relating to construction and demolition activities usually increases in the spring and summer months and the volume of industrial and residential waste in certain regions where we operate usually decreases during the winter months. Our first and fourth quarter results of operations typically reflect lower operating revenues as a result of this seasonality.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In the normal course of our business, we, in an effort to help keep our stockholders and the public informed about our operations, may from time to time issue or make certain statements, either in writing or orally, that are or contain forward-looking statements, as that term is defined in the U.S. federal securities laws. Generally, these statements relate to business plans or strategies, projected or anticipated benefits or other consequences of such plans or strategies, projected or anticipated benefits from acquisitions made by or to be made by us, or projections involving anticipated revenues, earnings, or other aspects of operating results. Certain statements contained in this prospectus under "Prospectus Summary -- The Company -- Recent Developments" and in the reports and filings with the Commission that we incorporated by reference may be forward-looking statements. The words "may," "expect," "believe," "anticipate," "project," "estimate," their opposites and similar expressions are intended to identify forward-looking statements. We caution readers that such statements are not guarantees of future performance or events and are subject to a number of factors that may tend to influence the accuracy of the statements and the projections upon which the statements are based, including but not limited to those discussed above under "Risk Factors." All phases of our operations are subject to a number of uncertainties, risks, and other influences, many of which are outside our control, and any one of which, or a combination of which, could materially affect our consolidated financial statements and operations and whether forward-looking statements made by us ultimately prove to be accurate.

These factors are discussed more completely in our filings with the Commission, including our annual report on Form 10-K for the year ended December 31, 1998, and our quarterly reports on Form 10-Q for the quarters ended March 31, 1999 and June 30, 1999, which are incorporated by reference into this prospectus.

USE OF PROCEEDS

There will be no net proceeds payable to us from the issuance of the exchange notes. The net proceeds of approximately $1.1 billion from the sale of the outstanding notes were used to repay all outstanding indebtedness under our syndicated credit facility and to reduce outstanding commercial paper.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for the periods shown:

	YEARS ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,
	1994	1995	1996	1997	1998	1999
Actual	2.7x	2.6x	2.1x	N/A(1)	N/A(2)	N/A(3)

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(1) Earnings were insufficient to fund fixed charges in 1997. Additional earnings of $660.4 million were necessary to cover fixed charges for this period. The earnings available for fixed charges were negatively impacted by merger costs of $112.7 million (primarily related to the United Waste Systems, Inc. merger in August 1997), and asset impairments and unusual items of $1.8 billion. The asset impairment and unusual items of $1.8 billion primarily related to a comprehensive review performed by Waste Management Holdings of its operating assets and investments.

(2) Earnings were insufficient to fund fixed charges in 1998. Additional earnings of $720.4 million were necessary to cover fixed charges for this period. The earnings available for fixed charges were negatively impacted by merger costs of $1.8 billion and asset impairments and unusual items of $864.1 million related primarily to the mergers between Waste Management, Inc. and Waste Management Holdings in July 1998, and Waste Management, Inc. and Eastern Environmental Services, Inc. in December 1998.

(3) Earnings were insufficient to fund fixed charges for the nine months ended September 30, 1999. Additional earnings of $155.0 million were necessary to cover fixed charges for this period. The earnings available for fixed charges were negatively impacted by merger costs of $111.3 million related to the merger between Waste Management, Inc. and Waste Management Holdings, Inc. in July 1998 and $700.0 million related to the comprehensive review we performed of our operating assets and investments.

We computed our consolidated ratios of earnings to fixed charges by dividing earnings available for fixed charges by fixed charges. For this purpose, earnings available for fixed charges are the sum of income available for fixed charges before income taxes, undistributed earnings from affiliated companies' minority interests, cumulative effect of accounting changes, and fixed charges, excluding capitalized interest. Fixed charges are interest, whether expensed or capitalized, amortization of debt expense and discount on premium relating to indebtedness, and such portion of rental expense that can be demonstrated to be representative of the interest factor in the particular case.

DESCRIPTION OF THE EXCHANGE NOTES

The following description is a summary of the material provisions of the Senior Indenture and the Registration Rights Agreement. It does not restate those agreements in their entirety. We urge you to read the Senior Indenture and the Registration Rights Agreement because they, and not this description, define your rights as holders of the Exchange Notes.

Capitalized terms used in this description, but not otherwise defined in this description or other sections of this Prospectus, have the meanings ascribed to them in the Senior Indenture and the Registration Rights Agreement, as applicable, unless the context otherwise requires. For purposes of this "Description of the Exchange Notes," the term "Senior Securities" means collectively the outstanding notes (the "Notes"), the exchange notes (the "Exchange Notes"), and all other senior debt securities of the Company issued under the Senior Indenture. In this description, the words "we," "our," and the "Company" refer only to Waste Management, Inc., but not to any of our subsidiaries, unless the context otherwise requires.

We will issue the Exchange Notes as four series of Senior Securities under an Indenture (the "Senior Indenture") dated as of September 10, 1997 between the Company and Chase Bank of Texas, National Association, as trustee (the "Trustee"). The terms of the Notes and the Exchange Notes include those stated in the Senior Indenture and those made part of the Senior Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

Anyone who receives this Prospectus may obtain a copy of the Senior Indenture and Registration Rights Agreement without charge by writing to Waste Management, Inc., 1001 Fannin Street, Suite 4000, Houston, Texas 77002, Attention: Secretary.

GENERAL

The Exchange Notes:

- will be our general unsecured senior obligations;

- will rank equally with all of our other senior and unsecured obligations, including debt under our credit facilities; and

- will be unconditionally guaranteed by our subsidiary Waste Management Holdings (the "Subsidiary Guarantor").

We will issue the Exchange Notes under the Senior Indenture; the Exchange Notes will rank pari passu as to the right of payment of principal and any premium and interest with each other series issued thereunder and will rank senior to all series of subordinated securities issued and outstanding and that may be issued from time to time. The Exchange Notes will be our unsecured senior obligations. The Senior Indenture does not limit the amount of Senior Securities, debentures, notes or other types of indebtedness that may be issued by us or any of our subsidiaries nor does it restrict transactions between us and our affiliates or the payment of dividends or other distributions by us to our stockholders. The rights of our creditors, including holders of the Exchange Notes, will be limited to our assets and the Exchange Notes will not be an obligation of any of our subsidiaries (other than pursuant to the Subsidiary Guarantee). In addition, the Senior Indenture does not and the Exchange Notes will not contain any covenants or other provisions that are intended to afford holders of the Exchange Notes special protection in the event of either a change of control of the Company or a highly leveraged transaction by us.

The Subsidiary Guarantee of the Exchange Notes:

- will be a general, unsecured obligation of the Subsidiary Guarantor; and

- will rank equally in right of payment with all existing and future senior and unsecured indebtedness of the Subsidiary Guarantor.

We conduct our operations through our subsidiaries. Our operating subsidiaries will not guarantee the Exchange Notes. (The Subsidiary Guarantor is not an operating subsidiary.) Thus, in the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor subsidiaries, it will pay the holders of its debts and its trade creditors before it will be able to distribute any of its assets to us.

We will issue the Exchange Notes in the form of one or more Global Exchange Notes, in registered form, without coupons, in denominations of $1,000 or an integral multiple thereof as described under "-- Book-Entry; Delivery; Form and Transfer." The Global Exchange Notes will be registered in the name of a nominee of DTC. Each Global Exchange Note (and any Exchange Note issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "-- Book-Entry; Delivery; Form and Transfer -- Transfers of Interests in Global Exchange Notes for Certificated Exchange Notes." Except as set forth herein under "-- Book-Entry; Delivery; Form and Transfer -- Transfers of Interests in Global Exchange Notes for Certificated Exchange Notes," owners of beneficial interests in a Global Exchange Note will not be entitled to have Exchange Notes registered in their names, will not receive or be entitled to receive physical delivery of any such Exchange Note and will not be considered the registered holder thereof under the Senior Indenture.

PRINCIPAL, MATURITY AND INTEREST

We will issue the Exchange Notes as four series with an aggregate principal amount of $1,150,000,000. The 2001 Exchange Notes will have an aggregate principal amount of $200,000,000, the 2004 Exchange Notes will have an aggregate principal amount of $200,000,000, the 2009 Exchange Notes will have an aggregate principal amount of $500,000,000 and the 2029 Exchange Notes will have an aggregate principal amount of $250,000,000. We will issue the Exchange Notes only in fully registered form, without coupons, in denominations of $1,000 and integral multiples of $1,000 in excess thereof. There is no sinking fund applicable to the Exchange Notes.

The 2001 Exchange Notes will mature on May 15, 2001, the 2004 Exchange Notes will mature on May 15, 2004, the 2009 Exchange Notes will mature on May 15, 2009, and the 2029 Exchange Notes will mature on May 15, 2029.

The Exchange Notes will bear interest at the respective rates per year set forth on the front cover of this Prospectus. Interest on all Exchange Notes will be payable semi-annually in arrears on May 15 and November 15 of each year until maturity, commencing on November 15, 1999. The Company will make each interest payment to the persons in whose name the Exchange Notes are registered at the close of business on the April 30 and October 31 immediately preceding the relevant interest payment date. Interest on the Exchange Notes will accrue from and including the date of original issuance, or if interest has already been paid, from and including the date it was most recently paid to (but not including) each interest payment date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

EXCHANGE OFFER

We, the Subsidiary Guarantor and the Initial Purchasers entered into a Registration Rights Agreement dated as of May 21, 1999 pursuant to which we and the Subsidiary Guarantor agreed to use our best efforts to conduct an exchange offer to exchange the Notes for Exchange Notes registered under the Securities Act or have a shelf registration statement (the "Shelf Registration Statement") declared effective with respect to the Notes. See "-- Registration Rights; Liquidated Damages." Upon the issuance of the Exchange Notes, if any, or the effectiveness of a Shelf Registration Statement, the Senior Indenture with respect to the Notes and the Subsidiary Guarantee will be subject to and governed by the Trust Indenture Act.

METHODS OF RECEIVING PAYMENTS ON THE EXCHANGE NOTES

If a holder has given wire transfer instructions to us, we will pay all principal, interest, and premium, if any, on those Exchange Notes in accordance with those instructions. All other payments on Exchange

Notes will be made at the office or agency of the Paying Agent and Registrar within the City and State of New York unless we elect to make interest payments by check mailed to the holders at their addresses set forth in the register of holders.

REPLACEMENT OF SECURITIES

We will replace any mutilated Exchange Note at the expense of the holder upon surrender of such Exchange Note to the Trustee. We will replace Exchange Notes that become destroyed, stolen or lost at the expense of the holder upon delivery to the Trustee of evidence of destruction, loss or theft thereof satisfactory to us and the Trustee. In the case of a destroyed, lost or stolen Exchange Note, an indemnity satisfactory to the Trustee and to us may be required at the expense of the holder of such Exchange Note before a replacement Exchange Note will be issued. (Section 306 of the Senior Indenture)

PAYING AGENT FOR THE NOTES

Payment of principal of and any premium and interest on the Exchange Notes will be made at the office of the Paying Agent or Paying Agents, as we may designate from time to time, except that at our option, payment of any interest may be made by check mailed on or before the due date to the address of the Person entitled thereto as such address shall appear in the Security Register. (Sections 307, 1002 of the Senior Indenture) We may at any time rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that we will be required to maintain a Paying Agent in each Place of Payment for the Exchange Notes. Payment of any installment of interest on an Exchange Note will be made to the Person in whose name such Exchange Note is registered at the close of business on the Regular Record Date for such interest. (Section 307 of the Senior Indenture)

All monies paid by us to a Paying Agent for the payment of principal of and any premium or interest on any Exchange Note which remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will (subject to applicable escheat laws) be repaid to us and the holder of such Exchange Note will thereafter look only to us for payment thereof. (Section 1003 of the Senior Indenture)

TRANSFER AND EXCHANGE

A holder may transfer or exchange the Exchange Notes in accordance with the Senior Indenture. The Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents and we may require a holder to pay any taxes and fees required by law or permitted by the Senior Indenture. We are not required to transfer or exchange any Exchange Note for a period of 15 days before a selection of Exchange Notes to be redeemed. See -- "Optional Redemption."

The registered holder of an Exchange Note will be treated as the owner of it for all purposes.

SUBSIDIARY GUARANTEE

The Subsidiary Guarantor will guarantee our obligations under the Exchange Notes. However, the obligations of the Subsidiary Guarantor under its guarantee of the Exchange Notes are limited to an amount which would not cause the Subsidiary Guarantor's guarantee of the Exchange Notes to be a fraudulent transfer or conveyance. The Subsidiary Guarantee will constitute a general, unsecured obligation of the Subsidiary Guarantor and will rank equally in right of payment with all existing and future senior and unsecured indebtedness of the Subsidiary Guarantor. See "Risk Factors -- U.S. bankruptcy or fraudulent conveyance law may interfere with the payment of the notes."

The Subsidiary Guarantee will be released:

(1) upon our consolidation or merger with or into the Subsidiary Guarantor;

(2) upon payment in full of all principal, premium, if any, and interest on the Exchange Notes; or

(3) upon the release of the Subsidiary Guarantor's guarantees under our credit facilities (or any replacement or new principal credit facility).

RANKING

As a holding company, we conduct our operations through our subsidiaries. Our only significant assets are the capital stock of our subsidiaries. Accordingly, our ability to meet our cash obligations depends in part upon the ability of our subsidiaries to make cash distributions to us. The ability of our subsidiaries to make distributions to us is, and will continue to be, restricted by, among other limitations, applicable provisions of the laws of national or state governments and contractual provisions. Our right to participate in the assets of any subsidiary (and thus the ability of holders of the Exchange Notes to benefit indirectly from such assets) is generally subject to the prior claims of creditors, including trade creditors, of that subsidiary, except to the extent that we are recognized as a creditor of such subsidiary, in which case our claims would still be subject to any security interest of other creditors of such subsidiary. Therefore, except as described below, the Exchange Notes will be subordinated by operation of law to creditors, including trade creditors, of our subsidiaries with respect to the assets of the subsidiaries, against which these creditors have a claim.

The Exchange Notes will be guaranteed by our subsidiary Waste Management Holdings. Our obligations under our credit facilities and our other senior indebtedness are currently guaranteed by Waste Management Holdings. Similarly, we have guaranteed the outstanding senior indebtedness of Waste Management Holdings. Thus, the Exchange Notes will rank equally in right of payment with the senior indebtedness of Waste Management Holdings, the debt under our credit facilities and our other senior indebtedness. Because of our holding company structure and the impact of the Waste Management Holdings' guarantee, the Exchange Notes will be structurally subordinated to the claims of creditors of our subsidiaries, other than Waste Management Holdings. As of September 30, 1999, the amount of this subsidiary indebtedness was approximately $1.6 billion out of our total consolidated long-term debt of approximately $11.4 billion.

Upon any release by the lenders under our credit facilities (or any replacement or new principal credit facility) of the Waste Management Holdings' guarantee, we and Waste Management Holdings will each be deemed automatically and unconditionally released and discharged from our respective obligations under the guarantees of the senior indebtedness of the other so guaranteed. In such event, the claims of creditors of Waste Management Holdings will effectively have priority with respect to the assets and earnings of Waste Management Holdings over the claims of our creditors, including the holders of the Exchange Notes.

OPTIONAL REDEMPTION

The 2001 Exchange Notes will not be redeemable. The 2004, 2009 and 2029 Exchange Notes will be redeemable at our option at any time and from time to time, in whole or in part, upon not less than 30 nor more than 60 days notice to each holder of Exchange Notes, at a redemption price equal to the Make-Whole Price. "Make-Whole Price" means an amount equal to the greater of (1) 100% of the principal amount of the Exchange Notes to be redeemed and (2) as determined by an Independent Investment Banker, the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus, in each case, accrued and unpaid interest thereon to the date of redemption. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Exchange Notes or portions thereof called for redemption.

"Adjusted Treasury Rate" means, with respect to any date of redemption, the rate per annum equal to the semi-annual yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such date of redemption, plus 0.125% for the 2004 Exchange Notes, 0.25% for the 2009 Exchange Notes and 0.30% for the 2029 Exchange Notes.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Exchange Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Exchange Notes.

"Comparable Treasury Price" means, with respect to any date of redemption, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such date of redemption, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities," or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with us.

"Reference Treasury Dealer" means each of Donaldson, Lufkin & Jenrette Securities Corporation; Banc of America Securities LLC, Chase Securities, Inc., J.P. Morgan & Co., Credit Suisse First Boston, Deutsche Bank Securities, Inc. and Salomon Smith Barney Inc., and their respective successors; but if any of the foregoing shall not be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), we shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any date of redemption, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such date of redemption.

We may purchase the Exchange Notes in the open market, by tender or otherwise. The Exchange Notes so purchased may be held, resold or surrendered to the Trustee for cancellation. If applicable, we will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other securities laws and regulations in connection with any such purchase. The Exchange Notes may be defeased in the manner provided in the Senior Indenture.

CERTAIN COVENANTS

Certain Definitions. For purposes of the following discussion, the following definitions are applicable. (Sections 1008, 1009 of the Senior Indenture)

"Attributable Debt" shall mean, as of any particular time, the present value, discounted at a rate per annum equal to (i) the implied lease rate of or (ii) if the implied lease rate is not known to us, then the weighted average interest rate of all Senior Securities outstanding at the time under the Senior Indenture compounded semi-annually, in either case, of the obligation of a lessee for rental payments during the remaining term of any lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended); the net amount of rent required to be paid for any such period shall be the total amount of the rent payable by the lessee with respect to such period, but may exclude amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and

similar charges; and, in the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"Consolidated Net Tangible Assets" shall mean, at any date of determination, the total amount of our assets after deducting: (i) all the current liabilities (excluding (a) any current liabilities that by their terms are extendible or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed, and (b) current maturities of long term debt) and (ii) the value (net of any applicable reserves) of all intangible assets such as excess of cost over net assets of acquired businesses, customer lists, covenants not to compete, licenses, and permits, all as set forth on our consolidated balance sheet and our consolidated subsidiaries for our most recently completed fiscal quarter, prepared in accordance with United States generally accepted accounting principles.

"Guaranty" shall mean any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the debt, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of the obligor's obligation under any Guaranty shall (subject to any limitation set forth therein) be deemed to be the amount of such other Person's debt, obligation or other liability or the amount of such dividends or other distributions guaranteed.

"Indebtedness" of any Person shall mean

(a) all obligations of such Person for borrowed money (including, without limitation, all notes payable and drafts accepted representing extension of credit and all obligations evidenced by bonds, debentures, notes or other similar instruments) or on which interest charges are customarily paid, all as shown on a balance sheet of such Person as of the date at which Indebtedness is to be determined;

(b) all other items which, in accordance with generally accepted accounting principles, would be included as liabilities on the liability side of a balance sheet of such Person as of the date at which Indebtedness is to be determined; and

(c) whether or not so included as liabilities in accordance with generally accepted accounting principles,

(i) all indebtedness (excluding, however, prepaid interest thereon) secured by a Security Interest in property owned or being purchased by such Person (including, without limitation, indebtedness arising under conditional sales or other title retention agreements) whether or not such indebtedness shall have been assumed by such Person, and

(ii) all Guaranties of such Person.

"Principal Property" shall mean any waste processing, waste disposal or resource recovery plant or similar facility located within the United States (other than its territories and possessions and Puerto Rico) or Canada and owned by, or leased to, us or any of our Restricted Subsidiaries, except (a) any such plant or facility (i) owned or leased jointly or in common with one or more Persons other than us and our Restricted Subsidiaries in which our interest and the interest of our Restricted Subsidiaries does not exceed 50%, or (ii) which the Board of Directors determines in good faith is not of material importance to the total business conducted, or assets owned, by us and our Subsidiaries as an entirety, or (b) any portion of such plant or facility which the Board of Directors determines in good faith not to be of material importance to the use or operation thereof.

"Restricted Subsidiary" shall mean any Subsidiary (other than any Subsidiary of which we own directly or indirectly less than all of the outstanding Voting Stock), (a) principally engaged in, or whose principal assets consist of property used by us or any of our Restricted Subsidiaries in, the storage,

collection, transfer, interim processing or disposal of waste within the United States of America or Canada, or (b) which we shall designate as a Restricted Subsidiary in an Officers' Certificate delivered to the Trustee.

"Security Instrument" shall mean any security agreement, chattel mortgage, assignment, financing or similar statement or notice, continuation statement, other agreement or instrument, or amendment or supplement to any thereof, providing for, evidencing or perfecting any Security Interest or lien.

"Security Interest" shall mean any interest in any real or personal property or fixture which secures payment or performance of an obligation and shall include any mortgage, lien, encumbrance, charge or other security interest of any kind, whether arising under a Security Instrument or as a matter of law, judicial process or otherwise.

Consolidation, Merger, Sale. The Senior Indenture provides that we may not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless

(a) the Person formed by such consolidation or into which we are merged or the Person which acquires by conveyance or transfer, or which leases, our properties and assets substantially as an entirety shall be a corporation, partnership or trust which shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest (including all additional amounts, if any, payable pursuant to the Senior Indenture) on all the Senior Securities and the performance or observance of every other covenant of the Senior Indenture on our part to be performed or observed; and

(b) immediately after giving effect to such transaction and treating any indebtedness which becomes our obligation or the obligation of a Subsidiary as a result of such transaction as having been incurred by us or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing.

Upon our consolidation with, or merger into, any other Person or any conveyance, transfer or lease of our properties and assets substantially as an entirety, the successor Person formed by such consolidation or into which we are merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of ours, under the Senior Indenture with the same effect as if such successor Person had been named as herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under the Senior Indenture and the Senior Securities, and may liquidate and dissolve. (Sections 801, 802 of the Senior Indenture)

Limitation on Liens. The Senior Indenture provides that:

(a) We will not, and will not permit any of our Restricted Subsidiaries to, create, incur, assume or suffer to exist, directly or indirectly, any Indebtedness secured by a Security Interest upon any of our Principal Property or of any of our Restricted Subsidiaries, whether owned as of the date of the Senior Indenture or thereafter acquired subsequent to the date of the Senior Indenture, without making effective provision (and we hereby covenant that in any such case we shall make or cause to be made effective provision) whereby the Senior Securities of that series then outstanding and any of our other Indebtedness or the other Indebtedness of any of our Restricted Subsidiaries then entitled thereto shall be secured by such Security Interest equally and ratably with any and all of our other Indebtedness or other Indebtedness of any of our Restricted Subsidiaries thereby secured for so long as any of our such other Indebtedness or such other Indebtedness of any of our Restricted Subsidiaries shall be so secured; but nothing in the Senior Indenture shall prevent, restrict or apply to Indebtedness secured by:

(1) (a) any Security Interest upon property or assets which is created prior to or contemporaneously with, or within 360 days after, (i) in the case of the acquisition of such

property or assets, the completion of such acquisition and (ii) in the case of the construction, development or improvement of such property or assets, the later to occur of the completion of such construction, development or improvement or the commencement of operation or use of the property or assets, which Security Interest secures or provides for the payment, financing or refinancing, directly or indirectly, of all or any part of the acquisition cost of such property or assets or the cost of construction, development or improvement thereof; or

(b) any Security Interest upon property or assets existing at the time of its acquisition, which Security Interest secures obligations assumed by the us or any of our Restricted Subsidiaries; or

(c) any conditional sales agreement or other title retention agreement with respect to any property or assets acquired by us or any of our Restricted Subsidiaries, or

(d) any Security Interest existing on the property or assets or shares of stock of a corporation or firm at the time such corporation or firm is merged into or consolidated with us or any of our Restricted Subsidiaries or at the time of a sale, lease or other disposition of the property or assets of such corporation or firm as an entirety or substantially as an entirety to us or any of our Restricted Subsidiaries or at the time such corporation becomes a Restricted Subsidiary; or

(e) any Security Interest existing on the property, assets or shares of stock of any successor to us in accordance with the provisions of the covenant described in "-- Consolidation, Merger, Sale";

if, in each case, any such Security Interest described in the foregoing clauses (b), (c), (d) or (e) does not attach to or affect property or assets owned by us or any of our Restricted Subsidiaries before the event referred to in such clauses; or

(2) Mechanics', materialmen's, carriers' or other like liens arising in the ordinary course of business (including construction of facilities) in respect of obligations which are not due or which are being contested in good faith; or

(3) Any Security Interest arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation, which is required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege, franchise or license (including, without limitation, any Security Interest arising by reason of one or more letters of credit in connection with any international waste management contract to be performed by us or by any of our Subsidiaries or their respective affiliates); or

(4) Security Interests for taxes, assessments or governmental charges or levies not yet delinquent or Security Interests for taxes, assessments or governmental charges or levies already delinquent but the validity of which is being contested in good faith; or

(5) Security Interests (including judgment liens) arising in connection with legal proceedings so long as such proceedings are being contested in good faith and, in the case of judgment liens, execution thereon is stayed; or

(6) Landlords' liens on fixtures located on premises leased by us or by any of our Restricted Subsidiaries in the ordinary course of business; or

(7) Any Security Interest in favor of any governmental authority in connection with the financing of the cost of construction or acquisition of property; or

(8) Any Security Interest arising by reason of deposits to qualify us or any of our Restricted Subsidiaries to conduct business, to maintain self-insurance, or to obtain the benefit of, or comply with, laws; or

(9) Any Security Interest that secures any Indebtedness of a Restricted Subsidiary owing to us or another of our Restricted Subsidiaries or by us to a Restricted Subsidiary; or

(10) Any Security Interest incurred in connection with pollution control, sewage or solid waste disposal, industrial revenue or similar financing; or

(11) Any Security Interest created by any program providing for the financing, sale or other disposition of trade or other receivables qualified as current assets in accordance with United States generally accepted accounting principles entered into by us or by any of our Restricted Subsidiaries, if such program is on terms comparable for similar transactions, or any document executed by us or by any of our Restricted Subsidiaries in connection therewith, and if such Security Interest is limited to the trade or other receivables in respect of which such program is created or exists and the proceeds thereof; or

(12) Any extension, renewal or refunding (or successive extensions, renewals or refundings) in whole or in part of any Indebtedness secured by any Security Interest referred to in the foregoing clauses (1) through (11), inclusive, but the Security Interest securing such Indebtedness shall be limited to the property or assets which, immediately before such extension, renewal or refunding, secured such Indebtedness and additions to such property or assets.

Notwithstanding the foregoing provisions, we and any of our Restricted Subsidiaries may create, incur, assume or suffer to exist any Indebtedness secured by a Security Interest without so securing the Notes if, at the time such Security Interest becomes a Security Interest upon any of our Principal Property or the Principal Property of any such Restricted Subsidiary and after giving effect thereto, the aggregate outstanding principal amount of all our Indebtedness and the Indebtedness of our Restricted Subsidiaries secured by Security Interests permitted by this sentence (excluding Indebtedness secured by a Security Interest existing as of the date of the Senior Indenture, but including the Attributable Debt in respect of Sale and Leaseback Transactions, other than Sale and Leaseback Transactions which, if the Attributable Debt in respect thereof had been Indebtedness secured by a Security Interest, would have been permitted by clause (1)(a) above, other Sale and Leaseback Transactions the proceeds of which have been applied or committed to be applied in accordance with the covenant described in "-- Limitations on Sale and Leaseback Transactions" and other than Sale and Leaseback Transactions between us and any of our Restricted Subsidiaries) does not exceed 15% of Consolidated Net Tangible Assets. (Section 1008 of the Senior Indenture)

(b) If, upon any consolidation or merger of any Restricted Subsidiary with or into any other corporation, or upon any consolidation or merger of any other corporation with or into us or any of our Restricted Subsidiaries or upon any sale or conveyance of the Principal Property of any Restricted Subsidiary as an entirety or substantially as an entirety to any other Person, or upon any acquisition by us or by any of our Restricted Subsidiaries by purchase or otherwise of all or any part of the Principal Property of any other Person, any Principal Property theretofore owned by us or such Restricted Subsidiary would thereupon become subject to any Security Interest not permitted by the terms of the foregoing covenant, we, before such consolidation, merger, sale or conveyance, or acquisition, will, or will cause such Restricted Subsidiary to, secure payment of the principal of and interest, if any, on the Exchange Notes (equally and ratably with or prior to any of our other Indebtedness or the other Indebtedness of such Restricted Subsidiary then entitled thereto) by a direct lien on all such Principal Property prior to all liens other than any liens theretofore existing thereon by a supplemental indenture or otherwise. (Section 1008 of the Senior Indenture)

Limitations on Sale and Leaseback Transactions. The Senior Indenture provides that:

We will not, and will not permit a Restricted Subsidiary to, enter into any arrangement with any Person (other than with any Restricted Subsidiary) providing for the leasing to us or any Restricted Subsidiary of any Principal Property owned or hereafter acquired by us or such Restricted Subsidiary (except for temporary leases for a term, including any renewal thereof, of not more than three years and

except for leases between us and a Restricted Subsidiary or between Restricted Subsidiaries), which Principal Property has been or is to be sold or transferred by us or such Restricted Subsidiary to such person (a "Sale and Leaseback Transaction") unless

(a) we or such Restricted Subsidiary would be entitled, pursuant to the covenant described in "-- Limitation on Liens," to incur Indebtedness secured by a Security Interest on the property to be leased without equally and ratably securing the Exchange Notes, or

(b) we shall, and in any such case we covenant that we will, within 180 days after the effective date of any such arrangement, apply an amount equal to the fair value (as determined by our Board of Directors) of such property to the redemption of Senior Securities that, by their terms, are subject to redemption, or to the purchase and retirement of Senior Securities, or to the payment or other retirement of funded debt for money borrowed, incurred or assumed by us which ranks senior to or equally and ratably with the Exchange Notes or of funded debt for money borrowed, incurred or assumed by any Restricted Subsidiary (other than, in either case, funded debt owed by us or any Restricted Subsidiary), or

(c) we shall within 180 days after entering into the Sale and Leaseback Transaction, enter into a bona fide commitment or commitments to expend for the acquisition or capital improvement of a Principal Property an amount at least equal to the fair value (as determined by our Board of Directors) of such property. (Section 1009 of the Senior Indenture)

Notwithstanding the foregoing, we may, and may permit any Restricted Subsidiary to, effect any Sale and Leaseback Transaction that is not acceptable pursuant to clauses (a)through (c), inclusive, of the foregoing covenant, if the Attributable Debt associated with such Sale and Leaseback Transaction, together with the aggregate principal amount of outstanding debt secured by Security Interests upon Principal Property not acceptable pursuant to clauses (1) through (12) of the covenant described in "-- Limitation on Liens," inclusive, do not exceed 15% of Consolidated Net Tangible Assets. (Section 1009 of the Senior Indenture)

Compliance Certificates. We are required to furnish to the Trustee annually a statement as to our compliance with all conditions and covenants under the Senior Indenture. (Section 1006 of the Senior Indenture)

EVENTS OF DEFAULT; REMEDIES

Events of Default. An Event of Default with respect to any given series of the Exchange Notes is defined under the Senior Indenture as being one or more of the following events (hereinafter in this "Description of the Exchange Notes," the term "Notes" or "Note" shall mean the "Exchange Note(s)" unless the context otherwise requires):

(1) default in the payment of any interest upon any Note of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Note of that series as and when the same becomes due and payable whether at maturity, by declaration of acceleration, call for redemption or otherwise; or

(3) default in the performance, or breach, of any of our other covenants or warranties in the Senior Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in Section 501 of the Senior Indenture specifically dealt with or which has expressly been included in the Senior Indenture solely for the benefit of a series of Senior Securities other than the Notes), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to us by the Trustee or to us and the Trustee by the holders of at least 25% in principal amount of the Notes of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Senior Indenture; or

(4) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in our respect in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging us a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in our respect under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of ours or of any substantial part of our property, or ordering the winding up or liquidation of our affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(5) our commencement of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or our consent to the entry of a decree or order for relief in our respect in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or the commencement of any bankruptcy or insolvency case or proceeding against us, or our filing of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or our consent to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of ours or of any substantial part of our property, or our making of an assignment for the benefit of creditors, or our admission in writing of our inability to pay our debts generally as they become due, or our taking of corporate action in furtherance of any such action. (Section 501 of the Senior Indenture)

Remedies. If an Event of Default with respect to any given series of Notes at the time outstanding occurs and is continuing, then in every such case, either the Trustee or the holders of not less than 25% in principal amount of the outstanding Notes of that series may declare the principal amount to be due and payable immediately, by a notice in writing to us (and to the Trustee if given by holders), and upon any such declaration such principal amount shall become immediately due and payable. At any time after such a declaration of acceleration with respect to the Notes of any given series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in principal amount of the outstanding Notes of that series, by written notice to us and the Trustee, may rescind and annul such declaration and its consequences if:

(1) we have paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue interest on all Notes of that series,

(B) the principal of (and premium, if any, on) any Note of that series which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor, and

(D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and

(2) all Events of Default with respect to Notes of that series, other than the non-payment of the principal of Notes of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Senior Indenture.

No such rescission shall affect any subsequent default or impair any right consequent thereon. (Section 502 of the Senior Indenture) If the Trustee or any holder of a Note of a given series has instituted any proceeding to enforce any right or remedy under the Senior Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such holder, then and in every such case, subject to any determination in such proceeding, we, the Trustee

and the holders of Notes of that series shall be restored severally and respectively to their former positions under the Senior Indenture and the Notes of that series, and thereafter all rights and remedies of the Trustee and the holders shall continue as though no such proceeding had been instituted. (Section 509 of the Senior Indenture)

The Senior Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee is under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the holders, unless such holders shall have offered to the Trustee reasonable indemnity. (Sections 601, 603 of the Senior Indenture) No holder of any Note of a given series shall have any right to institute any proceeding, judicial or otherwise, with respect to the Senior Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless:

(1) such holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Notes of that series;

(2) the holders of not less than 25% in principal amount of the outstanding Notes of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Senior Indenture;

(3) such holder or holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of a majority in principal amount of the outstanding Notes of that series. (Section 507 of the Senior Indenture)

Notwithstanding any other provision in the Senior Indenture, the right of any holder of any Note to receive payment of the principal of and any premium and any interest on such Note on the Stated Maturity or Maturities (each as defined in the Senior Indenture) expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder. (Sections 508, 902 of the Senior Indenture)

The holders of a majority in principal amount of the outstanding Notes of any given series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Notes of that series, provided that (1) such direction shall not be in conflict with any rule of law or with the Senior Indenture; (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and (3) the Trustee shall not be obligated to take any action unduly prejudicial to holders not joining in such direction or involving the Trustee in personal liability. (Section 512 of the Senior Indenture) The holders of a majority in principal amount of the outstanding Notes of any given series may on behalf of the holders of all the Notes of that series waive any past default under the Senior Indenture with respect to the Notes of that series and its consequences, except a default in the payment of the principal of or any premium or interest on any Note of that series or in respect of a covenant or provision of the Senior Indenture which, pursuant to the Senior Indenture, cannot be modified or amended without the consent of the holder of each outstanding Note of that series. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Senior Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon. (Sections 513, 902 of the Senior Indenture)

If a default occurs under the Senior Indenture with respect to the Notes of any given series, the Trustee shall give the holders of Notes of that series notice of such default as and to the extent provided by the Trust Indenture Act; but in the case of any default or breach of certain covenants or warranties

with respect to the Notes of any given series, no such notice to holders shall be given until at least 30 days after the occurrence thereof (the term "default" for purposes of these provisions being defined as any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to the Notes of that series). (Section 602 of the Senior Indenture)

To the fullest extent allowed under applicable law, if for the purpose of obtaining judgment against us in any court it is necessary to convert the sum due in respect of the principal of, or premium, if any, or interest on, any Notes (the "Required Currency") into a currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the Trustee could purchase in the City of New York the Required Currency with the Judgment Currency on the business day in the City of New York next preceding that on which final judgment is given. Neither we nor the Trustee shall be liable for any shortfall nor shall either of them benefit from any windfall in payments to holders of Notes under this provision of the Senior Indenture caused by a change in exchange rates between the time the amount of a judgment against us is calculated as above and the time the Trustee converts the Judgment Currency into the Required Currency to make payments under the foregoing provisions of the Senior Indenture to holders of Notes, but payment of such judgment shall discharge all amounts owed by us on the claim or claims underlying such judgment. (Section 506 of the Senior Indenture)

DISCHARGE OF INDENTURE

Satisfaction and Discharge of Indenture. The Senior Indenture provides that we may at our option at any time, satisfy and discharge the Senior Indenture (except as to any surviving rights of registration of transfer or exchange of Senior Securities and any right to receive additional amounts pursuant to the Senior Indenture) with respect to all Senior Securities issued under the Senior Indenture, which Senior Securities have not already been delivered to the Trustee for cancellation and which either have become due and payable or are by their terms due and payable within one year (or are to be called for redemption within one year) by depositing with the Trustee as trust funds an amount sufficient to pay when due the principal (and premium, if any) and any interest on all outstanding Senior Securities when due. (Section 401 of the Senior Indenture)

Defeasance and Discharge. The Senior Indenture provides that, if we so elect by Board Resolution with respect to the Notes of any given series, we will be discharged from any and all obligations in respect of the Notes of that series (except for certain obligations relating to temporary Notes and exchange of Notes, registration of transfer or exchange of Notes, replacement of stolen, lost or mutilated Notes, maintenance of paying agencies to hold moneys for payment in trust and payment of additional amounts, if any, required in consequence of United States withholding taxes imposed on payments to non-United States persons or otherwise required by Section 1004 of the Senior Indenture) upon the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any), and each installment of interest on, the Notes of that series on the stated maturity of such payments in accordance with the terms of the Senior Indenture and the Notes of that series. (Sections 1302, 1304 of the Senior Indenture) Such a trust may only be established if, among other things, we have delivered to the Trustee an opinion of counsel to the effect that (i) we have received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of the Senior Indenture there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge, and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred. (Section 1304 of the Senior Indenture)

Covenant Defeasance. The Senior Indenture also provides that, if we so elect by Board Resolution with respect to the Notes of any given series, we may omit to comply with certain restrictive covenants, including the covenants described under "-- Limitation on Liens" and "-- Limitations on Sale and

Leaseback Transactions," and any such omission shall not be an Event of Default with respect to the Notes of that series, upon the deposit with the Trustee, in trust, of money and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any), and each installment of interest on, the Notes of that series on the stated maturity of such payments in accordance with the terms of the Senior Indenture and the Notes of that series. Our obligations under the Senior Indenture and the Notes of that series other than with respect to such covenants shall remain in full force and effect. (Section 1303 of the Senior Indenture) Such a trust may be established only if, among other things, we have delivered to the Trustee an opinion of counsel to the effect that the holders of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to federal income tax on the same amounts and in the same manner and at the same time as would have been the case if such deposit and defeasance had not occurred. (Section 1304 of the Senior Indenture)

Although the amount of money and U.S. Government Obligations on deposit with the Trustee would be intended to be sufficient to pay amounts due on the Notes of such series at the time of their stated maturity, in the event we exercise our option to omit compliance with the covenants defeased with respect to the Notes as described above, and the Notes are declared due and payable because of the occurrence of any Event of Default, such amount may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. We shall in any event remain liable for such payments as provided in the Senior Indenture.

Federal Income Tax Consequences. Under current United States federal income tax law, defeasance and discharge would likely be treated as a taxable exchange of the Notes to be defeased for an interest in the defeasance trust. As a consequence, a holder would recognize gain or loss equal to the difference between the holder's cost or other tax basis for the Notes and the value of the holder's interest in the defeasance trust, and thereafter would be required to include in income the holder's share of the income, gain or loss of the defeasance trust. Under current United States federal income tax law, covenant defeasance would ordinarily not be treated as a taxable exchange of the Notes.

MEETINGS, MODIFICATION AND WAIVER

We and the Trustee may make modifications and amendments of the Senior Indenture with the consent of the holders of a majority in aggregate principal amount of the Outstanding Senior Securities of each series affected by such modification or amendment; but no such modification or amendment may, without the consent of the holder of each Outstanding Senior Security affected thereby,

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on any Senior Security,

(b) change the Redemption Date with respect to any Senior Security,

(c) reduce the principal amount of, or premium or interest on, any Senior Security,

(d) change any of our obligations to pay additional amounts,

(e) change the coin or currency in which any Senior Security or any premium or interest thereon is payable,

(f) change the redemption right of any holder,

(g) impair the right to institute suit for the enforcement of any payment on or with respect to any Senior Security,

(h) reduce the percentage in principal amount of outstanding Senior Securities of any series, the consent of whose holders is required for modification or amendment of the Senior Indenture or for waiver of compliance with certain provisions of the Senior Indenture or for waiver of certain defaults,

(i) reduce the requirements contained in the Senior Indenture for quorum or voting,

(j) change any of our obligations to maintain an office or agency in the places and for the purposes required by the Senior Indenture, or

(k) modify any of the above provisions. (Section 902 of the Senior Indenture)

We may make modifications and amendments of the Senior Indenture without the consent of any holders of Senior Securities, when authorized by a Board Resolution, and the Trustee, to:

(a) evidence the succession of another Person and the assumption by any such successor of our covenants therein and in the Senior Securities pursuant to Article Eight of the Senior Indenture; or

(b) add to our covenants for the benefit of the holders of all or any series of Senior Securities (and if such covenants are to be for the benefit of less than all series of Senior Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power therein conferred upon us; or

(c) add any additional Events of Default; or

(d) permit or facilitate the issuance of Senior Securities in uncertificated form, provided that any such action shall not adversely affect the interests of the holders of Senior Securities of any series in any material respect; or

(e) add to, change or eliminate any of the provisions of the Senior Indenture in respect of one or more series of Senior Securities, but any such addition, change or elimination (A) shall neither (i) apply to any Senior Security of any series created before the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the holder of any such Senior Security with respect to such provision or (B) shall become effective only when there is no such Senior Security Outstanding; or

(f) secure the Senior Securities pursuant to the requirements of Section 1006 of the Senior Indenture or otherwise; or

(g) establish the form or terms of Senior Securities of any series as permitted by Sections 201 and 301 of the Senior Indenture; or

(h) evidence and provide for the acceptance of appointment under the Senior Indenture by a successor Trustee with respect to the Senior Securities of one or more series and to add to or change any of the provisions of the Senior Indenture as shall be necessary to provide for or facilitate the administration of the trusts thereunder by more than one Trustee, pursuant to the requirements of Section 611(b) of the Senior Indenture; or

(i) cure any ambiguity, to correct or supplement any provision therein or in any supplemental indenture which may be defective or inconsistent with any other provision therein or in any supplemental indenture, or to make any other provisions with respect to matters or questions arising under the Senior Indenture; but such action shall not adversely affect the interests of the holders of Senior Securities of any series in any material respect. (Section 901 of the Senior Indenture)

The holders of a majority in aggregate principal amount of outstanding Notes of any given series may, on behalf of all holders of Notes of that series outstanding, waive, insofar as the Notes of that series are concerned, compliance by us with certain restrictive provisions of the Senior Indenture. (Section 1007 of the Senior Indenture) The holders of a majority in aggregate principal amount of the Notes of a series may, on behalf of all holders of Notes of that series, waive any past default under the Senior Indenture with respect to the Notes of that series, except a default (a) in the payment of the principal of or any premium or interest on the Notes of that series or (b) in respect of a covenant or provision of the Senior Indenture which cannot be modified or amended without the consent of the holder of each outstanding Note of that series. (Section 513 of the Senior Indenture)

The Senior Indenture contains provisions for convening meetings of the holders of Notes of any given series. (Section 1402) A meeting may be called at any time by the Trustee, and also, upon our request, or the holders of at least 10% in aggregate principal amount of the outstanding Notes of any given series, in any such case upon notice given in accordance with "Notices" below. (Section 1402 of the Senior Indenture) Except for any consent which must be given by the holder of each outstanding Note of any given series, as described above, any resolution presented at a meeting (or adjourned meeting at which a quorum is present) may be adopted by the affirmative vote of the holders of a majority in aggregate principal amount of the Notes of that series; but any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which may be made, given or taken by the holders of a specified percentage, which is less than a majority, in aggregate principal amount of the Notes of any given series may be adopted at a meeting (or adjourned meeting duly reconvened at which a quorum is present) by the affirmative vote of the holders of such specified percentage in aggregate principal amount of the Notes of that series. Any resolution passed or decision taken at any meeting of holders of Notes of any given series duly held in accordance with the Senior Indenture will be binding on all the holders of the Notes of that series. The quorum at any meeting of the holders of Notes of any given series, and at any reconvened meeting, will be Persons holding or representing a majority in aggregate principal amount of the Notes of that series. (Section 1404 of the Senior Indenture)

Governing Law. The Senior Indenture, the Notes and the Exchange Notes will be governed by, and construed in accordance with, the laws of the State of New York. (Section 113 of the Senior Indenture)

NOTICES

We will give notices to holders of the Notes by first-class mail to the addresses of such holders as they appear in the Security Register. (Section 106 of the Senior Indenture)

REGARDING THE TRUSTEE

The Trustee appointed and serving as trustee pursuant to the Senior Indenture is Chase Bank of Texas, National Association ("Chase Bank").

The Senior Indenture contains certain limitations on the right of the Trustee, should it become our creditor, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. (Section 613 of the Senior Indenture) The Trustee is permitted to engage in certain other transactions. Chase Bank, as the trustee under the Senior Indenture, may be a depository for funds of, may make loans to and may perform other routine banking services for us and certain of our affiliates in the normal course of business. Chase Bank also serves as trustee for our subordinated debentures. If the Trustee acquires any conflicting interest (as described in the Senior Indenture), it must eliminate such conflict or resign within 90 days of the occurrence and the continuance of a default under the Senior Indenture. (Section 608 of the Senior Indenture)

The holders of a majority in principal amount of all outstanding Notes of any given series (or if more than one series of Senior Securities is affected thereby, all series of Senior Securities so affected, voting as a single class) will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy or power available to the Trustee for the Notes of that series or all such series of Senior Securities so affected. (Section 512 of the Senior Indenture)

In case an Event of Default with respect to the Notes of any given series shall occur (and shall not be cured) under the Senior Indenture and is known to the Trustee, the Trustee shall exercise such of the rights and powers vested in it by the Senior Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, no Trustee will be under any obligation to exercise any of its rights or powers under the Senior Indenture at the request of any of the holders of the Notes of any given series unless they shall have offered to the Trustee security and indemnity satisfactory to it.

BOOK-ENTRY, DELIVERY; FORM AND TRANSFER

We will initially issue the Exchange Notes in the form of one or more registered global Exchange Notes without interest coupons (collectively the "Global Exchange Notes"). Upon issuance, the Global Exchange Notes will be deposited with the Trustee, as custodian for DTC, and registered in the name of DTC or its nominee, in each case for credit to the accounts of DTC's Direct and Indirect Participants (as defined below).

The Global Exchange Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee in certain limited circumstances. Beneficial interests in the Global Exchange Notes may be exchanged for Exchange Notes in certificated form in certain limited circumstances. See "-- Transfer of Interests in Global Exchange Notes for Certificated Exchange Notes."

DEPOSITARY PROCEDURES

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Direct Participants") and to facilitate the clearance and settlement of transactions in those securities between Direct Participants through electronic book-entry changes in accounts of Participants. The Direct Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities that clear through or maintain a direct or indirect, custodial relationship with a Direct Participant (collectively, the "Indirect Participants"). DTC may hold securities beneficially owned by other persons only through the Direct Participants or Indirect Participants, and such other persons' ownership interest and transfer of ownership interest will be recorded only on the records of the appropriate Direct Participant and/or Indirect Participant, and not on the records maintained by DTC.

DTC has also advised us that, pursuant to DTC's procedures, (1) upon deposit of the Global Exchange Notes, DTC will credit the accounts of the Direct Participants designated by the Initial Purchasers with portions of the principal amount of the Global Exchange Notes allocated by the Initial Purchasers to such Direct Participants, and (2) DTC will maintain records of the ownership interests of such Direct Participants in the Global Exchange Notes and the transfer of ownership interests by and between Direct Participants. DTC will not maintain records of the ownership interests of, or the transfer of ownership interests by and between, Indirect Participants or other owners of beneficial interests in the Global Exchange Notes. Direct Participants and Indirect Participants must maintain their own records of the ownership interests of, and the transfer of ownership interests by and between, Indirect Participants and other owners of beneficial interests in the Global Exchange Notes.

The laws of some states require that certain persons take physical delivery in definitive, certificated form, of securities that they own. This may limit or curtail the ability to transfer beneficial interests in a Global Exchange Note to such persons. Because DTC can act only on behalf of Direct Participants, which in turn act on behalf of Indirect Participants and others, the ability of a person having a beneficial interest in a Global Exchange Note to pledge such interest to persons or entities that are not Direct Participants in DTC, or to otherwise take actions in respect of such interests, may be affected by the lack of physical certificates evidencing such interests. For certain other restrictions on the transferability of the Exchange Notes see "-- Transfers of Interests in Global Exchange Notes for Certificated Exchange Notes."

EXCEPT AS DESCRIBED IN "-- TRANSFERS OF INTERESTS IN GLOBAL EXCHANGE NOTES FOR CERTIFICATED EXCHANGE NOTES," OWNERS OF BENEFICIAL INTERESTS IN THE GLOBAL EXCHANGE NOTES WILL NOT HAVE EXCHANGE NOTES REGISTERED IN THEIR NAMES, WILL NOT RECEIVE PHYSICAL DELIVERY OF EXCHANGE NOTES IN CERTIFICATED FORM AND WILL NOT BE CONSIDERED THE REGISTERED OWNERS OR HOLDERS THEREOF UNDER THE SENIOR INDENTURE FOR ANY PURPOSE.

Under the terms of the Senior Indenture, we and the Trustee will treat the persons in whose names the Exchange Notes are registered (including Exchange Notes represented by Global Exchange Notes) as

the owners thereof for the purpose of receiving payments and for any and all other purposes whatsoever. Payments in respect of the principal, premium, Liquidated Damages, if any, and interest on Global Exchange Notes registered in the name of DTC or its nominee will be payable by the Trustee to DTC or its nominee as the registered holder under the Senior Indenture. Consequently, neither we, the Trustee nor any of our agents or the Trustee has or will have any responsibility or liability for (1) any aspect of DTC's records or any Direct Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Exchange Notes or for maintaining, supervising or reviewing any of DTC's records or any Direct Participant's or Indirect Participant's records relating to the beneficial ownership interests in any Global Exchange Note or (2) any other matter relating to the actions and practices of DTC or any of its Direct Participants or Indirect Participants.

DTC has advised us that its current payment practice (for payments of principal, interest and the like) with respect to securities such as the Exchange Notes is to credit the accounts of the relevant Direct Participants with such payment on the payment date in amounts proportionate to such Direct Participant's respective ownership interests in the Global Exchange Notes as shown on DTC's records. Payments by Direct Participants and Indirect Participants to the beneficial owners of the Exchange Notes will be governed by standing instructions and customary practices between them and will not be the responsibility of DTC, the Trustee or us. Neither we nor the Trustee will be liable for any delay by DTC or its Direct Participants or Indirect Participants in identifying the beneficial owners of the Exchange Notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee as the registered owner of the Exchange Notes for all purposes.

The Global Exchange Notes will trade in DTC's Same-day Funds Settlement System and, therefore, transfers between Direct Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in immediately available funds. Transfers between Indirect Participants who hold an interest through a Direct Participant will be effected in accordance with the procedures of such Direct Participant but generally will settle in immediately available funds.

DTC has advised us that it will take any action permitted to be taken by a holder of Exchange Notes only at the direction of one or more Direct Participants to whose account interests in the Global Exchange Notes are credited and only in respect of such portion of the aggregate principal amount of the Exchange Notes as to which such Direct Participant or Direct Participants has or have given direction. However, if there is an Event of Default with respect to the Exchange Notes, DTC reserves the right to exchange Global Exchange Notes (without the direction of one or more of its Direct Participants) for legended Exchange Notes in certificated form, and to distribute such certificated forms of Exchange Notes to its Direct Participants. See "-- Transfers of Interests in Global Exchange Notes for Certificated Exchange Notes."

Although DTC has agreed to the foregoing procedures to facilitate transfers of interests in Global Exchange Notes among Direct Participants, it is under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Initial Purchasers or the Trustee will have any responsibility for the performance by DTC or its respective Direct and Indirect Participants of their respective obligations under the rules and procedures governing any of their operations.

The information in this section concerning DTC and its book-entry system has been obtained from sources that we believe to be reliable, but we do not take any responsibility for the accuracy thereof.

TRANSFERS OF INTERESTS IN GLOBAL EXCHANGE NOTES FOR CERTIFICATED EXCHANGE NOTES

We may exchange an entire Global Exchange Note for Certificated Exchange Notes if (1) (a) DTC notifies us that it is unwilling or unable to continue as Depositary for the Global Exchange Notes or we determine that DTC is unable to act as such Depositary and we thereupon fail to appoint a successor depositary within 90 days or (b) DTC has ceased to be a clearing agency registered under the Exchange Act, (2) we at our option, notify the Trustee in writing that we elect to cause the issuance of Certificated Exchange Notes or (3) there shall have occurred and be continuing a Default or an Event of Default with

respect to the Exchange Notes. In any such case, we will notify the Trustee in writing that, upon surrender by the Direct and Indirect Participants of their interest in such Global Exchange Note, Certificated Exchange Notes will be issued to each person that such Direct and Indirect Participants and the DTC identify as being the beneficial owner of the related Exchange Notes.

Beneficial interests in Global Exchange Notes held by any Direct or Indirect Participant may be exchanged for Certificated Exchange Notes upon request to DTC, by such Direct Participant (for itself or on behalf of an Indirect Participant), to the Trustee in accordance with customary DTC procedures. Certificated Exchange Notes delivered in exchange for any beneficial interest in any Global Exchange Note will be registered in the names, and issued in any approved denominations, requested by DTC on behalf of such Direct or Indirect Participants (in accordance with DTC's customary procedures).

Neither we nor the Trustee will be liable for any delay by the holder of the Global Exchange Notes or DTC in identifying the beneficial owners of Exchange Notes, and we and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the holder of the Global Exchange Note or DTC for all purposes.

CERTIFICATED EXCHANGE NOTES

Certificated Exchange Notes may be exchangeable for other Certificated Exchange Notes of any authorized denominations and of a like aggregate principal amount and tenor in accordance with the Senior Indenture. Certificated Exchange Notes may be presented for exchange, and may be presented for registration of transfer (duly endorsed, or accompanied by a duly executed written instrument of transfer), at the designated office of the Trustee (the "Security Registrar"). Such transfer or exchange will be effected upon the Security Registrar or such other transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. We may at any time designate additional transfer agents with respect to the Exchange Notes.

We shall not be required to (a) issue, exchange or register the transfer of any Certificated Exchange Note for a period of 15 days next preceding the mailing of notice of redemption of such Exchange Note or (b) exchange or register the transfer of any Certificated Exchange Note or portion thereof selected, called or being called for redemption, except in the case of any Certificated Exchange Note to be redeemed in part, the portion thereof not so to be redeemed.

If a Certificated Exchange Note is mutilated, destroyed, lost or stolen, it may be replaced at the office of the Security Registrar upon payment by the holder of such expenses as may be incurred by us and the Security Registrar in connection therewith and the furnishing of such evidence and indemnity as we and the Security Registrar may require. Mutilated Exchange Notes must be surrendered before new Exchange Notes will be issued.

SAME DAY SETTLEMENT

Payments in respect of the Exchange Notes represented by the Global Exchange Notes (including principal, premium, if any, and interest and Liquidated Damages, if any) will be made by wire transfer of immediately available same day funds to the accounts specified by the holder of interests in such Global Exchange Note. Principal, premium, if any, and interest and Liquidated Damages, if any, on all Certificated Exchange Notes in registered form will be payable at the office or agency of the Trustee, except that, at our option, payment of any interest and Liquidated Damages, if any, may be made (1) by check mailed to the address of the Person entitled thereto as such address shall appear in the security register or (2) by wire transfer to an account maintained by the Person entitled thereto as specified in the security register.

THE EXCHANGE OFFER

We sold the Notes on May 21, 1999, pursuant to the Purchase Agreement dated as of March 18, 1999 (the "Purchase Agreement") by and among Waste Management Holdings, the Initial Purchasers and us. The Notes were subsequently offered by the Initial Purchasers to qualified institutional buyers pursuant to Rule 144A and to purchasers pursuant to Regulation S under the Securities Act.

REGISTRATION RIGHTS; LIQUIDATED DAMAGES

The following description is a summary of the material provisions of the Registration Rights Agreement. It does not restate that agreement in its entirety. We urge you to read the proposed form of Registration Rights Agreement in its entirety because it, and not this description, defines your registration rights as holder of these Notes.

We, the Subsidiary Guarantor and the Initial Purchasers entered into the Registration Rights Agreement as of May 21, 1999. Pursuant to the Registration Rights Agreement, we and the Subsidiary Guarantor agreed to file with the Commission the Exchange Offer Registration Statement on the appropriate form under the Securities Act with respect to the exchange of Exchange Notes for Notes (the "Exchange Offer"). Upon the effectiveness of the Exchange Offer Registration Statement, we agreed to offer to the holders of Transfer Restricted Securities (as defined below) pursuant to the Exchange Offer who are able to make certain representations the opportunity to exchange their Transfer Restricted Securities for Exchange Notes.

The Registration Rights Agreement provides that if:

(1) the Exchange Offer is not permitted by applicable law or Commission policy; or

(2) any holder of Transfer Restricted Securities notifies us prior to the 20th business day following the date by which the Exchange Offer is required to be consummated that:

(a) it is prohibited by law or Commission policy from participating in the Exchange Offer; or

(b) that it may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales; or

(c) that it is a broker-dealer and owns Notes acquired directly from us or one of our affiliates,

then we will file with the Commission a Shelf Registration Statement to cover resales of the Notes by the holders thereof who satisfy certain conditions relating to the provision of information in connection with the Shelf Registration Statement.

"Transfer Restricted Securities" means:

(1) Each Note, until the earliest to occur of:

(a) the date on which such Note is exchanged in the Exchange Offer for an Exchange Note;

(b) the date on which such Note has been disposed of in accordance with a Shelf Registration Statement (and the purchasers thereof have been issued Exchange Notes); and

(c) the date on which such Note is distributed to the public pursuant to Rule 144 (and purchasers thereof have been issued Exchange Notes).

(2) Each Exchange Note until the date on which such Exchange Note is disposed of by a broker-dealer pursuant to the Plan of Distribution contemplated by the Exchange Offer Registration Statement (including the delivery of the Prospectus contained therein).

The Registration Rights Agreement provides that, unless the Exchange Offer is not permitted by applicable law or Commission policy:

(1) we will file an Exchange Offer Registration Statement with the Commission on or prior to 120 days after May 21, 1999;

(2) we will use our best efforts to have the Exchange Offer Registration Statement declared effective by the Commission on or prior to 210 days after May 21, 1999;

(3) we will:

(a) use our best efforts to cause the Exchange Offer Registration Statement to be continuously effective and keep the Exchange Offer open for not less than 20 business days or the minimum period required by law, if such period is no longer than 20 business days; and

(b) use our best efforts to consummate the Exchange Offer on or prior to 30 business days after the date on which the Exchange Offer Registration Statement was declared effective by the Commission (the "Consummation Deadline"); and

(4) if obligated to file the Shelf Registration Statement, we will file the Shelf Registration Statement with the Commission on or prior to 90 days after such filing obligation arises and use its best efforts to cause the Shelf Registration to be declared effective by the Commission on or prior to 60 days after such Shelf Registration Statement is required to be filed.

The Registration Rights Agreement provides that if:

(1) we fail to file any of the registration statements required to be filed by the Registration Rights Agreement on or before the date specified for such filing;

(2) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness;

(3) we fail to consummate the Exchange Offer on or prior to the Consummation Deadline; or

(4) the Shelf Registration Statement or the Exchange Offer Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with resales of Transfer Restricted Securities during the periods specified in the Registration Rights Agreement (each such event referred to in clauses (1) through (4) above, a "Registration Default"),

then we will pay liquidated damages to each holder of Notes subject to such Registration Default in an amount equal to $.05 per week per $1,000 in principal amount of Notes held by such holder for each week or portion thereof that the Registration Default continues for the first 90-day period immediately following the occurrence of the first Registration Default.

The amount of liquidated damages will increase by an additional $.05 per week per $1,000 in principal amount of Notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of $.25 per week per $1,000 in principal amount of Notes, provided that we will not be required to pay liquidated damages for more than one Registration Default at any given time.

All accrued liquidated damages will be paid directly by us on each relevant Interest Payment Date for the Notes to the persons whose names are registered at the close of business on the relevant Regular Record Date.

Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease.

Each holder of Notes will be required to make certain representations to us (as described in the Registration Rights Agreement) in order to participate in the Exchange Offer and will be required to deliver certain information to be used in connection with the Shelf Registration Statement and to provide comments on the Shelf Registration Statement within the time periods set forth in the Registration Rights

Agreement in order to have such holder's Notes included in the Shelf Registration Statement and benefit from the provisions regarding liquidated damages set forth above. By acquiring Notes, a holder will be deemed to have agreed by virtue of the Registration Rights Agreement to indemnify us, against certain losses arising out of information furnished by such holder in writing for inclusion in any Shelf Registration Statement. Holders of Notes will also be required to suspend their use of the prospectus included in the Shelf Registration Statement under certain circumstances upon receipt of written notice to that effect from us.

EXPIRATION DATE; EXTENSIONS; AMENDMENTS; TERMINATION

The term "Expiration Date" shall mean , 1999, unless we, in our sole discretion, extend the Exchange Offer, in which case the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended.

To extend the Expiration Date, we will notify the Exchange Agent of any extension by oral or written notice and will notify the holders of the Exchange Notes by means of a press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Such announcement may state that we are extending the Exchange Offer for a specified period of time.

We reserve the right (i) to delay acceptance of any Notes, to extend the Exchange Offer or to terminate the Exchange Offer and not permit acceptance of Notes not previously accepted if any of the conditions set forth herein under "-- Conditions" shall have occurred and shall not have been waived by us, by giving oral or written notice of such delay, extension or termination to the Exchange Agent, or (ii) to amend the terms of the Exchange Offer in any manner deemed by it to be advantageous to the holders of the Notes. Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the Exchange Agent. If the Exchange Offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the Notes of such amendment.

Without limiting the manner in which we may choose to make public announcement of any delay, extension, amendment or termination of the Exchange Offer, we shall have no obligations to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

INTEREST ON THE EXCHANGE NOTES

The Exchange Notes will accrue interest for the 2001 Exchange Notes at a rate of 6.000% per annum, for the 2004 Exchange Notes at a rate of 6.500% per annum, for the 2009 Exchange Notes at a rate of 6.875% per annum and for the 2029 Exchange Notes at a rate of 7.375% per annum. Interest on the Exchange Notes will accrue from the last date on which interest was paid on the Notes, or, if we have paid no interest on such Notes, from May 21, 1999, the date of issuance of the Notes for which the Exchange Offer is being made. Interest on the Exchange Notes are payable semi-annually on May 15 and November 15, commencing on November 15, 1999.

PROCEDURES FOR TENDERING

To tender in the Exchange Offer, you must complete, sign and date the Letter of Transmittal, or a facsimile thereof, have the signatures thereon medallion guaranteed if required by the Letter of Transmittal, and mail or otherwise deliver such Letter of Transmittal or such facsimile, together with any other required documents, to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. In addition, either (i) a timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Notes into the Exchange Agent's account at The Depositary (the "Book-Entry Transfer Facility") pursuant to the procedure for book-entry transfer described below, must be received by the Exchange Agent prior to the Expiration Date or (ii) you must comply with the guaranteed delivery procedures described below. THE METHOD OF DELIVERY OF LETTERS OF TRANSMITTAL

AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDERS. IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED, BE USED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE. NO LETTERS OF TRANSMITTAL OR OTHER REQUIRED DOCUMENTS SHOULD BE SENT TO THE COMPANY. Delivery of all documents must be made to the Exchange Agent at its address set forth below. You may also request your respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender.

Your tender of Notes will constitute an agreement between you and the Company in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal. Any beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on his behalf.

Signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be medallion guaranteed by any member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Exchange Act (each an "Eligible Institution") unless the Notes tendered pursuant thereto are tendered for the account of an Eligible Institution.

If the Letter of Transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such person should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the Letter of Transmittal.

We will determine questions as to the validity, form, eligibility (including time of receipt) and withdrawal of the tendered Notes, in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all Notes not properly tendered or any Notes which, if accepted, would, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular Notes. Our interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Notes must be cured within such time as we shall determine. Neither we, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Notes will not be deemed to have been made until such irregularities have been cured or waived. The Exchange Agent will return any Notes it receives that are not properly tendered and as to which the defects or irregularities have not been cured or waived without cost to such holder by the Exchange Agent, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

In addition, we reserve the right, in our sole discretion, subject to the provisions of the Senior Indenture, to purchase or make offers for any Notes that remain outstanding subsequent to the Expiration Date or, as set forth under "-- Conditions," to terminate the Exchange Offer in accordance with the terms of the Registration Rights Agreement, and to the extent permitted by applicable law, purchase Notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the Exchange Offer.

ACCEPTANCE OF NOTES FOR EXCHANGE; DELIVERY OF EXCHANGE NOTES

Upon satisfaction or waiver of all of the conditions to the Exchange Offer, we will accept all Notes properly tendered promptly after the Expiration Date, and we will issue the Exchange Notes promptly after acceptance of the Notes. See "-- Conditions." For purposes of the Exchange Offer, Notes shall be

deemed to have been accepted as validly tendered for exchange when, as and if we have given oral or written notice thereof to the Exchange Agent.

In all cases, we will issue the Exchange Notes for Notes that are accepted for exchange pursuant to the Exchange Offer only after timely receipt by the Exchange Agent of a Book-Entry Confirmation of such Notes into the Exchange Agent's account at the Book-Entry Transfer Facility, a properly completed and duly executed Letter of Transmittal and all other required documents. If we do not accept any tendered Notes for any reason set forth in the terms and conditions of the Exchange Offer, we will credit such unaccepted or such nonexchanged Notes to an account maintained with such Book-Entry Transfer Facility as promptly as practicable after the expiration or termination of the Exchange Offer.

BOOK-ENTRY TRANSFER

The Exchange Agent will make a request to establish an account with respect to the Notes at the Book-Entry Transfer Facility for purposes of the Exchange Offer within two business days after the date of this Prospectus. Any financial institution that is a participant in the Book-Entry Transfer Facility's systems may make book-entry delivery of Notes by causing the Book-Entry Transfer Facility to transfer such Notes into the Exchange Agent's account at the Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for transfer. However, the Letter of Transmittal (or facsimile) thereof with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by the Exchange Agent at one of the addresses set forth under "-- Exchange Agent" no later than the Expiration Date or the guaranteed delivery procedures described below must be complied with.

GUARANTEED DELIVERY PROCEDURES

If the procedures for book-entry transfer cannot be completed on a timely basis, a tender may be effected if (i) the tender is made through an Eligible Institution, (ii) before the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) and Notice of Guaranteed Delivery, substantially in the form we provided (by facsimile transmission, mail or hand delivery), setting forth the name and address of the holder of Notes and the amount of Notes tendered, stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange, Inc. ("NYSE") trading days after the date of execution of the Notice of Guaranteed Delivery, a Book-Entry Confirmation and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent, and (iii) a Book-Entry Confirmation and all other documents required by the Letter of Transmittal are received by the Exchange Agent within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

WITHDRAWAL OF TENDERS

Tenders of Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal must be received by the Exchange Agent before 5:00 p.m., New York City time, on the Expiration Date at one of the addresses set forth under "-- Exchange Agent." Any such notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility from which the Notes were tendered, identify the principal amount of the Notes to be withdrawn, and specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Notes and otherwise comply with the procedures of such Book-Entry Transfer Facility. We will determine all questions as to the validity, form and eligibility (including time of receipt) of such notice, and our determination shall be final and binding on all parties. Any Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Notes which have been tendered for exchange but which are not exchanged for any reason will be credited to an account maintained with such Book-Entry Transfer Facility for the Notes

as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Notes may be retendered by following one of the procedures described under "-- Procedures for Tendering" and "-- Book-Entry Transfer" at any time on or prior to the Expiration Date.

CONDITIONS

Notwithstanding any other term of the Exchange Offer, Notes will not be required to be accepted for exchange, nor will Exchange Notes be issued in exchange for any Notes, and we may terminate or amend the Exchange Offer as provided herein before the acceptance of such Notes, if, because of any change in law, or applicable interpretations thereof by the Commission, we determine that we are not permitted to effect the Exchange Offer. We have no obligation to, and will not knowingly, permit acceptance of tenders of Notes from our affiliates or from any other holder or holders who are not eligible to participate in the Exchange Offer under applicable law or interpretations thereof by the Staff of the Commission, or if the Exchange Notes to be received by such holder or holders of Notes in the Exchange Offer, upon receipt, will not be tradable by such holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the "blue sky" or securities laws of substantially all of the states of the United States.

EXCHANGE AGENT

Chase Bank of Texas, National Association has been appointed as Exchange Agent for the Exchange Offer. You should direct your questions and requests for assistance and requests for additional copies of this Prospectus or of the Letter of Transmittal to the Exchange Agent addressed as follows:

By Mail (Certified, Registered, Overnight or First Class) or Hand Delivery:

Chase Bank of Texas, National Association
600 Travis Street
Houston, Texas 77002
Telephone Number (713) 216-7000

FEES AND EXPENSES

We will bear the expenses of soliciting tenders pursuant to the Exchange Offer. We are making the principal solicitation for tenders pursuant to the Exchange Offer by mail; however we may make additional solicitations by telegraph, telephone, telecopy or in person by our officers and regular employees.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the Exchange Offer. We, however, will pay the Exchange Agent reasonable and customary fees for its services and will reimburse the Exchange Agent for its reasonable out-of-pocket expenses in connection therewith.

We will bear the expenses to be incurred in connection with the Exchange Offer, including fees and expenses of the Exchange Agent and the Trustee, and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of Notes pursuant to the Exchange Offer. If, however, Exchange Notes or Notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the Notes tendered, or if tendered Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

RESALE OF EXCHANGE NOTES

Based on an interpretation by the staff of the Commission set forth in no-action letters issued to third parties, we believe that Exchange Notes issued pursuant to the Exchange Offer in exchange for Notes may be offered for resale, resold and otherwise transferred by any owner of such Exchange Notes (other than any such owner which is our "affiliate" within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, if such Exchange Notes are acquired in the ordinary course of such owner's business and such owner does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of such Exchange Notes. Any owner of Notes who tenders in the Exchange Offer with the intention to participate, or for the purpose of participating, in a distribution of the Exchange Notes may not rely on the position of the staff of the Commission enunciated in the "Exxon Capital Holdings Corporation" or similar no-action letters but rather must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. In addition, any such resale transaction should be covered by an effective registration statement containing the selling security holders information required by Item 507 of Regulation S-K of the Securities Act. Each broker-dealer that receives Exchange Notes for its own account in exchange for Notes, where such Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, may be a statutory underwriter and must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes.

By tendering in the Exchange Offer, each Holder (or DTC participant, in the case of tenders of interests in the Global Notes held by DTC) will represent to us (which representation may be contained the Letter of Transmittal) to the effect that (A) it is not our affiliate, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (C) it is acquiring the Exchange Notes in its ordinary course of business. Each Holder will acknowledge and agree that any broker-dealer and any such Holder using the Exchange Offer to participate in a distribution of the Exchange Notes acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of the Registration Rights Agreement rely on the position of the Commission enunciated in the No-Action Letters, and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of Exchange Notes obtained by such Holder in exchange for Notes acquired by such Holder directly from us or our affiliate.

To comply with the securities laws of certain jurisdictions, it may be necessary to qualify for sale or to register the Exchange Notes before offering or selling such Exchange Notes. We have agreed, pursuant to the Registration Rights Agreement and subject to certain specified limitations therein, to cooperate with selling Holders or underwriters in connection with the registration and qualification of the Exchange Notes for offer or sale under the securities or "blue sky" laws of such jurisdictions as may be necessary to permit the holders of Exchange Notes to trade the Exchange Notes without any restrictions or limitations under the securities laws of the several states of the United States.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of Notes who do not exchange their Notes for Exchange Notes pursuant to the Exchange Offer will continue to be subject to the restrictions on transfer of such Notes as set forth in the legend thereon as a consequence of the issuance of the Notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the Notes under the Securities Act. To the extent that Notes are tendered and accepted in the Exchange Offer, the trading market for untendered and tendered but unaccepted Notes could be adversely affected.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the principal United States federal income tax consequences from the Exchange Offer and from the ownership of the Notes or Exchange Notes. It deals only with Notes or Exchange Notes held as capital assets and not with special classes of Holders, such as dealers in securities or currencies, life insurance companies, tax exempt entities, and persons that hold a Note or an Exchange Note in connection with an arrangement that completely or partially hedges the Note or Exchange Note. Further, the discussion does not address all aspects of taxation that might be relevant to particular Holders in light of their individual circumstances. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions thereunder as of the date hereof. Such authorities may be repealed, revoked or modified so as to result in federal income tax consequences different from those discussed below.

For purposes of the following discussion, a "U.S. Holder" means a beneficial owner of a Note or an Exchange Note that is, for United States federal income tax purposes: (1) a citizen or resident of the United States; (2) a partnership, corporation or other entity created or organized in or under the law of the United States or of any State of the United States; (3) an estate, the income of which is subject to United States federal income tax regardless of its source; (4) a trust classified as a United States person for United States federal income tax purposes. A "Non-U.S. Holder" is a beneficial owner of a Note or an Exchange Note that, for United States federal income tax purposes, is not a U.S. Holder.

HOLDERS TENDERING THEIR NOTES OR PROSPECTIVE PURCHASERS OF EXCHANGE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX AND ANY STATE OR LOCAL TAX CONSEQUENCES OF THE EXCHANGE OF THE NOTES FOR EXCHANGE NOTES, AND OF THE OWNERSHIP AND DISPOSITION OF THE NOTES OR EXCHANGE NOTES IN LIGHT OF THEIR PARTICULAR SITUATIONS, AND ANY CONSEQUENCES UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION.

EXCHANGE OF NOTES FOR EXCHANGE NOTES

The exchange of Notes for Exchange Notes pursuant to the Exchange Offer will not be treated as an "exchange" for United States federal income tax purposes because the Notes will not be considered to differ materially in kind or extent from the Exchange Notes. Rather, the Exchange Notes received by a Holder will be treated as a continuation of the Notes in the hands of such Holder. The adjusted basis and holding period of the Exchange Notes for any Holder will be the same as the adjusted basis and holding period of the Notes. Similarly, there will be no United States federal income tax consequences to a Holder of Notes that does not participate in the exchange offer.

TAX CONSEQUENCES TO U.S. HOLDERS

Payments of Interest. Payments of stated interest on a Note or an Exchange Note generally will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder's method of accounting for tax purposes.

Sale, Exchange, Redemption or Retirement. Upon the sale, exchange, redemption or retirement of a Note or an Exchange Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on such sale, exchange, redemption or retirement (not including any amount attributable to accrued but unpaid interest not previously included in gross income) and such Holder's adjusted tax basis in the Note or Exchange Note. To the extent attributable to accrued but unpaid interest not previously included in gross income, the amount recognized by the U.S. Holder will be treated as a payment of interest. See "-- Payments of Interest." Gain or loss recognized on the sale, exchange, redemption or retirement generally will be capital gain or loss. The deductibility of capital losses is subject to limitations.

Market Discount and Premium. U.S. Holders that did not acquire their interest in the Exchange Notes pursuant to an acquisition of Notes on their original issue at their original offering price or pursuant to an exchange of such Notes for Exchange Notes pursuant to the exchange offer may be considered to have acquired their Exchange Notes with market discount or amortizable bond premium as such terms are defined for United States federal income tax purposes. Such Holders should consult their tax advisors as to the federal income tax consequences of the market discount and premium rules of the Code.

Backup Withholding. Payments made on, and proceeds from the sale of, Notes or Exchange Notes may be subject to a "backup" withholding tax of 31% unless the Holder complies with certain identification requirements. Any withheld amounts will generally be allowed as a credit against the Holder's federal income tax provided the required information is timely filed with the IRS.

TAX CONSEQUENCES TO NON-U.S. HOLDERS

Interest. The so-called "portfolio interest" exception provides that interest on the Notes or Exchange Notes will not be subject to U.S. federal income tax and withholding of U.S. federal income tax will not be required with respect to the payment by us or our paying agent of principal or interest on the Notes or Exchange Notes owned by a Non-U.S. Holder, provided that (1) the beneficial owner of the Notes or Exchange Notes does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote within the meaning of Section 871(h)(3) of the Tax Code and the Treasury Regulations issued thereunder, (2) the beneficial owner is not (i) a foreign tax exempt organization or a foreign private foundation for U.S. federal income tax purposes, (ii) a bank whose receipt of interest on the Notes or Exchange Notes is described in Section 881(c)(3)(A) of the Tax Code or (iii) a "controlled foreign corporation" (as defined Section 957 of the Tax Code) that is related directly, indirectly or constructively to us through stock ownership, (3) such interest is not considered contingent interest under Section 871(h)(4) of the Tax Code and the Treasury Regulations thereunder, and (4) the beneficial owner satisfies the requirements (described generally below) set forth in Section 871(h) and Section 881(c) of the Tax Code and the Treasury Regulations thereunder relating to registered securities.

To satisfy the requirements referred to in (4) above, the beneficial owner of such Notes or Exchange Notes, or a financial institution holding the Notes or Exchange Notes on behalf of such owner, must provide, in accordance with specified procedures, our paying agent with a statement to the effect that the beneficial owner is not a U.S. person. Currently, these requirements will be met if either (i) the beneficial owner of the Notes or Exchange Notes certifies to us or our paying agent, under penalties of perjury, that it is not a U.S. person (which certification may be made on an IRS Form W-8 or successor form) and provides its name and address or (ii) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and that holds the Notes or Exchange Notes on behalf of a beneficial owner, certifies to us or our paying agent, under penalties of perjury, that such statement has been received by it from the beneficial owner (directly or through another intermediary financial institution), and furnishes us or our paying agent with a copy thereof. A certificate described in this paragraph is effective only with respect to payments of interest made to the certifying Non-U.S. Holder after the issuance of the certificate, in the calendar year of its issuance and two immediately succeeding calendar years.

Treasury Regulations (the "Final Regulations") finalized in 1997, applicable to interest paid after December 31, 1999, provide alternative documentation procedures for satisfying the certification requirement described above. However, the Department of the Treasury and the IRS have announced their intention to extend the dates of applicability of the Final Regulations to payments made after December 31, 2000. Such regulations add intermediary certification options for certain qualifying agents. Under one such option, a withholding agent would be allowed to rely on IRS Form W-8 furnished by a financial institution or other intermediary on behalf of one or more beneficial owners (or other intermediaries) without having to obtain the beneficial owner certificate described in the preceding paragraph, provided that the financial institution or intermediary has entered into a withholding agreement with the IRS and thus is a "qualified intermediary." Under another option, an authorized foreign agent of

a U.S. withholding agent would be permitted to act on behalf of the U.S. withholding agent, provided certain conditions are met. With respect to the certification requirement for Notes or Exchange Notes that are held by a foreign partnership, the Final Regulations provide that unless the foreign partnership has entered into a withholding agreement with the IRS, the foreign partnership will be required, in addition to providing an intermediary Form W-8, to attach an appropriate certification by each partner. Prospective investors, including foreign partnerships and their partners, should consult their tax advisors regarding possible additional reporting requirements.

If a Non-U.S. Holder cannot satisfy the requirements of the "portfolio interest" exception described above, payments of interest made to such Non-U.S. Holder will generally be subject to withholding tax of 30% unless the beneficial owner of the Notes or Exchange Notes provides us or our paying agent, as the case may be, with a properly executed (i) IRS Form 1001 (or successor form) claiming an exemption from or reduced rate of withholding under the benefit of a tax treaty or (ii) IRS Form 4224 (or successor form) stating that interest paid on the Notes or Exchange Notes is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the United States. Under the Final Regulations, Non-U.S. Holders will generally be required to provide IRS Form W-8BEN, W-8IMY, W-8EXP, or W-8ECI in lieu of Form 1001 and Form 4224, although alternative documentation may be applicable in certain situations. Additionally, the Non-U.S. Holders will be required to obtain U.S. taxpayer identification numbers. In each such case, the relevant IRS form must be delivered pursuant to applicable procedures and must be properly transmitted to the person otherwise required to withhold U.S. federal income tax, and none of the persons receiving the relevant form may have actual knowledge that any statement on the form is false.

Gain on Disposition of Notes or Exchange Notes. A Non-U.S. Holder will not be subject to withholding of U.S. federal income tax on any gain realized on the sale, exchange, retirement, or other disposition of the Notes or Exchange Notes, unless (i) such Holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other requirements are met, or (ii) the gain is effectively connected with the conduct of a United States trade or business of the Holder.

Federal Estate Taxes. Under Section 2105(b) of the Tax Code, if interest on the Notes or Exchange Notes would be exempt from withholding of U.S. federal income tax under the rules described under "-- Interest" (without regard to the statement requirement), the Notes or Exchange Notes will not be included in the estate of a Non-U.S. Holder for U.S. federal estate tax purposes.

Effectively Connected Income. If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on the Notes or Exchange Notes (or gain realized on the sale, exchange or other disposition of the Notes or Exchange Notes) is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above, will generally be subject to U.S. federal income tax on such effectively connected income in the same manner as if it were a U.S. person. Under the Final Regulations, such Non-U.S. Holder may also need to provide a United States taxpayer identification number (social security number or employer identification number) on forms referred to under "-- Interest" in order to meet the requirements set forth above. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for the taxable year, subject to adjustments. For this purpose, interest on, and any gain recognized on the sale, exchange or other disposition of, the Notes or Exchange Notes will be included in such foreign corporation's effectively connected earnings and profits if such interest or gain, as the case may be, is effectively connected with the conduct by such foreign corporation of a trade or business in the United States.

Backup Withholding and Information Reporting. Certain "backup" withholding and information reporting requirements may apply to payments on, and to proceeds of sale before maturity of, the Notes or Exchange Notes. Interest paid to a Non-U.S. Holder on a registered security will be required to be reported annually on IRS Form 1042-S. We are not obligated to reimburse or indemnify Holders of the Notes or Exchange Notes, including Non-U.S. Holders, for any tax imposed on, or withheld from payments with respect to the Notes or Exchange Notes.

No information reporting on IRS Form 1099 or backup withholding will be required with respect to payments made by us or any paying agent to Non-U.S. Holders on registered securities with respect to which a statement described under "-- Interest" has been received; provided that we or our paying agent, as the case may be, does not have actual knowledge that the beneficial owner is a U.S. person.

In addition, backup withholding and information reporting will not apply if payments of principal or interest on the Notes or Exchange Notes are paid to or collected by a foreign office of a custodian, nominee or other foreign agent on behalf of the beneficial owner of such Notes or Exchange Notes, or if the foreign office of a broker (as defined in applicable Treasury Regulations) pays the proceeds of the sale of the Notes or Exchange Notes to the owner thereof. If, however, such nominee, custodian, agent or broker is, for U.S. federal income tax purposes, a U.S. person, a controlled foreign corporation or a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or another United States related person described in Section 1.6049-5(c)(5) of the Treasury Regulations, then information reporting will be required unless (i) such custodian, nominee, agent or broker has in its records documentary evidence that the beneficial owner is not a U.S. person and certain other conditions are met or (ii) the beneficial owner otherwise establishes an exemption.

Payments of principal and interest on the Notes or Exchange Notes to the beneficial owner of such Notes or Exchange Notes by a United States office of a custodian, nominee or agent, or payment by the United States office of a broker of the proceeds of the sale of the Notes or Exchange Notes, will be subject to information reporting and backup withholding unless the Holder or beneficial owner provides the statement described under "-- Interest" or otherwise establishes an exemption from information reporting and backup withholding, and the payor does not have actual knowledge that the beneficial owner is a U.S. person.

Applicable Tax Treaties. Non-U.S. Holders should also consult any applicable income tax treaties, which may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those under United States federal tax laws.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the Exchange Notes received in exchange for the Notes where such Notes were acquired as a result of market-making activities or other trading activities. The Company has agreed that, starting on the Expiration Date and ending on the close of business on the first anniversary of the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

The Company will not receive any proceeds from any sale of the Exchange Notes by broker-dealers. The Exchange Notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the counter market, in negotiated transactions, through the writing of options on the Exchange Notes or a combination of such methods of resale, at market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such Exchange Notes. Any broker-dealer that resells Exchange Notes that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Notes may be deemed to be an "Underwriter" within the meaning of the Securities Act and any profit of any such resale of Exchange Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "Underwriter" within the meaning of the Securities Act.

For a period of one year after the Expiration Date, the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer and will indemnify the holders of the Exchange Notes against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Locke Liddell & Sapp LLP will opine on the validity of the Exchange Notes for us.

EXPERTS

The audited consolidated financial statements for the year ended December 31, 1998 appearing in Waste Management's Current Report on Form 8-K dated September 16, 1999 incorporated by reference in this prospectus have been audited by Arthur Andersen LLP, independent public accountants, as set forth in their report. In their report, that firm states that, with respect to USA Waste Services, Inc. and its Subsidiaries as of December 31, 1997 and for each of the years in the two-year period then ended, its opinion is based on reports of other auditors, namely PricewaterhouseCoopers LLP. The financial statements of Waste Management referred to above have been included herein in reliance upon the authority of those firms as experts in giving said reports.

During the quarter ended September 30, 1999, the Company conducted a review of its accounting records, systems, processes and controls. Based on that review, the Company has concluded that its internal controls for the preparation of interim financial information did not provide its independent public accountants an adequate basis to complete reviews of the quarterly data for the quarters in the nine-month period ended September 30, 1999. Our independent public accountants have advised the Company that their report on the December 31, 1999 financial statements will include the following paragraph:

> "The selected quarterly financial data included in the Company's financial statements contain information that we did not audit, and accordingly, we do not express an opinion on that data. We attempted, but were unable to, review that quarterly data in accordance with standards established by the American Institute of Certified Public Accountants because we believe that the Company's internal controls for the preparation of interim financial information do not provide an adequate basis to enable us to complete such a review."

The audited consolidated financial statements of USA Waste Services, Inc. as of December 31, 1997 and for the years ended December 31, 1997 and 1996, not separately incorporated by reference in this prospectus, have been audited by PricewaterhouseCoopers LLP, independent accountants, whose report thereon is incorporated by reference herein. Such financial statements, to the extent they have been included in the financial statements of Waste Management, Inc., have been so included in reliance on the report of such independent accountants given on the authority of said firm as experts in auditing and accounting.

WASTE MANAGEMENT, INC.

OFFERS TO EXCHANGE

$200,000,000 6.000% Senior Notes Due 2001
$200,000,000 6.500% Senior Notes Due 2004
$500,000,000 6.875% Senior Notes Due 2009
$250,000,000 7.375% Senior Notes Due 2029

FOR

$200,000,000 6.000% Senior Notes Due 2001
$200,000,000 6.500% Senior Notes Due 2004
$500,000,000 6.875% Senior Notes Due 2009
$250,000,000 7.375% Senior Notes Due 2029

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 102 of the Delaware General Corporation Law ("DGCL") allows a corporation to eliminate the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except in cases where the director breached his or her duty of loyalty to the corporation or its stockholders, failed to act in good faith, engaged in intentional misconduct or a knowing violation of the law, willfully or negligently authorized the unlawful payment of a dividend or approved an unlawful stock redemption or repurchase or obtained an improper personal benefit. The Registrant's Restated Certificate of Incorporation (the "Waste Management Charter") contains a provision which eliminates directors' personal liability as set forth above.

The Waste Management Charter and the Bylaws of Waste Management provide in effect that the Registrant shall indemnify its directors and officers, and may indemnify its employees and agents, to the extent permitted by the DGCL. Section 145 of the DGCL provides that a Delaware corporation has the power to indemnify its directors, officers, employees and agents in certain circumstances.

Subsection (a) of Section 145 of the DGCL empowers a corporation to indemnify any director, officer, employee or agent, or former director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding provided that such director, officer, employee or agent acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, provided that such director, officer, employee or agent had no reasonable cause to believe that his or her conduct was unlawful.

Subsection (b) of Section 145 of the DGCL empowers a corporation to indemnify any director, officer, employee or agent, or former director, officer, employee or agent, who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery shall determine that, despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 145 of the DGCL further provides that, to the extent that a director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 of the DGCL or in the defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith; that indemnification provided by Section 145 of the DGCL shall not be deemed exclusive of any other rights to which the party seeking indemnification may be entitled; and the corporation is empowered to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 145 of the DGCL; and that, unless indemnification is ordered by a court, the determination that indemnification under subsections (a) and (b) of Section 145 of the DGCL is proper because the director, officer, employee or

agent has met the applicable standard of conduct under such subsections shall be made with respect to a person who is a director or officer at the time of such determination (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

The Registrant has purchased certain liability insurance for its officers and directors as permitted by Section 145(g) of the DGCL.

The Registrant has entered into Indemnification Agreements with certain of its directors and executive officers. Such Indemnification Agreements provide that such persons (the "Indemnitees") will be indemnified and held harmless from all expenses, including (without limitation) reasonable fees and expenses of counsel, and all liabilities, including (without limitation) the amount of any judgments, fines, penalties, excise taxes and amounts paid in settlement, actually incurred by an Indemnitee with respect to any threatened, pending or completed claim, action (including any action by or in the right of the Registrant), suit or proceeding (whether formal or informal, or civil, criminal, administrative, legislative, arbitrative or investigative) in respect of which such Indemnitee is, was or at any time becomes, or is threatened to be made, a party, witness, subject or target, by reason of the fact that such Indemnitee is or was a director, officer, agent or fiduciary of the Registrant or serving at the request of the Registrant as a director, officer, employee, fiduciary or representative of another enterprise. Such Indemnification Agreements also provide that the Registrant, if requested to do so by an Indemnitee, will advance to such Indemnitee, prior to final disposition of any proceeding, the expenses actually incurred by the Indemnitee subject to the obligation of the Indemnitee to refund if it is ultimately determined that such Indemnitee was not entitled to Indemnification.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

EXHIBIT NO.	DESCRIPTION
3.1	-- Restated Certificate of Incorporation, as amended [Incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K dated July 16, 1998].
3.2	-- Restated Bylaws, as amended [Incorporated by reference to Exhibit 3 to the Registrant's Form 10-Q for the quarter ended June 30, 1999].
4.1	-- Specimen Stock Certificate [Incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998].
4.2	-- Indenture for Senior Debt Securities dated September 10, 1997, among the Registrant and Texas Commerce Bank National Association, as trustee, now known as Chase Bank of Texas, National Association [Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated September 10, 1997].
4.3*	-- Form of Exchange Note.
4.4*	-- Registration Rights Agreement dated as of May 21, 1999 by and among Waste Management, Inc., Waste Management Holdings, Inc. and Donaldson, Lufkin & Jenrette Securities Corporation, Banc of America LLC, Chase Securities Inc., J.P. Morgan & Co., Credit Suisse First Boston, Deutsche Bank Securities Inc. and Salomon Smith Barney.
5.1*	-- Opinion of Locke Liddell & Sapp LLP.
10.1	-- 1990 Stock Option Plan [Incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1990].

EXHIBIT NO.	DESCRIPTION
10.2	-- Conformed copy of 1993 Stock Incentive Plan, as amended and restated [Incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for year ended December 31, 1998].
10.3	-- Conformed copy of 1996 Stock Option Plan for Non-Employee Directors, as amended [Incorporated by reference to Exhibit 10.3 to the Registrant's Annual Report on Form 10-K for year ended December 31, 1998].
10.4	-- Envirofil, Inc. 1993 Stock Incentive Plan [Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, File No. 33-84990].
10.5	-- Western Waste Industries Amended and Restated 1983 Incentive Stock Option Plan [Incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-02181].
10.6	-- Western Waste Industries 1983 Non-Qualified Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-02181].
10.7	-- Western Waste Industries 1992 Option Plan [Incorporated by reference to Exhibit 99.3 to the Registrant's Registration Statement on Form S-8, File No. 333-02181].
10.8	-- Sanifill, Inc. 1994 Long-Term Incentive Plan [Incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-08161].
10.9	-- Sanifill, Inc. 1989 Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-08161].
10.10	-- Waste Management, Inc. 1997 Equity Incentive Plan [Incorporated by reference to Exhibit A to Waste Management Holdings' Proxy Statement for its 1997 Annual Meeting of Shareholders].
10.11	-- WMX Technologies, Inc. 1996 Replacement Stock Option Plan [Incorporated by reference to Exhibit 4.13 to Waste Management Holdings' Registration Statement on Form S-8, File No. 333-01325].
10.12	-- WMX Technologies, Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.31 to Waste Management Holdings' Registration Statement on Form S-1, File No. 33-44849].
10.13	-- WMX Technologies, Inc. 1992 Stock Option Plan for Non-Employee Directors [Incorporated by reference to Exhibit 10.23 to Waste Management Holdings' 1996 Annual Report on Form 10-K].
10.14	-- Waste Management, Inc. 1982 Stock Option Plan, as amended to March 11, 1988 [Incorporated by reference to Exhibit 10.3 to Waste Management Holdings' 1988 Annual Report on Form 10-K].
10.15	-- Wheelabrator Technologies Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.45 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.16	-- Wheelabrator Technologies Inc. 1988 Stock Plan for Executive Employees of WTI and its Subsidiaries [Incorporated by reference to Exhibit 28.1 to Amendment No. 1 to the Registration Statement of Wheelabrator Technologies Inc. on Form S-8, File No. 33-31523].
10.17	-- Chemical Waste Management, Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.19 to the 1991 Annual Report on Form 10-K of Chemical Waste Management, Inc.].
10.18	-- 1991 Stock Option Plan for Non-Employee Directors of Wheelabrator Technologies, Inc. [Incorporated by reference to Exhibit 19.04 WTI's Quarterly Report for the quarterly period ended June 30, 1991].

EXHIBIT NO.	DESCRIPTION
10.19	-- Amendments dated as of September 7, 1990 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.02 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.20	-- Amendment dated as of November 1, 1990 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.04 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.21	-- Amendment dated as of November 1, 1990 to the WTI 1986 Stock Plan [Incorporated by reference to Exhibit 19.03 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.22	-- Amendment dated as of December 6, 1991 to the WTI 1986 Stock Plan [Incorporated by reference to Exhibit 19.01 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.23	-- Amendment dated as of December 6, 1991 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.02 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.24	-- 1997 Employee Stock Purchase Plan [Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997].
10.25	-- 401(k) Restoration Plan [Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997].
10.26	-- TransAmerican Waste Industries, Inc. Amended and Restated 1990 Stock Incentive Plan [Incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-51975].
10.27	-- TransAmerican Waste Industries, Inc. 1997 Non-Employee Director Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-51975].
10.28	-- Eastern Environmental Services, Inc. 1997 Stock Option Plan [Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.29	-- Eastern Environmental Services, Inc. Amended and Restated 1996 Stock Option Plan [Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.30	-- Eastern Environmental Services, Inc. 1991 Stock Option Plan [Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.31	-- Form of Employment Agreement by and between the Registrant and its Executive Officers [Incorporated by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998].
10.32	-- Third Amended and Restated Revolving Credit Agreement, dated as of December 15, 1999 among the Registrant, guarantors thereunder, Bank of Americas N.A., Morgan Guaranty Trust Company of New York and other financial institutions.
10.33	-- Amended and Restated Loan Agreement dated as of December 15, 1999, among the Registrant, guarantors thereunder, BankBoston, N.A., Bank of America National Trust and Savings Association, Chase Bank of Texas, N.A., Deutsche Bank AG, New York Branch, Morgan Guaranty Trust Company of New York and other financial institutions.
10.34	-- 1998 Waste Management, Inc. Directors' Deferred Compensation Plan [Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999].

EXHIBIT NO.	DESCRIPTION
10.35	-- 1999 Waste Management, Inc. Directors' Deferred Compensation Plan [Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999].
21.1	-- Subsidiaries of the Registrant [Incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report on Form 10-K for year ended December 31, 1998].
23.1	-- Consent of Arthur Andersen LLP.
23.2	-- Consent of PricewaterhouseCoopers LLP.
23.3*	-- Consent of Locke Liddell & Sapp LLP (included in Exhibit 5.1).
24.1*	-- Power of Attorney (set forth on signature page).
25.1	-- Statement of Eligibility of Trustee.
99.1*	-- Form of Letter of Transmittal.
99.2*	-- Form of Notice of Guaranteed Delivery.

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* Previously filed

Exhibits listed above which have been filed with the Commission are incorporated herein by reference with the same effect as if filed with this Registration Statement.

ITEM 22. UNDERTAKINGS

The undersigned registrants hereby undertake:

(1) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 20 above, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that as claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and be governed by the final adjudication of such issue.

(3) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(4) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

WASTE MANAGEMENT, INC.

By: /s/ A. MAURICE MYERS

A. Maurice Myers
President, Chief Executive Officer
and Chairman of the Board

Date: December 21, 1999

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons on behalf of the Registrant and in the capacities and on December 21, 1999.

SIGNATURE	TITLE
/s/ A. MAURICE MYERS A. Maurice Myers	President, Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)
/s/ DONALD R. CHAPPEL Donald R. Chappel	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ BRUCE E. SNYDER Bruce E. Snyder	Vice President and Chief Accounting Officer (Principal Accounting Officer)
* H. Jesse Arnelle	Director
Pastora San Juan Cafferty	Director
* Ralph F. Cox	Director
* Roderick M. Hills	Director
* Robert S. Miller	Director
* Paul M. Montrone	Director

SIGNATURE	TITLE
* John C. Pope	Director
* Steven G. Rothmeier	Director
* Ralph V. Whitworth	Director
* Jerome B. York	Director

*By: /s/ BRYAN J. BLANKFIELD

Bryan J. Blankfield
As Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ BRYAN J. BLANKFIELD

Bryan J. Blankfield
Vice President and Secretary

Date: December 21, 1999

INDEX TO EXHIBITS

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4.3*	-- Form of Exchange Note.
4.4*	-- Registration Rights Agreement dated as of May 21, 1999 by and among Waste Management, Inc., Waste Management Holdings, Inc. and Donaldson, Lufkin & Jenrette Securities Corporation, Banc of America LLC, Chase Securities Inc., J.P. Morgan & Co., Credit Suisse First Boston, Deutsche Bank Securities Inc. and Salomon Smith Barney.
5.1*	-- Opinion of Locke Liddell & Sapp LLP.
10.1	-- 1990 Stock Option Plan [Incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1990].
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10.4	-- Envirofil, Inc. 1993 Stock Incentive Plan [Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, File No. 33-84990].
10.5	-- Western Waste Industries Amended and Restated 1983 Incentive Stock Option Plan [Incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-02181].
10.6	-- Western Waste Industries 1983 Non-Qualified Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-02181].
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10.9	-- Sanifill, Inc. 1989 Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-08161].

EXHIBIT NO.	DESCRIPTION
10.10	-- Waste Management, Inc. 1997 Equity Incentive Plan [Incorporated by reference to Exhibit A to Waste Management Holdings' Proxy Statement for its 1997 Annual Meeting of Shareholders].

EXHIBIT NO.	DESCRIPTION
10.11	-- WMX Technologies, Inc. 1996 Replacement Stock Option Plan [Incorporated by reference to Exhibit 4.13 to Waste Management Holdings' Registration Statement on Form S-8, File No. 333-01325].
10.12	-- WMX Technologies, Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.31 to Waste Management Holdings' Registration Statement on Form S-1, File No. 33-44849].
10.13	-- WMX Technologies, Inc. 1992 Stock Option Plan for Non-Employee Directors [Incorporated by reference to Exhibit 10.23 to Waste Management Holdings' 1996 Annual Report on Form 10-K].
10.14	-- Waste Management, Inc. 1982 Stock Option Plan, as amended to March 11, 1988 [Incorporated by reference to Exhibit 10.3 to Waste Management Holdings' 1988 Annual Report on Form 10-K].
10.15	-- Wheelabrator Technologies Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.45 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.16	-- Wheelabrator Technologies Inc. 1988 Stock Plan for Executive Employees of WTI and its Subsidiaries [Incorporated by reference to Exhibit 28.1 to Amendment No. 1 to the Registration Statement of Wheelabrator Technologies Inc. on Form S-8, File No. 33-31523].
10.17	-- Chemical Waste Management, Inc. 1992 Stock Option Plan [Incorporated by reference to Exhibit 10.19 to the 1991 Annual Report on Form 10-K of Chemical Waste Management, Inc.].
10.18	-- 1991 Stock Option Plan for Non-Employee Directors of Wheelabrator Technologies, Inc. [Incorporated by reference to Exhibit 19.04 WTI's Quarterly Report for the quarterly period ended June 30, 1991].
10.19	-- Amendments dated as of September 7, 1990 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.02 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.20	-- Amendment dated as of November 1, 1990 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.04 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.21	-- Amendment dated as of November 1, 1990 to the WTI 1986 Stock Plan [Incorporated by reference to Exhibit 19.03 to the 1990 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.22	-- Amendment dated as of December 6, 1991 to the WTI 1986 Stock Plan [Incorporated by reference to Exhibit 19.01 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.23	-- Amendment dated as of December 6, 1991 to the WTI 1988 Stock Plan [Incorporated by reference to Exhibit 19.02 to the 1991 Annual Report on Form 10-K of Wheelabrator Technologies Inc.].
10.24	-- 1997 Employee Stock Purchase Plan [Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997].
10.25	-- 401(k) Restoration Plan [Incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997].
10.26	-- TransAmerican Waste Industries, Inc. Amended and Restated 1990 Stock Incentive Plan [Incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-51975].

EXHIBIT NO.	DESCRIPTION
10.27	-- TransAmerican Waste Industries, Inc. 1997 Non-Employee Director Stock Option Plan [Incorporated by reference to Exhibit 99.2 to the Registrant's Registration Statement on Form S-8, File No. 333-51975].
10.28	-- Eastern Environmental Services, Inc. 1997 Stock Option Plan [Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.29	-- Eastern Environmental Services, Inc. Amended and Restated 1996 Stock Option Plan [Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.30	-- Eastern Environmental Services, Inc. 1991 Stock Option Plan [Incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8, File No. 333-70055].
10.31	-- Form of Employment Agreement by and between the Registrant and its Executive Officers [Incorporated by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998].
10.32	-- Third Amended and Restated Revolving Credit Agreement, dated as of December 15, 1999 among the Registrant, guarantors thereunder, Bank of America, N.A., Morgan Guaranty Trust Company of New York and other financial institutions.
10.33	-- Amended and Restated Loan Agreement dated as of December 15, 1999, among the Registrant, guarantors thereunder, BankBoston, N.A., Bank of America National Trust and Savings Association, Chase Bank of Texas, N.A., Deutsche Bank AG, New York Branch, Morgan Guaranty Trust Company of New York and other financial institutions.
10.34	-- 1998 Waste Management, Inc. Directors' Deferred Compensation Plan [Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999].
10.35	-- 1999 Waste Management, Inc. Directors' Deferred Compensation Plan [Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999].
21.1	-- Subsidiaries of the Registrant [Incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report on Form 10-K for year ended December 31, 1998].
23.1	-- Consent of Arthur Andersen LLP.
23.2	-- Consent of PricewaterhouseCoopers LLP.
23.3*	-- Consent of Locke Liddell & Sapp LLP (included in Exhibit 5.1).
24.1*	-- Power of Attorney (set forth on signature page).
25.1	-- Statement of Eligibility of Trustee.
99.1*	-- Form of Letter of Transmittal.
99.2*	-- Form of Notice of Guaranteed Delivery.

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* Previously filed

Exhibits listed above which have been filed with the Commission are incorporated herein by reference with the same effect as if filed with this Registration Statement.

Exhibit 10.32

THIRD AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

DATED AS OF DECEMBER 15, 1999

by and among

WASTE MANAGEMENT, INC.

(the "Borrower")

and

THE GUARANTORS

and

BANK OF AMERICA, N.A.
("BOA")
MORGAN GUARANTY TRUST COMPANY OF NEW YORK
("MGT")

AND THE OTHER FINANCIAL INSTITUTIONS WHICH BECOME
A PARTY TO THIS AGREEMENT
(Collectively, the "Banks")

and

MGT AS ADMINISTRATIVE AGENT AND DOCUMENTATION AGENT
(the "Administrative Agent")

and

BANC OF AMERICA SECURITIES, LLC AND CHASE SECURITIES INC.
AS JOINT LEAD ARRANGERS AND JOINT BOOK MANAGERS
(the "Joint Lead Arrangers and Joint Book Managers")

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THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT is made as of the 15th day of December, l999, by and among WASTE MANAGEMENT, INC. (f/k/a USA Waste Services, Inc.), a Delaware corporation having its chief executive office at 1001 Fannin Street, Suite 4000, Houston, Texas 77002 (the "Borrower"), the Guarantors, and BANK OF AMERICA, N.A., a national banking association having a place of business at 231 South LaSalle Street Chicago, Illinois 60697 ("BOA"), MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a New York state banking association having its principal place of business at 60 Wall Street, New York, New York 10260 ("MGT"), and each of the other financial institutions party hereto (collectively, the "Banks"), MGT as administrative agent and documentation agent (the "Administrative Agent"), and Banc of America Securities LLC and Chase Securities Inc. as joint lead arrangers and joint book managers (the "Joint Lead Arrangers and Joint Book Managers").

WITNESSETH:

WHEREAS, the Borrower, Sanifill, WMH, BOA, MGT, certain of the Banks, and MGT as Administrative and Documentation Agent thereunder (collectively, the "Original Parties") are party to that certain Second Amended and Restated Revolving Credit Agreement dated as of July 16, 1998, by and among the Original Parties (the "Existing Credit Agreement"); and

WHEREAS, the Borrower has requested changes in certain terms and the pricing of the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, on the Effective Date, the Existing Credit Agreement shall be amended and restated by this Agreement, the terms of which are as follows:

SECTION 1. DEFINITIONS AND RULES OF INTERPRETATION.

SECTION 1.1. DEFINITIONS. The following terms shall have the meanings set forth in this Section 1 or elsewhere in the provisions of this Agreement referred to below:

Absolute Competitive Bid Loan(s). See Section 4.3(a).

Accountants. See Section 7.4(a).

Administrative Agent. See Preamble.

Affected Bank. See Section 5.12.

Affiliate. Any Person that would be considered to be an affiliate of the Borrower under Rule 144(a) of the Rules and Regulations of the Securities and Exchange Commission, as in effect on the date hereof, if the Borrower were issuing securities.

Agents. BOA, BancAmerica Securities, Inc. and J.P. Morgan Securities Inc.

Agreement. This Third Amended and Restated Revolving Credit Agreement, including the Schedules and Exhibits hereto, as from time to time amended and supplemented in accordance with the terms hereof.

Allied Waste Transactions. The series of transactions, which have been designed to be substantially cash neutral in the aggregate, to be entered into among Allied Waste Services, Inc. ("Allied"), the Company, and certain of their respective affiliates, pursuant to which, among other things, (i) the Company through its affiliates will purchase from Allied and its affiliates all of the outstanding capital stock of Browning-Ferris Industries Limited ("BFIL") which owns certain solid waste operations in Canada (the "Canadian Operations"), and (ii) Allied through its affiliates will acquire from the Company and its affiliates certain solid waste operations in the United States (the "US Operations"); and including, in each case, such divestitures of Canadian Operations and US Operations as may be required by applicable governmental authorities in connection with their review of such transactions for their potential antitrust and competitive effects.

Applicable Canadian Pension Legislation. At any time, any pension or retirement benefits legislation (be it federal, provincial, territorial, or otherwise) then applicable to any of the Canadian Subsidiaries, including the Pension Benefits Act (Ontario), the Income Tax Act (Canada), and all regulations made thereunder.

Applicable Eurodollar Rate. The applicable rate per annum of interest on the Eurodollar Loans shall be as set forth in the Pricing Table.

Applicable Facility Rate. The applicable rate per annum with respect to the Facility Fee shall be as set forth in the Pricing Table.

Applicable L/C Rate. The applicable rate per annum on the Maximum Drawing Amount shall be as set forth in the Pricing Table.

Applicable Requirements. See Section 7.10.

Applicable Swing Line Rate. The annual rate of interest agreed upon from time to time by MGT and the Borrower with respect to Swing Line Loans.

Assignment and Acceptance. See Section 20.

Availability. As of any date of determination, the aggregate amount of unused commitments of the lenders party to this Agreement and the 364 Day Facility as of such date.

Balance Sheet Date. December 31, 1998.

Banks. See Preamble.

Base Rate. The higher of (a) the annual rate of interest announced from time to time by the Administrative Agent at its Head Office as its "prime rate" (it being understood that such rate is a reference rate and not necessarily the lowest rate of interest charged by the Administrative Agent), or (b) one percent (1%) above the Overnight Federal Funds Effective Rate.

Base Rate Loans. Syndicated Loans bearing interest calculated by reference to the Base Rate.

BKB. See definition of "364-Day Facility".

BOA. See Preamble.

Borrower. See Preamble.

Business Day. Any day, other than a Saturday, Sunday or any day on which banking institutions in New York, New York are authorized by law to close, and, when used in connection with a Eurodollar Loan, a Eurodollar Business Day.

Capitalized Leases. Leases under which the Borrower or any of its Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

CERCLA. See Section 6.15(a).

Certified or certified. With respect to the financial statements of any Person, such statements as audited by a firm of independent auditors, whose report expresses the opinion, without qualification, that such financial statements present fairly the financial position of such Person.

CFO or the CAO. See Section 7.4(b).

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time.

Commitment. With respect to each Bank, such Bank's commitment to make Syndicated Loans to, and to participate in the issuance, extension and renewal of Letters of Credit for the account of, the Borrower, determined by multiplying such Bank's Commitment Percentage by the Total Commitment.

Commitment Percentage. With respect to each Bank, the percentage initially set forth next to such Bank's name on Schedule 1 hereto, as the same may be adjusted in accordance with Section 20.

Competitive Bid Loan(s). A borrowing hereunder consisting of one or more loans made by any of the participating Banks whose offer to make a Competitive Bid Loan as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 4 hereof.

Competitive Bid Loan Accounts. See Section 4.2(a).

Competitive Bid Margin. See Section 4.5(b)(iv).

Competitive Bid Notes. See Section 4.2(b).

Competitive Bid Quote. An offer by a Bank to make a Competitive Bid Loan in accordance with Section 4.5 hereof.

Competitive Bid Quote Request. See Section 4.3.

Competitive Bid Rate. See Section 4.5(b)(v).

Compliance Certificate. See Section 7.4(c).

Consolidated or consolidated. With reference to any term defined herein, shall mean that term as applied to the accounts of the Borrower and its Subsidiaries consolidated in accordance with GAAP.

Consolidated Earnings Before Interest and Taxes, or EBIT. For any period, the Consolidated Net Income (or Deficit) of the Borrower and its Subsidiaries on a consolidated basis plus the sum of (1) interest expense, (2) income taxes, and (3) $1,762,517,000 in charges, taken as a special charge in respect of the Borrower's internal review in the fiscal quarter ending September 30, 1999, to the extent that each of items (1) through (3) was deducted, without duplication, in determining Consolidated Net Income (or Deficit) in the relevant period.

Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA. For any period, EBIT plus (a) depreciation expense, and (b) amortization expense to the extent the same would be included in the calculation of Consolidated Net Income (or Deficit) for such period, determined in accordance with GAAP.

Consolidated Net Income (or Deficit). The consolidated net income (or deficit) of the Borrower and its Subsidiaries on a consolidated basis, after deduction of all expenses, taxes, and other proper charges, determined in accordance with GAAP.

Consolidated Net Worth. The sum of the par value of the capital stock (excluding treasury stock), capital in excess of par or stated value of shares of capital stock, retained earnings (minus accumulated deficit) and any other account which, in accordance with GAAP, constitute stockholders' equity, of the Borrower and its Subsidiaries determined on a consolidated basis, excluding any effect of foreign currency transaction computed pursuant to Financial Accounting Standards Board Statement No. 52, as amended, supplemented or modified from time to time, or otherwise in accordance with GAAP.

Consolidated Tangible Assets. Consolidated Total Assets less the sum of:

(a) the total book value of all assets of the Borrower and its Subsidiaries properly classified as intangible assets under generally accepted accounting principles, including such items as goodwill, the purchase price of acquired assets in excess of the

fair market value thereof, trademarks, trade names, service marks, customer lists, brand names, copyrights, patents and licenses, and rights with respect to the foregoing; plus

(b) all amounts representing any write-up in the book value of any assets of the Borrower or its Subsidiaries resulting from a revaluation thereof subsequent to the Balance Sheet Date.

Consolidated Total Assets. All assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

Consolidated Total Interest Expense. For any period, the aggregate amount of interest expense required by GAAP to be paid or accrued during such period on all Indebtedness of the Borrower and its Subsidiaries outstanding during all or any part of such period, including capitalized interest expense for such period.

364 Day Facility. That certain Amended and Restated Loan Agreement dated as of December 15, 1999 by and among the Borrower, WMH as guarantor, BankBoston, N.A. ("BKB"), BOA, Chase Bank of Texas, N.A., Deutsche and the other banks party thereto, and BKB as administrative agent thereunder, Banc of America Securities LLC and Chase Securities Inc. as joint lead arrangers and joint book managers thereunder, BOA and Chase Securities Inc. as syndication agents thereunder and Deutsche as documentation agent thereunder, as amended from time to time.

Defaulting Bank. See Section 5.12.

Defaults. See Section 12.1.

Deutsche. Deutsche Bank AG, New York Branch, the duly licensed New York branch of a German corporation having its principal place of business at 31 West 52nd Street, New York, New York 10019.

Disclosure Documents. The Borrower's financial statements referred to in Section 6.4 and filings made by the Borrower or WMH with the Securities and Exchange Commission that were publicly available prior to the Effective Date which were provided to the Banks.

Disposal. See "Release".

Distribution. The declaration or payment of any dividend or other return on equity on or in respect of any shares of any class of capital stock, any partnership interests or any membership interests of any Person, other than dividends or other such returns payable solely in shares of common stock, partnership interests or membership units of such Person, as the case may be; the purchase, redemption, or other retirement of any shares of any class of capital stock, partnership interests or membership units of such Person, directly or indirectly through a Subsidiary or otherwise; the return of equity capital by any Person to its shareholders, partners or members as such; or any other distribution on or in respect of any shares of any class of capital stock, partnership interest or membership unit of such Person.

Dollars or US$ or $ or U.S. Dollars. Dollars in lawful currency of the United States of America.

Dome. Dome Merger Subsidiary, Inc., a Delaware corporation and wholly owned Subsidiary of Borrower.

Domestic Strategic Dispositions. Any sale or other disposition of core and non-core assets owned by the Borrower and its Subsidiaries formed under the laws of the United States or any State thereof as more particularly described in Schedule 1.1(a), as such Schedule 1.1(a) may be added to from time to time by the Borrower with the approval of the Administrative Agent.

Drawdown Date. The date on which any Loan is made or is to be made, or any amount is paid by an Issuing Bank under a Letter of Credit.

EBIT. See definition of Consolidated Earnings Before Interest and Taxes.

EBITDA. See definition of Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization.

Effective Date. The date on which the conditions precedent set forth in Section 10.1 hereof are satisfied and the Majority Banks consent to this Agreement.

Employee Benefit Plan. Any employee benefit plan within the meaning of Section 3(3) of ERISA or Applicable Canadian Pension Legislation maintained or contributed to by the Borrower, any of its Subsidiaries, or any ERISA Affiliate, other than a Multiemployer Plan.

Environmental Laws. See Section 6.15(a).

EPA. See Section 6.15(b).

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower or any of its Subsidiaries under Section 414 of the Code.

ERISA Reportable Event. A reportable event within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder with respect to a Guaranteed Pension Plan as to which the requirement of notice has not been waived.

Eurocurrency Reserve Rate. For any day with respect to a Eurodollar Loan, the maximum rate (expressed as a decimal) at which any lender subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

Eurodollar Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other eurodollar interbank market as may be selected by the Administrative Agent in its sole discretion acting in good faith.

Eurodollar Lending Office. Initially, the office of each Bank set forth in the administrative materials provided to the Administrative Agent; thereafter, upon notice to the Administrative Agent, such other office of such Bank that shall be making or maintaining Eurodollar Loans.

Eurodollar Loans. Syndicated Loans bearing interest calculated by reference to the Eurodollar Rate.

Eurodollar Rate. For any Interest Period with respect to a Eurodollar Loan, the rate of interest equal to (i) the arithmetic average of the rates per annum for each Reference Bank at which such Reference Bank's Eurodollar Lending Office is offered Dollar deposits at approximately 10:00 a.m. (New York time) two (2) Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar operations of such Eurodollar Lending Office are customarily conducted, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Rate Loan of such Reference Bank to which such Interest Period applies, divided by (ii) a number equal to 1.00 minus the Eurocurrency Reserve Rate, if applicable (rounded upwards to the nearest 1/16 of one percent).

European Credit Facilities. That certain Credit Agreement dated November 26, 1998, providing for borrowings by Waste Management International ("International") and other foreign Subsidiaries of the Borrower, guaranteed by the Borrower, in the amount of Euro 167,000,000, as amended; and that certain Credit Agreement dated November 26, 1998, providing for borrowings by International and other foreign subsidiaries, guaranteed by the Borrower, in the amount of Euro 30,000,000, as amended.

European Strategic Dispositions. Any sale or other disposition of core and non-core assets owned by any Subsidiary of the Borrower not formed under the laws of the United States or any State thereof as more particularly described in Schedule 1.1(b), as such Schedule 1.1(b) may be added to from time to time by the Borrower with the approval of the Administrative Agent.

Events of Default. See Section 12.1.

Existing Credit Agreement. See Recitals.

Existing Domestic Bank Debt. The amount of Indebtedness outstanding under this Agreement and the 364 Day Facility from time to time.

Facility Fee. See Section 2.2.

generally accepted accounting principles or GAAP. (i) When used in Section 9, whether directly or indirectly through reference to a capitalized term used therein, means (A) principles that are consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, in effect for the fiscal year ended on the Balance Sheet Date, and (B) to the extent consistent with such principles, the accounting practice of the Borrower reflected in its financial statements for the year ended on the Balance Sheet Date, and (ii) when used in general, other than as provided above, means principles that are (A) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, as in effect from time to time, and (B) consistently applied with past financial statements of the Borrower adopting the same principles, provided that in each case referred to in this definition of "generally accepted accounting principles" a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in generally accepted accounting principles) as to financial statements in which such principles have been properly applied.

Guaranteed Obligations. See Section 28.1.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower, its Subsidiaries or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guarantor(s). Sanifill and WMH, collectively, until the release of Sanifill pursuant to Section 28.3 of this Agreement).

Hazardous Substances. See Section 6.15(b).

Head Office. The Administrative Agent's head office located in New York, New York, or at such other location as the Administrative Agent may designate from time to time.

Indebtedness. Collectively without duplication, whether classified as Indebtedness, an Investment or otherwise on the obligor's balance sheet, (a) all indebtedness for borrowed money, (b) all obligations for the deferred purchase price of property or services (other than trade payables not overdue by more than ninety (90) days incurred in the ordinary course of business), (c) all obligations evidenced by notes, bonds, debentures or other similar debt instruments, (d) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations, liabilities and indebtedness under Capitalized Leases, (f) all obligations, liabilities or indebtedness (contingent or otherwise) under surety, performance bonds or any other bonding arrangements, (g) all Indebtedness of others referred to in clauses (a) through (f) above which is guaranteed, or in effect guaranteed, by such obligor directly or indirectly in any manner, including through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling any Person to make payment of such

Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in any Person (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure any Person against loss, and (h) all Indebtedness referred to in clauses (a) through (g) above secured or supported by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured or supported by) any lien or encumbrance on (or other right of recourse to or against) property (including, without limitation, accounts and contract rights), even though the owner of the property has not assumed or become liable, contractually or otherwise, for the payment of such Indebtedness; provided that if a Permitted Receivables Transaction is outstanding and is accounted for as a sale of accounts receivable under generally accepted accounting principles, Indebtedness determined as aforesaid shall be adjusted to include the additional Indebtedness, determined on a consolidated basis, which would have been outstanding had such Permitted Receivables Transaction been accounted for as a borrowing. The sum of all such Indebtedness of the Borrower and its Subsidiaries on a consolidated basis under (a) through (h) above shall be referred to as "Total Debt"; provided, however, that Indebtedness under (f) above shall be included in such calculation only to the extent that a surety has been called upon to make payment on a bond.

Ineligible Securities. Securities which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

Interest Period. With respect to each Loan (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the periods set forth below, as selected by the Borrower in accordance with this Agreement (i) for any Base Rate Loan or Swing Line Loan, the first day of the month; (ii) for any Eurodollar Loan, 1, 2, 3, or 6 months; (iii) for any Absolute Competitive Bid Loan, from 7 through 180 days; and (iv) for any LIBOR Competitive Bid Loan, 1, 2, 3, 4, 5, or 6 months; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in accordance with this Agreement or if such period has no numerically corresponding day, on the last Business Day of such period; provided that any Interest Period which would otherwise end on a day which is not a Business Day shall be deemed to end on the next succeeding Business Day; provided further that for any Interest Period for any Eurodollar Loan or LIBOR Competitive Bid Loan, if such next succeeding Business Day falls in the next succeeding calendar month, such Interest Period shall be deemed to end on the next preceding Business Day; and provided further that no Interest Period shall extend beyond the Maturity Date.

Interim Balance Sheet Date. September 30, 1999.

Investments. All expenditures made by a Person and all liabilities incurred (contingently or otherwise) by a Person for the acquisition of stock (other than the stock of wholly owned Subsidiaries), pre-payments for use of landfill air space in excess of usual and customary industry practice, or Indebtedness of, or for loans, advances, capital contributions or transfers of property to, or in respect of any guaranties or other commitments as described under Indebtedness, or obligations of, any other Person, including without limitation, the funding of

any captive insurance company (other than loans, advances, capital contributions or transfers of property to any wholly owned Subsidiaries or guaranties with respect to Indebtedness of wholly owned Subsidiaries). In determining the aggregate amount of Investments outstanding at any particular time: (a) the amount of any Investment represented by a guaranty shall be taken at not less than the principal amount of the obligations guaranteed and still outstanding; (b) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (c) there shall be deducted in respect of each such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution); (d) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (b) may be deducted when paid; and (e) there shall not be deducted from the aggregate amount of Investments any decrease in the value thereof.

Issuance Fee. See Section 3.6.

Issuing Banks. The Bank(s) issuing Letters of Credit, which shall be (a) MGT, BOA, BankBoston, N.A., Chase Bank of Texas, N.A. and Fleet Bank, N.A. and (b) such other Banks as agreed to by the Borrower and the Administrative Agent.

Letter of Credit Applications. Letter of credit applications in such form as may be agreed upon by the Borrower and the Issuing Bank from time to time which are entered into pursuant to Section 3 hereof, as such Letter of Credit Applications are amended, varied or supplemented from time to time; provided, however, in the event of any conflict or inconsistency between the terms of any Letter of Credit Application and this Agreement, the terms of this Agreement shall control.

Letter of Credit Fee. See Section 3.6.

Letter of Credit Participation. See Section 3.1(b).

Letters of Credit. Standby or direct-pay letters of credit issued or to be issued by the Issuing Banks under Section 3 hereof for the account of the Borrower.

LIBOR Competitive Bid Loan(s). See Section 4.3(a).

LIBOR Rate. For any Interest Period with respect to a LIBOR Competitive Bid Loan, (a) the rate of interest equal to the rate determined by the Administrative Agent at which Dollar deposits for such Interest Period are offered based on information presented on Telerate Page 3750 as of 11:00 a.m. (London time) two (2) Eurodollar Business Days prior to the first day of such Interest Period, or (b) if such rate is not shown at such place, the rate of interest equal to (i) the arithmetic average of the rates per annum for each Reference Bank at which such Reference Bank's Eurodollar Lending Office is offered Dollar deposits two (2) Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar operations of such Eurodollar Lending Office are customarily conducted, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Loan of such Reference Bank to which such

Interest Period applies, divided by (ii) a number equal to 1.00 minus the Eurocurrency Reserve Rate, if applicable (rounded upwards to the nearest 1/16 of one percent).

Loan Documents. This Agreement, the Notes, the Letter of Credit Applications, the Letters of Credit and any documents, instruments or agreements executed in connection with any of the foregoing, each as amended, modified, supplemented, or replaced from time to time.

Loans. Collectively, the Syndicated Loans, the Swing Line Loans and the Competitive Bid Loans.

Majority Banks. The Banks with fifty-one percent (51%) of the Total Commitment; provided that in the event that the Total Commitment has been terminated, the Majority Banks shall be the Banks holding fifty-one percent (51%) of the aggregate outstanding principal amount of the Obligations on such date.

Material Subsidiary. Any Subsidiary which, at the time such determination is made, (a) has assets, revenues, or liabilities equal to at least $20,000,000, or (b) is the holder of or the applicant for a permit to operate a solid waste facility pursuant to RCRA or any analogous state law.

Maturity Date. August 7, 2002.

Maximum Drawing Amount. The maximum aggregate amount from time to time that the beneficiaries may draw under outstanding Letters of Credit.

MGT. See Preamble.

Moody's. Moody's Investors Service, Inc.

Multiemployer Plan. Any multiemployer plan within the meaning of Section 3(37) of ERISA maintained or contributed to by the Borrower, any of its Subsidiaries, or any ERISA Affiliate.

Net Cash Proceeds. With respect to any sale of any assets of the Borrower or any of its Subsidiaries, the gross cash consideration received by the Borrower or any of its Subsidiaries, net of (a) commissions, direct sales costs, normal closing costs and adjustments, (b) the amount used to repay any Indebtedness secured by such assets, (c) any amount which by the terms of such sale, or by applicable law must be repaid out of the proceeds of such asset sale, (d) all amounts to be provided by the seller as a reserve, in accordance with GAAP, or retained in escrow with respect to any liabilities associated with the assets disposed of in such asset sale, (e) income taxes attributable to such sale, and (f) professional fees and expenses incurred directly or payable in connection therewith; provided that if any consideration which would otherwise constitute "Net Cash Proceeds" is required to be held in escrow pending determination of whether a purchase price adjustment will be made, such escrow amount shall become "Net Cash Proceeds" only at such time as it is released from escrow. For purposes of determining the amount of Net Cash Proceeds associated with any asset sale which is in a currency other than U.S. Dollars, the Borrower shall, for purposes of Section Section 8.4 and 8.5, calculate an equivalent amount

of such Net Cash Proceeds in U.S. Dollars by utilizing the conversion rates published in the Wall Street Journal on the first Business Day of the week during which such asset sale occurred.

New Lending Office. See Section 5.1(c).

Non-U.S. Bank. See Section 5.1(b).

Notes. Collectively, the Competitive Bid Notes, the Syndicated Notes, and the Swing Line Note.

Obligations. All indebtedness, obligations and liabilities of the Borrower to any of the Banks and the Administrative Agent arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or Reimbursement Obligations incurred or the Letters of Credit, the Notes, or any other instrument at any time evidencing any thereof individually or collectively, existing on the date of this Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

Original Parties. See Recitals.

Overnight Federal Funds Effective Rate. The overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time, or if such rate is not published, the average of the quotations at approximately 11:00 a.m. New York time for the day of such transaction(s), received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

PBGC. The Pension Benefit Guaranty Corporation created by Section 4002 of ERISA and any successor entity or entities having similar responsibilities.

Permitted Liens. See Section 8.2.

Permitted Receivables Transaction. Any sale or sales of, and/or securitization of, any accounts receivable of the Borrower and/or any of its Subsidiaries (the "Receivables") pursuant to which (a) the Borrower and its Subsidiaries realize aggregate net proceeds of not more than $500,000,000 at any one time outstanding, including, without limitation, any revolving purchase(s) of Receivables where the maximum aggregate uncollected purchase price (exclusive of any deferred purchase price) for such Receivables at any time outstanding does not exceed $500,000,000, and (b) which Receivables shall not be discounted more than 25%.

Person. Any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

Pricing Table:

LEVEL	SENIOR PUBLIC DEBT RATING	APPLICABLE FACILITY RATE	APPLICABLE L/C RATE	APPLICABLE EURODOLLAR RATE
1	(Greater than or equal to BBB by Standard & Poor's and greater than or equal to Ba2 by Moody's) or (greater than or equal to BBB- by Standard & Poor's and greater than or equal to Ba1 by Moody's)	0.2500% per annum	1.0000% per annum	Eurodollar Rate plus 1.0000% per annum
2	BBB- by Standard & Poor's and Ba2 by Moody's	0.3000% per annum	1.2000% per annum	Eurodollar Rate plus 1.2000% per annum
3	(BB+ by Standard & Poor's and Ba1 or Ba2 by Moody's) or (BB by Standard & Poor's and Ba1 by Moody's)	0.3750% per annum	1.3750% per annum	Eurodollar Rate plus 1.3750% per annum
4	BB by Standard & Poor's and Ba2 by Moody's	0.4000% per annum	1.6000% per annum	Eurodollar Rate plus 1.6000% per annum
5	(Less than BB by Standard & Poor's or Ba2 by Moody's) or (Unrated by Standard & Poor's and Moody's)	0.5000% per annum	1.7500% per annum	Eurodollar Rate plus 1.7500% per annum

The applicable rates charged for any day shall be determined by the Senior Public Debt Rating in effect as of that day.

RCRA. See Section 6.15(a).

Real Property. All real property heretofore, now, or hereafter owned, operated, or leased by the Borrower or any of its Subsidiaries.

Reference Banks. BOA, Deutsche and MGT.

Regulatory Disposition. The disposition of any assets of the Borrower and its Subsidiaries required under antitrust laws in connection with the WMI Merger.

Reimbursement Obligation. The Borrower's obligation to reimburse the applicable Issuing Bank and the Banks on account of any drawing under any Letter of Credit, all as provided in Section 3.2.

Release. Shall have the meaning specified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section Section 9601 et seq. ("CERCLA") and the term "Disposal" (or "Disposed") shall have the meaning specified in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section Section 6901 et seq. ("RCRA") and regulations promulgated thereunder; provided, that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment and provided further, to the extent that the laws of Canada or a state, province, territory or other political subdivision thereof wherein the property lies establish a meaning for "Release" or "Disposal" which is broader than specified in either CERCLA, or RCRA, such broader meaning shall apply to the Borrower's or any of its Subsidiaries' activities in that state, province, territory or political subdivision.

Replacement Bank. See Section 5.12.

Replacement Notice. See Section 5.12.

Sanifill. Sanifill, Inc., a Delaware corporation having its chief executive office at 1001 Fannin Street, Suite 4000, Houston, Texas 77002.

Sanifill Convertible Subordinated Debt. Indebtedness under that certain indenture dated as of March 1, 1996, by and between Sanifill and Chase Bank of Texas (f/k/a Texas Commerce Bank National Association) as Trustee, as in effect on August 7, 1997, with respect to $115,000,000 of 5% convertible subordinated debt due March 1, 2006.

Section 20 Subsidiary. A Subsidiary of the bank holding company controlling any Bank, which Subsidiary has been granted authority by the Federal Reserve Board to underwrite and deal in certain Ineligible Securities.

Senior Public Debt Rating. The ratings of the Borrower's public unsecured long-term senior debt, without third party credit enhancement, issued by Moody's and Standard & Poor's.

Standard & Poor's. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Strategic Dispositions. Domestic Strategic Dispositions and European Strategic Dispositions.

Subsidiary. Any corporation, association, trust, or other business entity of which the designated parent shall at any time own directly or indirectly through a Subsidiary or

Subsidiaries at least a majority of the outstanding capital stock or other interest entitled to vote generally.

Swing Line Loans. See Section 2.11(a).

Swing Line Note. See Section 2.11(a).

Swing Line Settlement. The making or receiving of payments, in immediately available funds, by the Banks to or from the Administrative Agent in accordance with Section 2.11 hereof to the extent necessary to cause each Bank's actual share of the outstanding amount of the Syndicated Loans to be equal to such Bank's Commitment Percentage of the outstanding amount of such Syndicated Loans, in any case when, prior to such action, the actual share is not so equal.

Swing Line Settlement Amount. See Section 2.11(b).

Swing Line Settlement Date. See Section 2.11(b).

Swing Line Settling Bank. See Section 2.11(b).

Syndicated Loan Request. See Section 2.6(a).

Syndicated Loans. A borrowing hereunder consisting of one or more loans made by the Banks to the Borrower under the procedure described in Section 2.1(a) and Section 2.11 hereof.

Syndicated Notes. See Section 2.4(a).

Terminated Plans. The Waste Management, Inc. Pension Plan and The Waste Management of Alameda County, Inc. Retirement Plan.

Total Commitment. $2,000,000,000, as such amount may be reduced pursuant to Section 2.3 hereof, or, if such Total Commitment has been terminated pursuant to Section 2.3 or Section 12.2 hereof, zero.

WMH. Waste Management Holdings, Inc. (f/k/a Waste Management, Inc.), a wholly owned subsidiary of the Borrower.

WMI Merger. The merger of Dome into WMH pursuant to the WMI Merger Agreement, on or about July 16, 1998, with WMH having become the surviving corporation and having become a wholly owned subsidiary of the Borrower and with WMH having changed its name to Waste Management Holdings, Inc.

WMI Merger Agreement. The Agreement and Plan of Merger, dated as of March 10, 1998, among the Borrower, Dome and WMH.

Year 2000 Compliance Issue. The risk that computer applications used by the Borrower or any of its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999.

SECTION 1.2. RULES OF INTERPRETATION.

(a) Unless otherwise noted, a reference to any document or agreement (including this Agreement) shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) Accounting terms capitalized but not otherwise defined herein have the meanings assigned to them by generally accepted accounting principles applied on a consistent basis by the accounting entity to which they refer.

(f) The words "include", "includes" and "including" are not limiting.

(g) All terms not specifically defined herein or by generally accepted accounting principles, which terms are defined in the Uniform Commercial Code as in effect in the State of New York, have the meanings assigned to them therein.

(h) Reference to a particular "Section " refers to that section of this Agreement unless otherwise indicated.

(i) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

SECTION 2. THE LOAN FACILITIES.

SECTION 2.1. COMMITMENT TO LEND.

(a) Subject to the terms and conditions set forth in this Agreement, each of the Banks severally agrees to lend to the Borrower and the Borrower may borrow, repay, and reborrow from time to time between the Effective Date and the Maturity Date, upon notice by the Borrower to the Administrative Agent given in accordance with this Section 2, its Commitment Percentage of the Syndicated Loans as are requested by the Borrower; provided that the sum of the outstanding principal amount of the Syndicated Loans (including the Swing Line Loans) and the Maximum Drawing Amount of outstanding Letters of Credit shall not exceed the Total Commitment minus the aggregate amount of Competitive Bid Loans outstanding at such time.

(b) Each request for a Loan or Letter of Credit hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 10 and Section 11, as the case may be, have been satisfied on the date of such request. Any unpaid Reimbursement Obligation shall be a Base Rate Loan, as set forth in Section 3.2(a).

SECTION 2.2. FACILITY FEE. The Borrower agrees to pay to the Administrative Agent for the account of the Banks a fee (the "Facility Fee") on the Total Commitment equal to the Applicable Facility Rate multiplied by the Total Commitment. The Facility Fee shall be payable for the period from and after the Effective Date quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter with the first such payment commencing on January 1, 2000 and with a final payment on the Maturity Date (or on the date of termination in full of the Total Commitment, if earlier). The Facility Fee shall be distributed pro rata among the Banks in accordance with each Bank's Commitment Percentage.

SECTION 2.3. REDUCTION OF TOTAL COMMITMENT.

(a) The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Administrative Agent to reduce by $25,000,000 or a greater amount or terminate entirely, the Total Commitment, whereupon each Bank's Commitment shall be reduced pro rata in accordance with such Bank's Commitment Percentage of the amount specified in such notice or, as the case may be, terminated provided that at no time may (i) the Total Commitment be reduced to an amount less than the sum of (A) the Maximum Drawing Amount of all Letters of Credit, and (B) all Loans then outstanding.

(b) The Total Commitment shall be automatically reduced as required pursuant to Section Section 8.4(c) and (d), whereupon each Bank's Commitment shall be reduced pro rata in accordance with such Bank's Commitment Percentage of the amount terminated.

(c) No reduction or termination of the Total Commitment once made may be revoked; the portion of the Total Commitment reduced or terminated may not be reinstated; and amounts in respect of such reduced or terminated portion may not be reborrowed.

(d) The Administrative Agent will notify the Banks promptly after receiving any notice delivered by the Borrower pursuant to this Section 2.3 and will distribute to each Bank a revised Schedule 1 to this Agreement.

SECTION 2.4. THE SYNDICATED NOTES.

(a) The Syndicated Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A hereto (each, a "Syndicated Note"), dated as of the Effective Date (or such later date at which a Bank becomes a party hereto pursuant to Section 20) and completed with appropriate insertions. One Syndicated Note shall be payable to the order of each Bank in an amount equal to its maximum Commitment, and shall represent the obligation of the Borrower to pay such Bank such principal amount or, if less, the outstanding principal amount of all Syndicated Loans made by such Bank, plus interest accrued thereon, as set forth herein.

(b) The Borrower irrevocably authorizes each Bank to make, or cause to be made, in connection with a Drawdown Date of any Syndicated Loan and at the time of receipt of any payment of principal on its Syndicated Note, an appropriate notation on

such Bank's records or on the schedule attached to such Bank's Syndicated Note or a continuation of such schedule attached thereto reflecting the making of such Loan, or the receipt of such payment (as the case may be) and each Bank may, prior to any transfer of its Syndicated Note endorse on the reverse side thereof the outstanding principal amount of such Loans evidenced thereby. The outstanding amount of the Loans set forth on such Bank's records shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder or under such Notes to make payments of principal of or interest on any such Notes when due.

SECTION 2.5. INTEREST ON LOANS.

(a) The outstanding principal amount of the Syndicated Loans shall bear interest at the rate per annum equal to (i) the Base Rate on Base Rate Loans, (ii) the Applicable Eurodollar Rate on Eurodollar Loans and (iii) the Applicable Swing Line Rate on Swing Line Loans.

(b) Interest shall be payable (i) monthly in arrears on the first Business Day of each month, with the first such payment commencing January 1, 2000, on Base Rate Loans, (ii) on the last day of the applicable Interest Period, and if such Interest Period is longer than three months, also on the last day of each three month period following the commencement of such Interest Period, on Eurodollar Loans, and (iii) on the Maturity Date for all Loans.

SECTION 2.6. REQUESTS FOR SYNDICATED LOANS.

(a) The Borrower shall give to the Administrative Agent written notice in the form of Exhibit D hereto (or telephonic notice confirmed in writing or a facsimile in the form of Exhibit D hereto) of each Syndicated Loan requested hereunder (a "Syndicated Loan Request") not later than (a) 11:00 a.m. (New York time) on the proposed Drawdown Date of any Base Rate Loan, or (b) 11:00 a.m. (New York time) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Eurodollar Loan. Each such Syndicated Loan Request shall specify (A) the principal amount of the Syndicated Loan requested, (B) the proposed Drawdown Date of such Syndicated Loan, (C) whether such Syndicated Loan requested is to be a Base Rate Loan or a Eurodollar Loan, and (D) the Interest Period for such Syndicated Loan, if a Eurodollar Loan. Each Syndicated Loan requested shall be in a minimum amount of $10,000,000. Each such Syndicated Loan Request shall reflect the Maximum Drawing Amount of all Letters of Credit outstanding and the amount of all Loans outstanding (including Competitive Bid Loans and Swing Line Loans). Syndicated Loan Requests made hereunder shall be irrevocable and binding on the Borrower, and shall obligate the Borrower to accept the Syndicated Loan requested from the Banks on the proposed Drawdown Date.

(b) Each of the representations and warranties made by the Borrower to the Banks or the Administrative Agent in this Agreement or any other Loan Document shall be true and correct in all material respects when made and shall, for all purposes of this Agreement, be deemed to be repeated by the Borrower on and as of the date of the submission of a Syndicated

Loan Request, Competitive Bid Quote Request, or Letter of Credit Application and on and as of the Drawdown Date of any Loan or the date of issuance of any Letter of Credit (except to the extent (i) of changes resulting from transactions contemplated or permitted by this Agreement and the other Loan Documents, (ii) of changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the business, assets or financial condition of the Borrower and its Subsidiaries as a whole, or (iii) that such representations and warranties expressly relate only to an earlier date).

(c) The Administrative Agent shall promptly notify each Bank of each Syndicated Loan Request received by the Administrative Agent (i) on the proposed Drawdown Date of any Base Rate Loan, or (ii) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Eurodollar Loan.

SECTION 2.7. ELECTION OF EURODOLLAR RATE; NOTICE OF ELECTION; INTEREST PERIODS; MINIMUM AMOUNTS.

(a) At the Borrower's option, so long as no Default or Event of Default has occurred and is then continuing, the Borrower may (i) elect to convert any Base Rate Loan or a portion thereof to a Eurodollar Loan, (ii) at the time of any Syndicated Loan Request, specify that such requested Loan shall be a Eurodollar Loan, or (iii) upon expiration of the applicable Interest Period, elect to maintain an existing Eurodollar Loan as such, provided that the Borrower give notice to the Administrative Agent pursuant to Section 2.7(b) hereof. Upon determining any Eurodollar Rate, the Administrative Agent shall forthwith provide notice thereof to the Borrower and the Banks, and each such notice to the Borrower shall be considered prima facie correct and binding, absent manifest error.

(b) Three (3) Eurodollar Business Days prior to the making of any Eurodollar Loan or the conversion of any Base Rate Loan to a Eurodollar Loan, or, in the case of an outstanding Eurodollar Loan, the expiration date of the applicable Interest Period, the Borrower shall give written, telex or facsimile notice (or telephonic notice promptly confirmed in a writing or a facsimile) received by the Administrative Agent not later than 11:00 a.m. (New York time) of its election pursuant to Section 2.7(a). Each such notice delivered to the Administrative Agent shall specify the aggregate principal amount of the Syndicated Loans to be borrowed or maintained as or converted to Eurodollar Loans and the requested duration of the Interest Period that will be applicable to such Eurodollar Loan, and shall be irrevocable and binding upon the Borrower. If the Borrower shall fail to give the Administrative Agent notice of its election hereunder together with all of the other information required by this Section 2.7(b) with respect to any Syndicated Loan, whether at the end of an Interest Period or otherwise, such Syndicated Loan shall be deemed a Base Rate Loan. The Administrative Agent shall promptly notify the Banks in writing (or by telephone confirmed in writing or by facsimile) of such election.

(c) Notwithstanding anything herein to the contrary, the Borrower may not specify an Interest Period that would extend beyond the Maturity Date.

(d) No conversion of Loans pursuant to this Section 2.7 may result in Eurodollar Loans that are less than $5,000,000. In no event shall the Borrower have more than eight (8) different Interest Periods for borrowings of Eurodollar Loans outstanding at any time.

(e) Subject to the terms and conditions of Section 5.8 hereof, if any Affected Bank demands compensation under Section 5.5(c) or (d) with respect to any Eurodollar Loan, the Borrower may at any time, upon at least three (3) Business Days' prior written notice to the applicable Administrative Agent, elect to convert such Eurodollar Loan into a Base Rate Loan (on which interest and principal shall be payable contemporaneously with the related Eurodollar Loans of the other Banks). Thereafter, and until such time as the Affected Bank notifies the Administrative Agent that the circumstances giving rise to the demand for compensation under Section 5.5(c) or (d) no longer exist, all requests for Eurodollar Loans from such Affected Bank shall be deemed to be requests for Base Rate Loans. Once the Affected Bank notifies the Administrative Agent that such circumstances no longer exist, the Borrower may elect that the principal amount of each such Loan converted hereunder shall again bear interest as Eurodollar Loans beginning on the first day of the next succeeding Interest Period applicable to the related Eurodollar Loans of the other Banks.

SECTION 2.8. FUNDS FOR SYNDICATED LOANS. Not later than 1:00 p.m. (New York time) on the proposed Drawdown Date of Syndicated Loans, each of the Banks will make available to the Administrative Agent at its Head Office, in immediately available funds, the amount of its Commitment Percentage of the amount of the requested Loan. Upon receipt from each Bank of such amount, and upon receipt of the documents required by Section 10 and Section 11 and the satisfaction of the other conditions set forth therein, the Administrative Agent will make available to the Borrower the aggregate amount of such Syndicated Loans made available by the Banks. The failure or refusal of any Bank to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Syndicated Loan shall not relieve any other Bank from its several obligations hereunder to make available to the Administrative Agent the amount of such Bank's Commitment Percentage of the requested Loan.

SECTION 2.9. MATURITY OF THE LOANS AND REIMBURSEMENT OBLIGATIONS. The Borrower promises to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all of the Loans and unpaid Reimbursement Obligations outstanding on such date, together with any and all accrued and unpaid interest thereon and any fees and other amounts owing hereunder.

SECTION 2.10. OPTIONAL PREPAYMENTS OR REPAYMENTS OF LOANS. Subject to the terms and conditions of Section 5.8, the Borrower shall have the right, at its election, to repay or prepay the outstanding amount of the Loans, as a whole or in part, at any time without penalty or premium. The Borrower shall give the Administrative Agent no later than 11:00 a.m. (New York time) (a) on the proposed date of prepayment or repayment of Base Rate Loans and (b) three (3) Business Day prior to the proposed date of prepayment or repayment of all other Loans, written notice (or telephonic notice confirmed in writing or by facsimile) of any proposed prepayment or repayment pursuant to this Section 2.10, specifying the proposed date of prepayment or repayment of

Loans and the principal amount to be paid. Notwithstanding the foregoing, the Borrower may not prepay any Competitive Bid Loans. The Administrative Agent shall promptly notify each Bank by written notice (or telephonic notice confirmed in writing or by facsimile) of such notice of payment.

SECTION 2.11. SWING LINE LOANS; SETTLEMENTS.

(a) Solely for ease of administration of the Syndicated Loans, MGT may, but shall not be required to, fund Base Rate Loans made in accordance with the provisions of this Agreement ("Swing Line Loans"). The Swing Line Loans shall be evidenced by a promissory note of the Borrower in substantially the form of Exhibit B hereto (the "Swing Line Note") and, at the discretion of MGT may be in amounts less than $10,000,000 provided that the outstanding amount of Swing Line Loans advanced by MGT hereunder shall not exceed $10,000,000 at any time. Each Bank shall remain severally and unconditionally liable to fund its pro rata share (based upon each Bank's Commitment Percentage) of such Swing Line Loans on each Swing Line Settlement Date and, in the event MGT chooses not to fund all Base Rate Loans requested on any date, to fund its Commitment Percentage of the Base Rate Loans requested, subject to satisfaction of the provisions hereof relating to the making of Base Rate Loans. Prior to each Swing Line Settlement, all payments or repayments of the principal of, and interest on, Swing Line Loans shall be credited to the account of MGT.

(b) The Banks shall effect Swing Line Settlements on (i) the Business Day immediately following any day which MGT gives written notice to the Administrative Agent to effect a Swing Line Settlement, (ii) the Business Day immediately following the Administrative Agent's becoming aware of the existence of any Default or Event of Default and (iii) the Maturity Date (each such date, a "Swing Line Settlement Date"). One (1) Business Day prior to each such Swing Line Settlement Date, the Administrative Agent shall give telephonic notice to the Banks of (A) the respective outstanding amount of Syndicated Loans made by each Bank as at the close of business on the prior day, (B) the amount that any Bank, as applicable (a "Swing Line Settling Bank"), shall pay to effect a Swing Line Settlement (a "Swing Line Settlement Amount") and (C) the portion (if any) of the aggregate Swing Line Settlement Amount to be paid to each Bank. A statement of the Administrative Agent submitted to the Banks with respect to any amounts owing hereunder shall be prima facie evidence of the amount due and owing. Each Swing Line Settling Bank shall, not later than 1:00 p.m. (New York time) on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to the Administrative Agent at its Head Office in the amount of such Bank's Swing Line Settlement Amount. The Administrative Agent shall, as promptly as practicable during normal business hours on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to each Bank of the Swing Line Settlement Amount to be paid to such Bank. All funds advanced by any Bank as a Swing Line Settling Bank pursuant to this Section 2.11(b) shall for all purposes be treated as a Base Rate Loan made by such Swing Line Settling Bank to the Borrower, and all funds received by any Bank pursuant to this Section 2.11(b) shall for all purposes be treated as repayment of amounts owed by the Borrower with respect to Base Rate Loans made by such Bank.

(c) The Administrative Agent may (unless notified to the contrary by any Swing Line Settling Bank by 12:00 noon (New York time) one (1) Business Day prior to the Settlement Date) assume that each Swing Line Settling Bank has made available (or will make available by the time specified in Section 2.11(b)) to the Administrative Agent its Swing Line Settlement Amount, and the Administrative Agent may (but shall not be required to), in reliance upon such assumption, make available to each applicable Bank its share (if any) of the aggregate Swing Line Settlement Amount. If the Swing Line Settlement Amount of such Swing Line Settling Bank is made available to the Administrative Agent by such Swing Line Settling Bank on a date after such Swing Line Settlement Date, such Swing Line Settling Bank shall pay the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period times (ii) such Swing Line Settlement Amount times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Swing Line Settlement Date to but not including the date on which such Swing Line Settlement Amount shall become immediately available to the Administrative Agent, and the denominator of which is 365. Upon payment of such amount such Swing Line Settling Bank shall be deemed to have delivered its Swing Line Settlement Amount on the Swing Line Settlement Date and shall become entitled to interest payable by the Borrower with respect to such Swing Line Settling Bank's Swing Line Settlement Amount as if such share were delivered on the Swing Line Settlement Date. If such Swing Line Settlement Amount is not in fact made available to the Administrative Agent by such Swing Line Settling Bank within three (3) Business Days of such Swing Line Settlement Date, the Administrative Agent shall be entitled to recover such amount from the Borrower, with interest thereon at the Base Rate.

(d) After any Swing Line Settlement Date, any payment by the Borrower of Swing Line Loans hereunder shall be allocated among the Banks, in amounts determined so as to provide that after such application and the related Swing Line Settlement, the outstanding amount of Syndicated Loans of each Bank equals, as nearly as practicable, such Bank's Commitment Percentage of the aggregate amount of Syndicated Loans.

SECTION 3. LETTERS OF CREDIT.

SECTION 3.1. LETTER OF CREDIT COMMITMENTS.

(a) Subject to the terms and conditions hereof and the receipt of a Letter of Credit Application by an Issuing Bank, with a copy to the Administrative Agent reflecting the Maximum Drawing Amount of all Letters of Credit (including the requested Letter of Credit), such Issuing Bank, on behalf of the Banks and in reliance upon the representations and warranties of the Borrower contained herein and the agreement of the Banks contained in Section 3.1(b) hereof, agrees to issue Letters of Credit for the account of the Borrower (which may, with such Issuing Bank's consent, incorporate automatic renewals for periods of up to twelve (12) months), in such form as may be requested from time to time by the Borrower and agreed to by the Issuing Bank;

provided, however, that, after giving effect to such request, the aggregate Maximum Drawing Amount of all Letters of Credit issued at any time shall not exceed the Total Commitment minus the aggregate outstanding amount of the Loans and provided further, that no Letter of Credit shall have an expiration date later than the earlier of (i) eighteen (18) months after the date of issuance (which may incorporate automatic renewals for periods of up to twelve (12) months), or (ii) five (5) Business Days prior to the Maturity Date. The letters of credit listed in Schedule 3.1(a) issued by Issuing Banks under the Existing Credit Agreement shall be Letters of Credit under this Agreement.

(b) Each Letter of Credit shall be denominated in Dollars. Each Bank severally agrees that it shall be absolutely liable, without regard to the occurrence of any Default or Event of Default, the termination of the Total Commitment pursuant to Section 12.2, or any other condition precedent whatsoever, to the extent of such Bank's Commitment Percentage to reimburse the Issuing Bank on demand for the amount of each draft paid by the Issuing Bank under each Letter of Credit to the extent that such amount is not reimbursed by the Borrower pursuant to Section 3.2 (such agreement for a Bank being called herein the "Letter of Credit Participation" of such Bank). Each Bank agrees that its obligation to reimburse the Issuing Bank pursuant to this Section 3.1(b) shall not be affected in any way by any circumstance other than the gross negligence or willful misconduct of the Issuing Bank.

(c) Each such reimbursement payment made by a Bank to the Issuing Bank shall be treated as the purchase by such Bank of a participating interest in the applicable Reimbursement Obligation under Section 3.2 in an amount equal to such payment. Each Bank shall share in accordance with its participating interest in any interest which accrues pursuant to Section 3.2.

SECTION 3.2. REIMBURSEMENT OBLIGATION OF THE BORROWER. In order to induce the Issuing Banks to issue, extend and renew each Letter of Credit, the Borrower hereby agrees to reimburse or pay to each Issuing Bank, with respect to each Letter of Credit issued, extended or renewed by such Issuing Bank hereunder as follows:

(a) if any draft presented under any Letter of Credit is honored by such Issuing Bank or such Issuing Bank otherwise makes payment with respect thereto, the sum of (i) the amount paid by such Issuing Bank under or with respect to such Letter of Credit, and (ii) the amount of any taxes, fees, charges or other costs and expenses whatsoever incurred by such Issuing Bank in connection with any payment made by such Issuing Bank under, or with respect to, such Letter of Credit, provided however, if the Borrower does not reimburse such Issuing Bank on the Drawdown Date, such amount shall, provided that no Event of Default under Section Section 12.1(g) or 12.1(h) has occurred, become automatically a Syndicated Loan which is a Base Rate Loan advanced hereunder in an amount equal to such sum; and

(b) upon the Maturity Date or the acceleration of the Reimbursement Obligations with respect to all Letters of Credit in accordance with Section 12, an amount equal to the then Maximum Drawing Amount of all Letters of Credit shall be paid by the

Borrower to the Administrative Agent to be held as cash collateral for the applicable Reimbursement Obligations.

SECTION 3.3. OBLIGATIONS ABSOLUTE. The Borrower's respective obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of the occurrence of any Default or Event of Default or any condition precedent whatsoever or any setoff, counterclaim or defense to payment which the Borrower may have or have had against any Issuing Bank, any Bank or any beneficiary of a Letter of Credit, and the Borrower expressly waives any such rights that it may have with respect thereto. The Borrower further agrees with each Issuing Bank and the Banks that such Issuing Bank and the Banks (i) shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.2 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged (unless due to the willful misconduct of such Issuing Bank or any other Bank), or any dispute between or among the Borrower and the beneficiary of any Letter of Credit or any financing institution or other party to which any Letter of Credit may be transferred or any claims or defenses whatsoever of the Borrower against the beneficiary of any Letter of Credit or any such transferee, and (ii) shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit except to the extent of their own willful misconduct. The Borrower agrees that any action taken or omitted by any Issuing Bank or any Bank in good faith under or in connection with any Letter of Credit and the related drafts and documents shall be binding upon the Borrower and shall not result in any liability on the part of such Issuing Bank or any Bank (or their respective affiliates) to the Borrower. Nothing herein shall constitute a waiver by the Borrower of any of its rights against any beneficiary of a Letter of Credit.

SECTION 3.4. RELIANCE BY THE ISSUING BANKS. To the extent not inconsistent with Section 3.3, each Issuing Bank shall be entitled to rely, and shall be fully protected in relying, upon any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile, telex or teletype message, statement, order or other document believed by such Issuing Bank in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by such Issuing Bank.

SECTION 3.5. NOTICE REGARDING LETTERS OF CREDIT. One (1) Business Day prior to the issuance of any Letter of Credit or amendments, extensions or terminations thereof, the applicable Issuing Bank shall notify the Administrative Agent of the terms of such Letter of Credit, amendment, extension or termination. On the day of any drawing under any Letter of Credit, such Issuing Bank shall notify the Administrative Agent of such drawing under any Letter of Credit.

SECTION 3.6. LETTER OF CREDIT FEE. The Borrower shall pay a fee (the "Letter of Credit Fee") equal to the Applicable L/C Rate on the Maximum Drawing Amount of the Letters of Credit to the Administrative Agent for the account of the Banks, to be shared pro rata by the Banks in accordance with their respective Commitment Percentages. The Letter of Credit Fee shall be payable quarterly in arrears on the first day of each calendar quarter for the quarter just ended, with the first such payment commencing January 1, 2000, and on the Maturity Date. In addition,

an issuing fee (the "Issuance Fee") with respect to each Letter of Credit to be agreed upon annually between the Borrower and each Issuing Bank shall be payable to such Issuing Bank for its account.

SECTION 4. COMPETITIVE BID LOANS.

SECTION 4.1. THE COMPETITIVE BID OPTION. In addition to the Syndicated Loans made pursuant to Section 2 hereof, the Borrower may request Competitive Bid Loans pursuant to the terms of this Section 4. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept such offers in the manner set forth in this Section 4. Notwithstanding any other provision herein to the contrary, at no time shall the aggregate principal amount of Competitive Bid Loans outstanding at any time exceed the Total Commitment minus the sum of (a) the aggregate outstanding principal amount of Syndicated Loans (including the Swing Loans), plus (b) the Maximum Drawing Amount of Letters of Credit, outstanding at such time.

SECTION 4.2. COMPETITIVE BID LOAN ACCOUNTS: COMPETITIVE BID NOTES.

(a) The obligation of the Borrower to repay the outstanding principal amount of any and all Competitive Bid Loans, plus interest at the applicable rate accrued thereon, shall be evidenced by this Agreement and by individual loan accounts (the "Competitive Bid Loan Accounts" and individually, a "Competitive Bid Loan Account") maintained by the Administrative Agent on its books for each of the Banks, it being the intention of the parties hereto that, except as provided for in paragraph (b) of this Section 4.2, the Borrower's obligations with respect to Competitive Bid Loans are to be evidenced only as stated herein and not by separate promissory notes.

(b) Any Bank may at any time, and from time to time, request that any Competitive Bid Loans outstanding to such Bank be evidenced by a promissory note of the Borrower in substantially the form of Exhibit C hereto (each, a "Competitive Bid Note"), dated as of the Effective Date and completed with appropriate insertions. One Competitive Bid Note shall be payable to the order of each Bank in an amount equal to the Total Commitment, and representing the obligation of the Borrower to pay such Bank such principal amount or, if less, the outstanding principal amount of any and all Competitive Bid Loans made by such Bank, plus interest at the applicable Competitive Bid Rate or Competitive Bid Margin accrued thereon, as set forth herein. Upon execution and delivery by the Borrower of a Competitive Bid Note, the Borrower's obligation to repay any and all Competitive Bid Loans made to it by such Bank and all interest thereon shall thereafter be evidenced by such Competitive Bid Note.

(c) The Borrower irrevocably authorizes (i) each Bank to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Bank's Competitive Bid Note in the case of a Competitive Bid Note, and (ii) the Administrative Agent to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Bank's Competitive Bid Loan Account in the case of a Competitive Bid Loan Account, an appropriate notation on such Bank's

records or on the schedule attached to such Bank's Competitive Bid Note or a continuation of such schedule attached thereto, or the Administrative Agent's records, as applicable, reflecting the making of the Competitive Bid Loan or the receipt of such payment (as the case may be) and such Bank may, prior to any transfer of a Competitive Bid Note, endorse on the reverse side thereof the outstanding principal amount of Competitive Bid Loans evidenced thereby. The outstanding amount of the Competitive Bid Loans set forth on such Bank's record or the Administrative Agent's records, as applicable, shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder to make payments of principal of or interest on any Competitive Bid Loan when due.

SECTION 4.3. COMPETITIVE BID QUOTE REQUEST; INVITATION FOR COMPETITIVE BID QUOTES.

(a) When the Borrower wishes to request offers to make Competitive Bid Loans under this Section 4, it shall transmit to the Administrative Agent by telex or facsimile a Competitive Bid Quote Request substantially in the form of Exhibit H hereto (a "Competitive Bid Quote Request") so as to be received no later than 1:00 p.m. (New York time) (x) five (5) Eurodollar Business Days prior to the requested Drawdown Date in the case of a LIBOR Competitive Bid Loan (a "LIBOR Competitive Bid Loan") or (y) one (1) Business Day prior to the requested Drawdown Date in the case of an Absolute Competitive Bid Loan (an "Absolute Competitive Bid Loan"), specifying:

(i) the requested Drawdown Date (which must be a Eurodollar Business Day in the case of a LIBOR Competitive Bid Loan or a Business Day in the case of an Absolute Competitive Bid Loan);

(ii) the aggregate amount of such Competitive Bid Loans, which shall be $10,000,000 or larger multiple of $1,000,000;

(iii) the duration of the Interest Period(s) applicable thereto, subject to the provisions of the definition of Interest Period; and

(iv) whether the Competitive Bid Quotes requested are for LIBOR Competitive Bid Loans or Absolute Competitive Bid Loans.

The Borrower may request offers to make Competitive Bid Loans for more than one Interest Period in a single Competitive Bid Quote Request. No new Competitive Bid Quote Request shall be given until the Borrower has notified the Administrative Agent of its acceptance or non-acceptance of the Competitive Bid Quotes relating to any outstanding Competitive Bid Quote Request.

(b) Promptly upon receipt of a Competitive Bid Quote Request, the Administrative Agent shall send to the Banks by telecopy or facsimile transmission an Invitation for Competitive Bid Quotes substantially in the form of Exhibit I hereto, which shall constitute an invitation by the Borrower to each Bank to submit Competitive Bid Quotes in accordance with this Section 4.

SECTION 4.4. ALTERNATIVE MANNER OF PROCEDURE. If, after receipt by the Administrative Agent and each of the Banks of a Competitive Bid Quote Request from the Borrower in accordance with Section 4.3, the Administrative Agent or any Bank shall be unable to complete any procedure of the auction process described in Section Section 4.5 through 4.6 (inclusive) due to the inability of such Person to transmit or receive communications through the means specified therein, such Person may rely on telephonic notice for the transmission or receipt of such communications. In any case where such Person shall rely on telephone transmission or receipt, any communication made by telephone shall, as soon as possible thereafter, be followed by written confirmation thereof.

SECTION 4.5. SUBMISSION AND CONTENTS OF COMPETITIVE BID QUOTES.

(a) Each Bank may, but shall be under no obligation to, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Competitive Bid Quote Request. Each Competitive Bid Quote must comply with the requirements of this Section 4.5 and must be submitted to the Administrative Agent by telex or facsimile transmission at its offices as specified in or pursuant to Section 22 not later than (x) 2:00 p.m. (New York time) on the fourth Eurodollar Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (y) 10:00 a.m. (New York time) on the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, provided that Competitive Bid Quotes may be submitted by the Administrative Agent in its capacity as a Bank only if it submits its Competitive Bid Quote to the Borrower not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Competitive Bid Loan or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Competitive Bid Loan. Subject to the provisions of Section Section 10 and 11 hereof, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(b) Each Competitive Bid Quote shall be in substantially the form of Exhibit J hereto and shall in any case specify:

(i) the proposed Drawdown Date;

(ii) the principal amount of the Competitive Bid Loan for which each proposal is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be $5,000,000 or a larger multiple of $1,000,000, (y) may not exceed the aggregate principal amount of Competitive Bid Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Competitive Bid Loans for which offers being made by such quoting Bank may be accepted;

(iii) the Interest Period(s) for which Competitive Bid Quotes are being submitted;

(iv) in the case of a LIBOR Competitive Bid Loan, the margin above or below the applicable LIBOR Rate (the "Competitive Bid Margin") offered for

each such Competitive Bid Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such LIBOR Rate;

(v) in the case of an Absolute Competitive Bid Loan, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Competitive Bid Rate") offered for each such Absolute Competitive Bid Loan; and

(vi) the identity of the quoting Bank.

A Competitive Bid Quote may include up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Competitive Bid Quotes.

(c) Any Competitive Bid Quote shall be disregarded if it:

(i) is not substantially in the form of Exhibit J hereto;

(ii) contains qualifying, conditional or similar language;

(iii) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes; or

(iv) arrives after the time set forth in Section 4.5(a) hereof.

SECTION 4.6. NOTICE TO BORROWER. The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Competitive Bid Quote submitted by a Bank that is in accordance with Section 4.5 and (y) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Bank with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote is submitted solely to correct a manifest error in such former Competitive Bid Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request, (B) the respective principal amounts and Competitive Bid Margins or Competitive Bid Rates, as the case may be, so offered, and the identity of the respective Banks submitting such offers, and (C) if applicable, limitations on the aggregate principal amount of Competitive Bid Loans for which offers in any single Competitive Bid Quote may be accepted.

SECTION 4.7. ACCEPTANCE AND NOTICE BY BORROWER AND ADMINISTRATIVE AGENT. Not later than 11:00 a.m. (New York time) on (x) the third Eurodollar Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (y) the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of each Competitive Bid Quote in substantially the form of Exhibit K hereto. The Borrower may accept any Competitive Bid Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Competitive Bid Loan may not exceed the applicable amount set forth in the related Competitive Bid Quote Request;

(ii) acceptance of offers may only be made on the basis of ascending Competitive Bid Margins or Competitive Bid Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in subsection 4.5(c) or that otherwise fails to comply with the requirements of this Agreement.

The Administrative Agent shall promptly notify each Bank which submitted a Competitive Bid Quote of the Borrower's acceptance or non-acceptance thereof. At the request of any Bank which submitted a Competitive Bid Quote and with the consent of the Borrower, the Administrative Agent will promptly notify all Banks which submitted Competitive Bid Quotes of (a) the aggregate principal amount of, and (b) the range of Competitive Bid Rates or Competitive Bid Margins of, the accepted Competitive Bid Loans for each requested Interest Period.

SECTION 4.8. ALLOCATION BY ADMINISTRATIVE AGENT. If offers are made by two or more Banks with the same Competitive Bid Margin or Competitive Bid Rate, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as nearly as possible (in such multiples, not less than $1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error.

SECTION 4.9. FUNDING OF COMPETITIVE BID LOANS. If, on or prior to the Drawdown Date of any Competitive Bid Loan, the Total Commitment has not terminated in full and if, on such Drawdown Date, the applicable conditions of Section Section 10 and 11 hereof are satisfied, the Bank or Banks whose offers the Borrower has accepted will fund each Competitive Bid Loan so accepted. Such Bank or Banks will make such Competitive Bid Loans by crediting the Administrative Agent for further credit to the Borrower's specified account with the Administrative Agent, in immediately available funds not later than 1:00 p.m. (New York time) on such Drawdown Date.

SECTION 4.10. FUNDING LOSSES. If, after acceptance of any Competitive Bid Quote pursuant to Section 4, the Borrower (i) fails to borrow any Competitive Bid Loan so accepted on the date specified therefor, or (ii) repays the outstanding amount of the Competitive Bid Loan prior to the last day of the Interest Period relating thereto, the Borrower shall indemnify the Bank making such Competitive Bid Quote or funding such Competitive Bid Loan against any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Bank to fund or maintain such unborrowed Loans, including, without limitation compensation as provided in Section 5.8.

SECTION 4.11. REPAYMENT OF COMPETITIVE BID LOANS; INTEREST. The principal of each Competitive Bid Loan shall become absolutely due and payable by the Borrower on the last day

of the Interest Period relating thereto, and the Borrower hereby absolutely and unconditionally promises to pay to the Administrative Agent for the account of the relevant Banks at or before 1:00 p.m. (New York time) on the last day of the Interest Periods relating thereto the principal amount of all such Competitive Bid Loans, plus interest thereon at the applicable rate. The Competitive Bid Loans shall bear interest at the rate per annum specified in the applicable Competitive Bid Quotes. Interest on the Competitive Bid Loans shall be payable (a) on the last day of the applicable Interest Periods, and if any such Interest Period is longer than three months, also on the last day of the third month following the commencement of such Interest Period, and (b) on the Maturity Date for all Loans. Subject to the terms of this Agreement, the Borrower may make Competitive Bid Quote Requests with respect to new borrowings of any amounts so repaid prior to the Maturity Date.

SECTION 5. PROVISIONS RELATING TO ALL LOANS AND LETTERS OF CREDIT.

SECTION 5.1. PAYMENTS.

(a) All payments of principal, interest, Reimbursement Obligations, fees (other than the Issuance Fee) and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent at its Head Office in immediately available funds by 11:00 a.m. (New York time) on any due date. Subject to the provisions of Section 29, if a payment is received by the Administrative Agent at or before 1:00 p.m. (New York time) on any Business Day, the Administrative Agent shall on the same Business Day transfer in immediately available funds, as applicable, to (1) each of the Banks, their pro rata portion of such payment in accordance with their respective Commitment Percentages, in the case of payments with respect to Syndicated Loans and Letters of Credit, (2) MGT in the case of payments with respect to Swing Line Loans, and (3) the appropriate Bank(s), in the case of payments with respect to Competitive Bid Loans. If such payment is received by the Administrative Agent after 1:00 p.m. (New York time) on any Business Day, such transfer shall be made by the Administrative Agent to the applicable Bank(s) on the next Business Day. In the event that the Administrative Agent fails to make such transfer to any Bank as set forth above, the Administrative Agent shall pay to such Bank on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by such Bank for funds acquired by such Bank during each day included in such period, times (ii) the amount (A) equal to such Bank's Commitment Percentage of such payment in the case of payments under clause (1) above, or (B) of such payment to which such Bank is entitled in the case of payments with respect to Competitive Bid Loans and Swing Line Loans, times (iii) a fraction, the numerator of which is the number of days that elapse from and including the date of payment to and including the date on which the amount due to such Bank shall become immediately available to such Bank, and the denominator of which is 365. A statement of such Bank submitted to the applicable Administrative Agent with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to such Bank by the Administrative Agent.

(b) Each Bank that is not incorporated or organized under the laws of the United States of America or a state thereof or the District of Columbia (a "Non-U.S. Bank") agrees that, prior to the first date on which any payment is due to it hereunder, it will deliver to the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI or successor applicable form, as the case may be, certifying in each case that such Non-U.S. Bank is entitled to receive payments under this Agreement and the Notes payable to it, without deduction or withholding of any United States federal income taxes. Each Non-U.S. Bank that so delivers a Form W-8BEN or W-8ECI pursuant to the preceding sentence further undertakes to deliver to each of the Borrower and the Administrative Agent two further copies of Form W-8BEN or W-8ECI or successor applicable form, or other manner of certification, as the case may be, on or before the date that any such letter or form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower, and such extensions or renewals thereof as may reasonably be requested by the Borrower, certifying in the case of a Form W-8BEN or W-8ECI that such Non-U.S. Bank is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Non-U.S. Bank from duly completing and delivering any such form with respect to it and such Non-U.S. Bank advises the Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(c) The Borrower shall not be required to pay any additional amounts to any Non-U.S. Bank in respect of United States Federal withholding tax pursuant to Section 17 to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement or, with respect to payments to a different lending office designated by the Non-U.S. Bank as its applicable lending office (a "New Lending Office"), the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) shall not apply to any transferee or New Lending Office as a result of an assignment, transfer or designation made at the request of the Borrower; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts any transferee, or Bank through a New Lending Office, would be entitled to receive without regard to this clause (i) do not exceed the indemnity payment or additional amounts that the Person making the assignment or transfer to such transferee, or Bank making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, transfer or designation; or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (b) above.

(d) Notwithstanding the foregoing, each Bank agrees to use reasonable efforts (consistent with legal and regulatory restrictions) to change its lending office to avoid or to minimize any amounts otherwise payable under Section 17 in each case solely if such change

can be made in a manner so that such Bank, in its sole determination, suffers no legal, economic or regulatory disadvantage.

SECTION 5.2. MANDATORY REPAYMENTS OF THE LOANS.

(a) If at any time the sum of the outstanding principal amount of the Loans plus the Maximum Drawing Amount of all outstanding Letters of Credit exceeds the Total Commitment, whether by reduction of the Total Commitment or otherwise, then the Borrower shall immediately pay the amount of such excess to the Administrative Agent, (i) for application to the Loans, first to Syndicated Loans, then to Competitive Bid Loans, subject to Section 5.8, or (ii) if no Loans shall be outstanding, to be held by the Administrative Agent for the benefit of the Banks as collateral security for such excess Maximum Drawing Amount and the Borrower hereby grants a security interest in such amount to the Administrative Agent for the benefit of the Banks; provided, however, that if the amount of cash collateral held by the Administrative Agent pursuant to this Section 5.2(a) exceeds the Maximum Drawing Amount required to be collateralized from time to time, the Administrative Agent shall return such excess to the Borrower.

(b) Payments required pursuant to Section Section 8.4(c) and (d) shall be applied in the manner set forth in subsection (a) above.

SECTION 5.3. COMPUTATIONS. Except as otherwise expressly provided herein, all computations of interest, Facility Fees, Letter of Credit Fees or other fees shall be based on a 360-day year and paid for the actual number of days elapsed, except that computations based on the Administrative Agent's "prime rate" shall be based on a 365 or 366, as applicable, day year and paid for the actual number of days elapsed. Whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension; provided that for any Interest Period for any Eurodollar Loan if such next succeeding Business Day falls in the next succeeding calendar month or after the Maturity Date, it shall be deemed to end on the next preceding Business Day.

SECTION 5.4. ILLEGALITY; INABILITY TO DETERMINE EURODOLLAR RATE. Notwithstanding any other provision of this Agreement (other than Section 5.10), if (a) the introduction of, any change in, or any change in the interpretation of, any law or regulation applicable to any Bank or the Administrative Agent shall make it unlawful, or any central bank or other governmental authority having jurisdiction thereof shall assert that it is unlawful, for any Bank or the Administrative Agent to perform its obligations in respect of any Eurodollar Loans, or (b) if any Bank or the Administrative Agent, as applicable, shall reasonably determine with respect to Eurodollar Loans that (i) by reason of circumstances affecting any Eurodollar interbank market, adequate and reasonable methods do not exist for ascertaining the Eurodollar Rate which would otherwise be applicable during any Interest Period, or (ii) deposits of Dollars in the relevant amount for the relevant Interest Period are not available to such Bank or the Administrative Agent in any Eurodollar interbank market, or (iii) the Eurodollar Rate does not or will not accurately reflect the cost to the Bank or the Administrative Agent of obtaining or maintaining the Eurodollar Loans during any Interest Period, then such Bank or the Administrative Agent shall promptly give telephonic, telex or cable notice of such determination to the Borrower

(which notice shall be conclusive and binding upon the Borrower). Upon such notification by the Bank or the Administrative Agent, the obligation of the Banks and the Administrative Agent to make Eurodollar Loans shall be suspended until the Banks or the Administrative Agent, as the case may be, determine that such circumstances no longer exist, and to the extent permitted by law the outstanding Eurodollar Loans shall continue to bear interest at the applicable rate based on the Eurodollar Rate until the end of the applicable Interest Period, and thereafter shall be deemed converted to Base Rate Loans in equal principal amounts to such former Eurodollar Loans.

SECTION 5.5. ADDITIONAL COSTS, ETC. If any present or future applicable law (which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Bank by any central bank or other fiscal, monetary or other authority, whether or not having the force of law) shall:

(a) subject such Bank to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Bank's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office); or

(b) materially change the basis of taxation (except for changes in taxes on income or profits of such Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office) of payments to such Bank of the principal or of the interest on any Loans or any other amounts payable to such Bank under this Agreement or the other Loan Documents; or

(c) except as provided in Section 5.6 or as otherwise reflected in the Base Rate, the Eurodollar Rate, or the applicable rate for Competitive Bid Loans, impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of, an office of any Bank with respect to this Agreement, the other Loan Documents, such Bank's Commitment or the Loans; or

(d) impose on such Bank any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, such Bank's Commitment or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part, and the result of any of the foregoing is:

(i) to increase the cost to such Bank of making, funding, issuing, renewing, extending or maintaining the Loans or such Bank's Commitment or issuing or participating in Letters of Credit;

(ii) to reduce the amount of principal, interest or other amount payable to such Bank hereunder on account of such Bank's Commitment, the Loans or the Reimbursement Obligations; or

(iii) to require such Bank to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank from the Borrower hereunder,

then, and in each such case, the Borrower will, upon demand made by such Bank at any time and from time to time as often as the occasion therefore may arise (which demand shall be accompanied by a statement setting forth the basis of such demand which shall be conclusive absent manifest error), pay such reasonable additional amounts as will be sufficient to compensate such Bank for such additional costs, reduction, payment or foregone interest or other sum.

SECTION 5.6. CAPITAL ADEQUACY. If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or any corporation controlling such Bank) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or any corporation controlling such Bank) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank, the Borrower shall pay to such Bank such additional amount or amounts as will, in such Bank's reasonable determination, fairly compensate such Bank (or any corporation controlling such Bank) for such reduction. Each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis.

SECTION 5.7. CERTIFICATE. A certificate setting forth the additional amounts payable pursuant to Section 5.5 or Section 5.6 and a reasonable explanation of such amounts which are due, submitted by any Bank to the Borrower, shall be conclusive, absent manifest error, that such amounts are due and owing.

SECTION 5.8. EURODOLLAR AND COMPETITIVE BID INDEMNITY. The Borrower agrees to indemnify the Banks and the Administrative Agent and to hold them harmless from and against any reasonable loss, cost or expense that any such Bank and the Administrative Agent may sustain or incur as a consequence of (a) the default by the Borrower in payment of the principal amount of or any interest on any Eurodollar Loans or Competitive Bid Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by any Bank or the Administrative Agent to lenders of funds obtained by it in order to maintain its Eurodollar Loans or Competitive Bid Loans, (b) the default by the Borrower in making a borrowing of a

Eurodollar Loan or Competitive Bid Loan or conversion of a Eurodollar Loan or a prepayment of a Eurodollar or Competitive Bid Loan other than pursuant to Section 2.5(b) after the Borrower has given (or is deemed to have given) a Syndicated Loan Request, a notice pursuant to Section 2.7 or a Notice of Acceptance/Rejection of Competitive Bid Quote(s), or a notice pursuant to Section 2.10, and (c) the making of any payment of a Eurodollar Loan or Competitive Bid Loan, or the making of any conversion of any Eurodollar Loan to a Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto. Such loss, cost, or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its cost of obtaining the funds for (A) the Eurodollar Loan being paid, prepaid, converted, not converted, reallocated, or not borrowed, as the case may be (based on the Eurodollar Rate), or (B) the Competitive Bid Loan being paid, prepaid, or not borrowed, as the case may be (based on the applicable interest rate) for the period from the date of such payment, prepayment, conversion, or failure to borrow or convert, as the case may be, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid, converted, or not borrowed, converted, or prepaid for such period or Interest Period, as the case may be, which determinations shall be conclusive absent manifest error.

SECTION 5.9. INTEREST ON OVERDUE AMOUNTS. Overdue principal and (to the extent permitted by applicable law) interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents shall bear interest compounded monthly and payable on demand at a rate per annum equal to the Base Rate plus 2%, until such amount shall be paid in full (after as well as before judgment).

SECTION 5.10. INTEREST LIMITATION. Notwithstanding any other term of this Agreement or the Notes, any other Loan Document or any other document referred to herein or therein, the maximum amount of interest which may be charged to or collected from any Person liable hereunder or under the Notes by any Bank shall be absolutely limited to, and shall in no event exceed, the maximum amount of interest which could lawfully be charged or collected by such Bank under applicable laws (including, to the extent applicable, the provisions of Section 5197 of the Revised Statutes of the United States of America, as amended, and 12 U.S.C. Section 85, as amended).

SECTION 5.11. REASONABLE EFFORTS TO MITIGATE. Each Bank agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under Section Section 5.4, 5.5 or 5.6, such Bank will give notice thereof to the Borrower, with a copy to the Administrative Agent and, to the extent so requested by the Borrower and not inconsistent with such Bank's internal policies, such Bank shall use reasonable efforts and take such actions as are reasonably appropriate if as a result thereof the additional moneys which would otherwise be required to be paid to such Bank pursuant to such sections would be materially reduced, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Bank in its sole discretion, the taking of such actions would not adversely affect such Loans or such Bank or otherwise be disadvantageous to such Bank.

SECTION 5.12. REPLACEMENT OF BANKS. If any Bank (an "Affected Bank") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to Section Section 5.5 or 5.6, (ii) is unable to make or maintain Eurodollar Loans as a result of a condition described in Section 5.4 or (iii) defaults in its obligation to make Loans or to participate in Letters of Credit in accordance with the terms of this Agreement (such Bank being referred to as a "Defaulting Bank"), the Borrower may, within 90 days of receipt of such demand, notice (or the occurrence of such other event causing the Borrower to be required to pay such compensation or causing Section 5.4 to be applicable), or default, as the case may be, by notice (a "Replacement Notice") in writing to the Administrative Agent and such Affected Bank (A) request the Affected Bank to cooperate with the Borrower in obtaining a replacement bank satisfactory to the Administrative Agent and the Borrower (the "Replacement Bank") as provided herein, but none of such Banks shall be under an obligation to find a Replacement Bank; (B) request the non-Affected Banks to acquire and assume all of the Affected Bank's Loans and Commitment, and to participate in Letters of Credit as provided herein, but none of such Banks shall be under an obligation to do so; or (C) designate a Replacement Bank reasonably satisfactory to the Administrative Agent. If any satisfactory Replacement Bank shall be obtained, and/or any of the non-Affected Banks shall agree to acquire and assume all of the Affected Bank's Loans and Commitment, and to participate in Letters of Credit then such Affected Bank shall, so long as no Event of Default shall have occurred and be continuing, assign, in accordance with Section 20, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Bank or non-Affected Banks, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Bank; provided, however, that (x) such assignment shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Bank and such Replacement Bank and/or non-Affected Banks, as the case may be, and (y) prior to any such assignment, the Borrower shall have paid to such Affected Bank all amounts properly demanded and unreimbursed under Section Section 5.5, 5.6 and 5.8. Upon the effective date of such assignment, the Borrower shall issue replacement Notes to such Replacement Bank and/or non-Affected Banks, as the case may be, and such Replacement Bank shall become a "Bank" for all purposes under this Agreement and the other Loan Documents.

SECTION 5.13. ADVANCES BY ADMINISTRATIVE AGENT. The Administrative Agent may (unless earlier notified to the contrary by any Bank by 12:00 noon (New York time) one (1) Business Day prior to any Drawdown Date) assume that each Bank has made available (or will before the end of such Business Day make available) to the Administrative Agent the amount of such Bank's Commitment Percentage with respect to the Loans (or, in the case of Competitive Bid Loans, the amount of such Bank's accepted offers of such Loans, if any) to be made on such Drawdown Date, and the Administrative Agent may (but shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Bank makes such amount available to the Administrative Agent on a date after such Drawdown Date, such Bank shall pay the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period times (ii) the amount equal to such Bank's Commitment Percentage of such Syndicated Loan (or, in the case of Competitive

Bid Loans and Swing Line Loans, the amount of such Bank's accepted offer of such Competitive Bid Loans, if any, and portion of such Swing Line Loans) times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Drawdown Date to but not including the date on which the amount equal to such Bank's Commitment Percentage of such Loans, or the amount of such Bank's accepted offers of such Competitive Bid Loans, if any, and portion of Swing Line Loans, shall become immediately available to the Administrative Agent, and the denominator of which is 365. A statement of the Administrative Agent submitted to such Bank with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to the Administrative Agent by such Bank. If such amount is not in fact made available to the Administrative Agent by such Bank within three (3) Business Days of such Drawdown Date, the Administrative Agent shall be entitled to recover such amount from such Borrower, with interest thereon at the applicable rate per annum.

SECTION 6. REPRESENTATIONS AND WARRANTIES. The Borrower (and each of the Guarantors, where applicable) represents and warrants to the Banks that:

SECTION 6.1. CORPORATE AUTHORITY.

(a) INCORPORATION; GOOD STANDING. The Borrower and each of its Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of its respective jurisdiction of formation, (ii) has all requisite corporate power to own its property and conduct its business as now conducted and as presently contemplated, and (iii) is in good standing and is duly authorized to do business in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary, except where a failure to be so qualified would not have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries as a whole.

(b) AUTHORIZATION. The execution, delivery and performance of its Loan Documents and the transactions contemplated hereby and thereby (i) are within the corporate authority of the Borrower and each of the Guarantors, (ii) have been duly authorized by all necessary corporate proceedings on the part of each of the Borrower and the Guarantors, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any of the Borrower or the Guarantors or any of their Subsidiaries is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower, any of the Guarantors or any of their Subsidiaries so as to materially adversely affect the assets, business or any activity of the Borrower, the Guarantors and their Subsidiaries as a whole, and (iv) do not conflict with any provision of the corporate charter or bylaws of the Borrower, the Guarantors or any Subsidiary or any agreement or other instrument binding upon the Borrower, the Guarantors or any of their Subsidiaries.

(c) ENFORCEABILITY. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantors will result in valid and legally binding obligations of the Borrower and the Guarantors enforceable against them in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to

or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

SECTION 6.2. GOVERNMENTAL AND OTHER APPROVALS. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantors and the consummation by the Borrower and the Guarantors of the transactions contemplated hereby and thereby do not require any approval or consent of, or filing with, any governmental agency or authority or other third party other than those already obtained and those required after the date hereof in connection with the Borrower's and its Subsidiaries' performance of their covenants contained in Section Section 7, 8 and 9 hereof.

SECTION 6.3. TITLE TO PROPERTIES; LEASES. The Borrower and its Subsidiaries own all of the assets reflected in the consolidated balance sheet as at the Interim Balance Sheet Date or acquired since that date (except property and assets operated under capital leases or sold or otherwise disposed of in the ordinary course of business since that date), subject to no mortgages, Capitalized Leases, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens.

SECTION 6.4. FINANCIAL STATEMENTS; SOLVENCY.

(a) There have been furnished to the Banks consolidated balance sheets of the Borrower and its Subsidiaries dated the Balance Sheet Date and consolidated statements of operations for the fiscal periods then ended, certified by the Accountants. In addition, there have been furnished to the Banks consolidated balance sheets of the Borrower and its Subsidiaries dated the Interim Balance Sheet Date and the related consolidated statements of operation for the fiscal quarter ending on the Interim Balance Sheet Date. All said balance sheets and statements of operations have been prepared in accordance with GAAP (but, in the case of any of such financial statements which are unaudited, only to the extent GAAP is applicable to interim unaudited reports), fairly present the financial condition of the Borrower and its Subsidiaries on a consolidated basis as at the close of business on the dates thereof and the results of operations for the periods then ended, subject, in the case of unaudited interim financial statements, to changes resulting from audit and normal year-end adjustments and to the absence of complete footnotes. There are no contingent liabilities of the Borrower and its Subsidiaries involving material amounts, known to the officers of the Borrower which have not been disclosed in said balance sheets and the related notes thereto or otherwise in writing to the Banks.

(b) The Borrower and its Subsidiaries on a consolidated basis (both before and after giving effect to the transactions contemplated by this Agreement) are solvent (i.e., they have assets having a fair value in excess of the amount required to pay their probable liabilities on their existing debts as they become absolute and matured) and have, and expect to have, the ability to pay their debts from time to time incurred in connection therewith as such debts mature.

SECTION 6.5. NO MATERIAL CHANGES, ETC. Since the Interim Balance Sheet Date, there have occurred no material adverse changes in the consolidated financial condition, business, assets or

liabilities (contingent or otherwise) of the Borrower and its Subsidiaries, taken together, as shown on or reflected in the consolidated balance sheets of the Borrower and its Subsidiaries as at the Interim Balance Sheet Date, or the consolidated statements of income for the period then ended other than changes in the ordinary course of business which have not had any material adverse effect either individually or in the aggregate on the financial condition, business, assets or liabilities (contingent or otherwise) of the Borrower and its Subsidiaries, taken together. Since the Interim Balance Sheet Date, there have not been any Distributions other than as permitted by Section 8.5 hereof.

SECTION 6.6. FRANCHISES, PATENTS, COPYRIGHTS, ETC. The Borrower and each of its Subsidiaries possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their business substantially as now conducted (other than those the absence of which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole) without known conflict with any rights of others other than a conflict which would not have a material adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries as a whole.

SECTION 6.7. LITIGATION. Except as set forth on Schedule 6.7 or in the Disclosure Documents, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened against the Borrower or any of its Subsidiaries before any court, tribunal or administrative agency or board which, either in any case or in the aggregate, could reasonably be expected to have a material adverse effect on the financial condition, business, or assets of the Borrower and its Subsidiaries, considered as a whole, or materially impair the right of the Borrower and its Subsidiaries, considered as a whole, to carry on business substantially as now conducted, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained on the consolidated balance sheet or which question the validity of any of the Loan Documents to which the Borrower or any of its Subsidiaries is a party, or any action taken or to be taken pursuant hereto or thereto.

SECTION 6.8. NO MATERIALLY ADVERSE CONTRACTS, ETC. Neither the Borrower nor any of its Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Borrower's or such Subsidiary's officers has or could reasonably be expected in the future to have a materially adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, considered as a whole. Neither the Borrower nor any of its Subsidiaries is a party to any contract or agreement which in the judgment of the Borrower's or its Subsidiary's officers has or could reasonably be expected to have any materially adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries, considered as a whole, except as otherwise reflected in adequate reserves as required by GAAP.

SECTION 6.9. COMPLIANCE WITH OTHER INSTRUMENTS, LAWS, ETC. Neither the Borrower nor any of its Subsidiaries is (a) violating any provision of its charter documents or by-laws or (b) violating any agreement or instrument to which any of them may be subject or by which any of them or any of their properties may be bound or any decree, order, judgment, or any statute,

license, rule or regulation, in a manner which could (in the case of such agreements or such instruments) reasonably be expected to result in the imposition of substantial penalties or materially and adversely affect the financial condition, business or assets of the Borrower and its Subsidiaries, considered as a whole.

SECTION 6.10. TAX STATUS. The Borrower and its Subsidiaries have filed all federal, state, provincial and territorial income and all other tax returns, reports and declarations (or obtained extensions with respect thereto) required by applicable law to be filed by them (unless and only to the extent that the Borrower or such Subsidiary has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes as required by GAAP); and have paid all taxes and other governmental assessments and charges (other than taxes, assessments and other governmental charges imposed by jurisdictions other than the United States, Canada or any political subdivision thereof which in the aggregate are not material to the financial condition, business or assets of the Borrower or such Subsidiary on an individual basis or of the Borrower and its Subsidiaries on a consolidated basis) that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith; and, as required by GAAP, have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except to the extent contested in the manner permitted in the preceding sentence, there are no unpaid taxes in any material amount claimed by the taxing authority of any jurisdiction to be due and owing by the Borrower or any Subsidiary, nor do the officers of the Borrower or any of its Subsidiaries know of any basis for any such claim.

SECTION 6.11. NO EVENT OF DEFAULT. No (a) Default or Event of Default has occurred hereunder and is continuing, and (b) no "Default" or "Event of Default" (as defined in the 364 Day Facility or the European Credit Facilities, respectively) under the 364 Day Facility or the European Credit Facilities, respectively, has occurred and is continuing, or would be created by the incurrence of Indebtedness under this Agreement.

SECTION 6.12. HOLDING COMPANY AND INVESTMENT COMPANY ACTS. Neither the Borrower nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935; nor is any of them a "registered investment company", or an "affiliated company" or a "principal underwriter" of a "registered investment company", as such terms are defined in the Investment Company Act of 1940.

SECTION 6.13. ABSENCE OF FINANCING STATEMENTS, ETC. Except as permitted by Section 8.2 of this Agreement, there is no Indebtedness senior to the Obligations, and there is no effective financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, which purports to cover, affect or give notice of any present or possible future lien on, or security interest in, any assets or property of the Borrower or any of its Subsidiaries or right thereunder.

SECTION 6.14. EMPLOYEE BENEFIT PLANS.

SECTION 6.14.1. IN GENERAL. Each Employee Benefit Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and/or all Applicable Canadian Pension Legislation, as applicable, and, to the extent applicable, the Code, including but not limited to the provisions thereunder respecting prohibited transactions. Promptly upon the request of any Bank or the Administrative Agent, the Borrower will furnish to the Administrative Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under Section 103(d) of ERISA, with respect to each Guaranteed Pension Plan.

SECTION 6.14.2. TERMINABILITY OF WELFARE PLANS. Under each Employee Benefit Plan which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, no benefits are due unless the event giving rise to the benefit entitlement occurs prior to plan termination (except as required by Title I, Part 6 of ERISA) . The Borrower or an ERISA Affiliate, as appropriate, may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower or such ERISA Affiliate without liability to any Person.

SECTION 6.14.3. GUARANTEED PENSION PLANS. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of Section 302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower or any ERISA Affiliate with respect to any Guaranteed Pension Plan (other than Terminated Plans) and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Other than with respect to the Terminated Plans, based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of Section 4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

SECTION 6.14.4. MULTIEMPLOYER PLANS. Neither the Borrower nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA or as a result of a sale of assets described in Section 4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of Section 4241 or Section 4245 of ERISA or that any Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA.

SECTION 6.15. ENVIRONMENTAL COMPLIANCE. The Borrower and its Subsidiaries have taken all necessary steps to investigate the past and present condition and usage of the Real Property and

the operations conducted by the Borrower and its Subsidiaries and, based upon such diligent investigation, have determined that, except as set forth on Schedule 6.15 or in the Disclosure Documents:

(a) Neither the Borrower, its Subsidiaries, nor any operator of their properties, is in violation, or alleged violation, of any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any applicable international, federal, state, provincial, territorial or local statute, regulation, ordinance, order or decree relating to health, safety, waste transportation or disposal, or the environment (the "Environmental Laws"), which violation, individually or in the aggregate, would have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis.

(b) Except with respect to any such matters which individually or in the aggregate would not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis, neither the Borrower nor any of its Subsidiaries has received notice from any third party including, without limitation: any federal, state, provincial, territorial or local governmental authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B; (ii) that any hazardous waste, as defined by 42 U.S.C. Section 6903(5), any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) or any toxic substance, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws, excluding household hazardous waste ("Hazardous Substances"), which any one of them has generated, transported or disposed of, has been found at any site at which a federal, state, provincial, territorial or local agency or other third party has conducted or has ordered that the Borrower or any of its Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, legal or administrative proceeding arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the Release of Hazardous Substances.

(c) (i) No portion of the Real Property or other assets of the Borrower and its Subsidiaries has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws, except as would not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis; (ii) in the course of any activities conducted by the Borrower, its Subsidiaries, or operators of

the Real Property or other assets of the Borrower and its Subsidiaries, no Hazardous Substances have been generated or are being used on such properties except in accordance with applicable Environmental Laws, except for occurrences that would not have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis; (iii) there have been no unpermitted Releases or threatened Releases of Hazardous Substances on, upon, into or from the Real Property or other assets of the Borrower or its Subsidiaries, which Releases would have a material adverse effect on the value of such properties; (iv) to the best of the Borrower's and its Subsidiaries' knowledge, there have been no Releases on, upon, from or into any real property in the vicinity of the Real Property or other assets of the Borrower or its Subsidiaries which, through soil or groundwater contamination, may have come to be located on, and which would reasonably be expected to have a material adverse effect on the value of, such properties; and (v) in addition, any Hazardous Substances that have been generated on the Real Property or other assets of the Borrower or its Subsidiaries have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities have been and are, to the best of the Borrower's and its Subsidiaries' knowledge, operating in compliance with such permits and applicable Environmental Laws.

(d) None of the Real Property or other assets of the Borrower or its Subsidiaries or any of the stock (or assets) being acquired with proceeds of Loans is or shall be subject to any applicable environmental clean-up responsibility law or environmental restrictive transfer law or regulation, by virtue of the transactions set forth herein and contemplated hereby.

SECTION 6.16. TRUE COPIES OF CHARTER AND OTHER DOCUMENTS. Each of the Borrower and the Guarantors has furnished the Administrative Agent as of the Effective Date, true and complete copies of (a) all charter and other incorporation documents (together with any amendments thereto) and (b) by-laws (together with any amendments thereto).

SECTION 6.17. DISCLOSURE. No representation or warranty made by the Borrower or any Guarantor in this Agreement or in any agreement, instrument, document, certificate, statement or letter furnished to the Banks or the Administrative Agent by or on behalf of or at the request of the Borrower and the Guarantors in connection with any of the transactions contemplated by the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which they are made.

SECTION 6.18. PERMITS AND GOVERNMENTAL AUTHORITY. All permits (other than those the absence of which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole) required for the construction and operation of all landfills currently owned or operated by the Borrower or any of its Subsidiaries have been obtained and remain in full force and effect and are not subject to any appeals or further proceedings or to any unsatisfied conditions that may allow material

modification or revocation. Neither the Borrower nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, the holder of such permits is in violation of any such permits, except for any violation which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole.

SECTION 6.19. YEAR 2000 COMPLIANCE. The Borrower and its Subsidiaries have reviewed the areas within their businesses and operations which could be adversely affected by, and have developed or are developing a program to address on a timely basis, the Year 2000 Compliance Issue. Based upon such review, the Borrower reasonably believes that the Year 2000 Compliance Issue will not have any material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole.

SECTION 7. AFFIRMATIVE COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or any Letter of Credit is outstanding or the Banks have any obligation to make Loans, or any Issuing Bank has any obligation to issue, extend or renew any Letters of Credit hereunder, or the Banks have any obligations to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 7.1. PUNCTUAL PAYMENT. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans, all Reimbursement Obligations, fees and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and such other Loan Documents.

SECTION 7.2. MAINTENANCE OF U.S. OFFICE. The Borrower will maintain its chief executive offices at Houston, Texas, or at such other place in the United States of America as the Borrower shall designate upon 30 days' prior written notice to the Administrative Agent.

SECTION 7.3. RECORDS AND ACCOUNTS. The Borrower will, and will cause each of its Subsidiaries to, keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP and with the requirements of all regulatory authorities and maintain adequate accounts and reserves for all taxes (including income taxes), depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves.

SECTION 7.4. FINANCIAL STATEMENTS, CERTIFICATES AND INFORMATION. The Borrower will deliver to the Banks:

(a) as soon as practicable, but, in any event not later than 92 days after the end of each fiscal year of the Borrower, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such year, consolidated statements of cash flows, and the related consolidated statements of operations, each setting forth in comparative form the figures for the previous fiscal year, all such consolidated financial statements to be in reasonable detail, prepared, in accordance with GAAP and, with respect to the consolidated financial statements, certified by PricewaterhouseCoopers LLP or Arthur Andersen LLP or by other independent auditors selected by the Borrower and reasonably satisfactory to the Banks (the "Accountants"). In addition, simultaneously therewith, the

Borrower shall provide the Banks with a written statement from such Accountants to the effect that they have read a copy of this Agreement, and that, in making the examination necessary to said certification, they have obtained no knowledge of any Default or Event of Default, or, if such Accountants shall have obtained knowledge of any then existing Default or Event of Default they shall disclose in such statement any such Default or Event of Default;

(b) as soon as practicable, but in any event not later than 47 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, copies of the consolidated balance sheet and statement of operations of the Borrower and its Subsidiaries as at the end of such quarter, subject to year-end adjustments, and the related consolidated statement of cash flows, all in reasonable detail and prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) with a certification by the principal financial or accounting officer of the Borrower (the "CFO or the CAO") that the consolidated financial statements are prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) and fairly present the consolidated financial condition of the Borrower and its Subsidiaries on a consolidated basis as at the close of business on the date thereof and the results of operations for the period then ended, it being understood that no such statement need be accompanied by complete footnotes;

(c) simultaneously with the delivery of the financial statements referred to in (a) and (b) above, a certificate in the form of Exhibit F hereto (the "Compliance Certificate") signed by the CFO or the CAO or the Borrower's corporate treasurer, stating that the Borrower and its Subsidiaries are in compliance with the covenants contained in Section Section 7, 8 and 9 hereof as of the end of the applicable period and setting forth in reasonable detail computations evidencing such compliance with respect to the covenants contained in Section Section 8.1(d), 8.3, 8.4, 8.5, and 9 hereof and that no Default or Event of Default exists, provided that if the Borrower shall at the time of issuance of such Compliance Certificate or at any other time obtain knowledge of any Default or Event of Default, the Borrower shall include in such certificate or otherwise deliver forthwith to the Banks a certificate specifying the nature and period of existence thereof and what action the Borrower proposes to take with respect thereto;

(d) contemporaneously with, or promptly following, the filing or mailing thereof, copies of all material of a financial nature filed with the Securities and Exchange Commission or sent to the Borrower's and its Subsidiaries' stockholders generally; and

(e) from time to time such other financial data and other information as the Banks may reasonably request.

The Borrower hereby authorizes each Bank to disclose any information obtained pursuant to this Agreement to all appropriate governmental regulatory authorities where required by law; provided, however, this authorization shall not be deemed to be a waiver of any rights to object to the disclosure by the Banks of any such information which the Borrower has or may have under the federal Right to Financial Privacy Act of 1978, as in effect from time to time, except as to matters specifically permitted therein.

SECTION 7.5. EXISTENCE AND CONDUCT OF BUSINESS. The Borrower will, and will cause each Subsidiary, to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; and effect and maintain its foreign qualifications (except where the failure of the Borrower or any Subsidiary to remain so qualified would not materially adversely impair the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis), licensing, domestication or authorization except as terminated by its Board of Directors in the exercise of its reasonable judgment; provided that such termination would not have a material adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis. The Borrower will not, and will cause its Subsidiaries not to, become obligated under any contract or binding arrangement which, at the time it was entered into, would materially adversely impair the financial condition, business or assets of the Borrower and its Subsidiaries, on a consolidated basis. The Borrower will, and will cause each Subsidiary to, continue to engage primarily in the businesses now conducted by it and in related businesses.

SECTION 7.6. MAINTENANCE OF PROPERTIES. The Borrower will, and will cause its Subsidiaries to, cause all material properties used or useful in the conduct of their businesses to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower and its Subsidiaries may be necessary so that the businesses carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this section shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Borrower or such Subsidiary, desirable in the conduct of its or their business and which does not in the aggregate materially adversely affect the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis.

SECTION 7.7. INSURANCE. The Borrower will, and will cause its Subsidiaries to, maintain with financially sound and reputable insurance companies, funds or underwriters, insurance of the kinds, covering the risks (other than risks arising out of or in any way connected with personal liability of any officers and directors thereof) and in the relative proportionate amounts usually carried by reasonable and prudent companies conducting businesses similar to that of the Borrower and its Subsidiaries, in amounts substantially similar to the existing coverage policies maintained by the Borrower and its Subsidiaries, copies of which have been provided to the Administrative Agent. In addition, the Borrower will furnish from time to time, upon any Bank's request, a summary of the insurance coverage of the Borrower and its Subsidiaries, which summary shall be in form and substance satisfactory to the Banks and, if requested by any of the Banks, will furnish to the Administrative Agent and such Bank copies of the applicable policies.

SECTION 7.8. TAXES. The Borrower will, and will cause its Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges (other than taxes, assessments and other governmental charges imposed by jurisdictions other than the United States, Canada or any political subdivision thereof, which in the aggregate are not material to the business, financial conditions, or assets of the Borrower and its Subsidiaries on a consolidated basis) imposed upon

it and its real properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies, which if unpaid might by law become a lien or charge upon any of its property; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Subsidiary shall have set aside on its books adequate reserves with respect thereto as required by GAAP; and provided, further, that the Borrower or such Subsidiary will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien which may have attached as security therefor.

SECTION 7.9. INSPECTION OF PROPERTIES, BOOKS AND CONTRACTS. The Borrower will, and will cause its Subsidiaries to, permit the Administrative Agent or any Bank or any of their designated representatives, upon reasonable notice, to visit and inspect any of the properties of the Borrower and its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries, or contracts (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, their officers, all at such times and intervals as may be reasonably requested.

SECTION 7.10. COMPLIANCE WITH LAWS, CONTRACTS, LICENSES AND PERMITS; MAINTENANCE OF MATERIAL LICENSES AND PERMITS. The Borrower will, and will cause each Subsidiary to, (i) comply with the provisions of its charter documents and by-laws; (ii) comply in all material respects with all agreements and instruments by which it or any of its properties may be bound; (iii) comply with all applicable laws and regulations (including Environmental Laws), decrees, orders, judgments, licenses and permits, including, without limitation, all environmental permits ("Applicable Requirements"), except where noncompliance with such Applicable Requirements would not reasonably be expected to have a material adverse effect in the aggregate on the consolidated financial condition, properties or businesses of the Borrower and its Subsidiaries; (iv) maintain all material operating permits for all landfills now owned or hereafter acquired; and (v) dispose of hazardous waste only at licensed disposal facilities operating, to the best of the Borrower's or such Subsidiary's knowledge after reasonable inquiry, in compliance with Environmental Laws. If at any time any authorization, consent, approval, permit or license from any officer, agency or instrumentality of any government shall become necessary or required in order that the Borrower or any Subsidiary may fulfill any of its obligations hereunder or under any other Loan Document, the Borrower will immediately take or cause to be taken all reasonable steps within the power of the Borrower or such Subsidiary to obtain such authorization, consent, approval, permit or license and furnish the Banks with evidence thereof.

SECTION 7.11. ENVIRONMENTAL INDEMNIFICATION. The Borrower covenants and agrees that it will indemnify and hold the Banks, the Issuing Banks and the Administrative Agent and their respective affiliates, and each of the representatives, agents and officers of each of the foregoing, harmless from and against any and all claims, expense, damage, loss or liability incurred by the Banks, the Issuing Banks or the Administrative Agent (including all costs of legal representation incurred by the Banks, the Issuing Banks or the Administrative Agent) relating to (a) any Release or threatened Release of Hazardous Substances on the Real Property; (b) any violation of any Environmental Laws or Applicable Requirements with respect to conditions at the Real Property or other assets of the Borrower or its Subsidiaries, or the operations conducted thereon;

or (c) the investigation or remediation of offsite locations at which the Borrower, any of its Subsidiaries, or their predecessors are alleged to have directly or indirectly Disposed of Hazardous Substances. It is expressly acknowledged by the Borrower that this covenant of indemnification shall survive the payment of the Loans and Reimbursement Obligations and satisfaction of all other Obligations hereunder and shall inure to the benefit of the Banks, the Issuing Banks, the Administrative Agent and their affiliates, successors and assigns.

SECTION 7.12. FURTHER ASSURANCES. The Borrower and the Guarantors will cooperate with the Administrative Agent and execute such further instruments and documents as the Administrative Agent shall reasonably request to carry out to the Banks' satisfaction the transactions contemplated by this Agreement.

SECTION 7.13. NOTICE OF POTENTIAL CLAIMS OR LITIGATION. The Borrower shall deliver to the Banks, within 30 days of receipt thereof, written notice of the initiation of any action, claim, complaint, or any other notice of dispute or potential litigation against the Borrower or any of its Subsidiaries wherein the potential liability is in excess of $25,000,000 or which questions the validity or enforceability of any Loan Document, together with a copy of each such complaint or other notice received by the Borrower or any of its Subsidiaries if requested by the Administrative Agent.

SECTION 7.14. NOTICE OF CERTAIN EVENTS CONCERNING INSURANCE AND ENVIRONMENTAL CLAIMS.

(a) The Borrower will provide the Banks with written notice as to any material cancellation or material adverse change in any insurance of the Borrower or any of its Subsidiaries within ten (10) Business Days after the Borrower's or any of its Subsidiary's receipt of any notice (whether formal or informal) of such material cancellation or material change by any of its insurers.

(b) The Borrower will promptly, and in any event within ten (10) Business Days of the Borrower's obtaining knowledge thereof, notify the Banks in writing of any of the following events:

(i) upon the Borrower's or any Subsidiary's obtaining knowledge of any violation of any Environmental Law regarding the Real Property or the Borrower's or any Subsidiary's operations which violation could have a material adverse effect on the business, financial condition, or assets of the Borrower and its Subsidiaries on a consolidated basis;

(ii) upon the Borrower's or any Subsidiary's obtaining knowledge of any potential or known Release, or threat of Release, of any Hazardous Substance at, from, or into the Real Property which could materially affect the business, financial condition, or assets of the Borrower and its Subsidiaries on a consolidated basis;

(iii) upon the Borrower's or any Subsidiary's receipt of any notice of any material violation of any Environmental Law or of any Release or threatened Release of Hazardous Substances, including a notice or claim of liability or

potential responsibility from any third party (including any federal, state, provincial, territorial or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) the Borrower's, any Subsidiary's or any Person's operation of the Real Property, (B) contamination on, from, or into the Real Property, or (C) investigation or remediation of offsite locations at which the Borrower, any Subsidiary, or its predecessors are alleged to have directly or indirectly Disposed of Hazardous Substances, and with respect to which the liability associated therewith could be reasonably expected to exceed $25,000,000; or

(iv) upon the Borrower's or any Subsidiary's obtaining knowledge that any expense or loss which individually or in the aggregate exceeds $25,000,000 has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Substances with respect to which the Borrower or any Subsidiary may be liable or for which a lien may be imposed on the Real Property.

SECTION 7.15. NOTICE OF DEFAULT. The Borrower will promptly notify the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default) under this Agreement or any other note, evidence of indebtedness, indenture or other obligation evidencing indebtedness in excess of $25,000,000 as to which the Borrower or any of its Subsidiaries is a party or obligor, whether as principal or surety, the Borrower shall forthwith upon obtaining actual knowledge thereof give written notice thereof to the Banks, describing the notice of action and the nature of the claimed default.

SECTION 7.16. USE OF PROCEEDS. The proceeds of the Loans shall be used for general corporate purposes. No proceeds of the Loans shall be used in any way that will violate Regulations U or X of the Board of Governors of the Federal Reserve System. No portion of the proceeds of any Loan is to be used, and no portion of any Letter of Credit is to be obtained, for the purpose of (a) knowingly purchasing, or providing credit support for the purchase of, Ineligible Securities from a Section 20 Subsidiary during any period in which such Section 20 Subsidiary makes a market in such Ineligible Securities, (b) knowingly purchasing, or providing credit support for the purchase of, during the underwriting or placement period, any Ineligible Securities being underwritten or privately placed by a Section 20 Subsidiary, or (c) making, or providing credit support for the making of, payments of principal or interest on Ineligible Securities underwritten or privately placed by a Section 20 Subsidiary and issued by or for the benefit of the Borrower or any Subsidiary or other Affiliate of the Borrower.

SECTION 7.17. CERTAIN TRANSACTIONS. Except as disclosed in the Disclosure Documents prior to the Effective Date, and except for arm's length transactions pursuant to which the Borrower or any Subsidiary makes payments in the ordinary course of business upon terms no less favorable than the Borrower or such Subsidiary could obtain from third parties, none of the officers, directors, or employees or any other Affiliate of the Borrower or any Subsidiary are presently or shall be a party to any transaction with the Borrower or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement

providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Borrower or any Subsidiary, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

SECTION 8. CERTAIN NEGATIVE COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or Letter of Credit is outstanding or the Banks have any obligation to make Loans or any Issuing Bank has any obligation to issue, extend or renew any Letters of Credit hereunder, or the Banks have any obligation to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 8.1. RESTRICTIONS ON INDEBTEDNESS. Neither the Borrower nor any of its Subsidiaries shall become or be a guarantor or surety of, or otherwise create, incur, assume, or be or remain liable, contingently or otherwise, with respect to any Indebtedness, or become or be responsible in any manner (whether by agreement to purchase any obligations, stock, assets, goods or services, or to supply or advance any funds, assets, goods or services or otherwise) with respect to any Indebtedness of any other Person, or incur any Indebtedness other than:

(a) Indebtedness arising under this Agreement or the other Loan Documents;

(b) (i) Indebtedness incurred by the Borrower or any Subsidiary with respect to any suretyship or performance bond incurred in the ordinary course of its business and undrawn landfill closure bonds; and

(ii) Guarantees of the Subsidiaries' obligations to governmental authorities in lieu of the posting of any landfill closure bonds;

(c) Unsecured Indebtedness of the Borrower (and any guarantee thereof by WMH), including commercial paper, which is pari passu or subordinated to the Obligations; provided that there does not exist a Default or Event of Default at the time of the incurrence of such Indebtedness and no Default or Event of Default would be created by the incurrence of such Indebtedness;

(d) (i) Indebtedness of the Borrower's Subsidiaries (other than of WMH and the Sanifill Convertible Subordinated Debt), (ii) secured Indebtedness of the Borrower, (iii) Indebtedness with respect to drawn landfill closure bonds of the Borrower's Subsidiaries (other than of WMH), and (iv) Indebtedness with respect to Permitted Receivables Transactions (other than of WMH); provided that the aggregate amount of all such Indebtedness in this Section 8.1(d) shall not exceed 15% of Consolidated Tangible Assets at any time;

(e) Indebtedness of WMH listed in Schedule 8.1(e) on the terms and conditions existing on July 16, 1998, provided that any extension, renewal or refinancing of such Indebtedness is prohibited unless the amount of such extended, renewed or refinanced Indebtedness by WMH is deducted from Indebtedness allowed under Section 8.1(d) above;

(f) The Sanifill Convertible Subordinated Debt; and

(g) Indebtedness of the Borrower and certain of its Subsidiaries under the 364 Day Facility and the European Credit Facilities.

SECTION 8.2. RESTRICTIONS ON LIENS. The Borrower will not, and will cause its Subsidiaries not to, create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, charge, restriction or other security interest of any kind upon any property or assets of any character, whether now owned or hereafter acquired, or upon the income or profits therefrom; or transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; or acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; or suffer to exist for a period of more than 30 days after the same shall have been incurred any Indebtedness or claim or demand against it which if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles or chattel paper, with or without recourse, except as follows (the "Permitted Liens"):

(a) Liens listed on Schedule 8.2(a) hereto;

(b) Liens securing Indebtedness permitted by Section 8.1(b)(i) hereof; provided that the assets subject to such liens and security interests shall be limited to those contracts to which such guaranty, suretyship or indemnification obligations relate and the rights to payment thereunder;

(c) Liens securing Indebtedness permitted under Section Section 8.1(d) and (e) (provided that Liens created pursuant to a Permitted Receivables Transaction are only on the receivables (and related contract rights, general intangibles, and chattel paper) so transferred and securing only the obligations with respect thereto);

(d) Liens to secure taxes, assessments and other government charges in respect of obligations not overdue;

(e) Deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(f) Liens in respect of judgments or awards which have been in force for less than the applicable period for taking an appeal so long as execution is not levied

thereunder or in respect of which the Borrower (or any Subsidiary) shall at the time in good faith be prosecuting an appeal or proceedings for review and in respect of which a stay of execution shall have been obtained pending such appeal or review and in respect of which the Borrower maintains adequate reserves;

(g) Liens of carriers, warehousemen, mechanics and materialmen, and other like liens, in existence less than 120 days from the date of creation thereof in respect of obligations not overdue, provided that such liens may continue to exist for a period of more than 120 days if the validity or amount thereof shall currently be contested by the Borrower (or any Subsidiary) in good faith by appropriate proceedings and if the Borrower shall have set aside on its books adequate reserves with respect thereto as required by GAAP and provided further that the Borrower (or any Subsidiary) will pay any such claim forthwith upon commencement of proceedings to foreclose any such lien; and

(h) Encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Borrower or any Subsidiary is a party, and other minor liens or encumbrances none of which in the opinion of the Borrower interferes materially with the use of the property affected in the ordinary conduct of the business of the Borrower or any of its Subsidiaries, which defects do not individually or in the aggregate have a material adverse effect on the business of the Borrower or any Subsidiary individually or of the Borrower and its Subsidiaries on a consolidated basis.

The Borrower and the Guarantors covenant and agree that if any of them or any of their Subsidiaries shall create or assume any lien upon any of their respective properties or assets, whether now owned or hereafter acquired, other than Permitted Liens (unless prior written consent shall have been obtained from the Banks), the Borrower and the Guarantors will make or cause to be made effective provision whereby the Obligations and their respective Guaranteed Obligations will be secured by such lien equally and ratably with any and all other Indebtedness thereby secured so long as such other Indebtedness shall be so secured; provided, that the covenants of the Borrower and the Guarantors contained in this sentence shall only be in effect for so long as the Borrower or any Guarantor shall be similarly obligated under any other Indebtedness; provided, further, that an Event of Default shall occur for so long as such other Indebtedness becomes secured notwithstanding any actions taken by the Borrower or any Guarantor to ratably secure the Obligations and the Guaranteed Obligations hereunder.

SECTION 8.3. RESTRICTIONS ON INVESTMENTS. Except to the extent provided in Section 8.4, neither the Borrower nor any Subsidiary may make or permit to exist or to remain outstanding any Investment, unless both before and after giving effect thereto (i) the Borrower and its Subsidiaries are in compliance with the covenants set forth in Section Section 7, 8 and 9 hereof; (ii) there does not exist a Default or Event of Default and no Default or Event of Default would be created by the making of such Investment; and (iii) the aggregate amount of all Investments (excluding Investments in (A) direct obligations of the United States of America or any agency thereof having maturities of less than one (1) year, (B) certificates of deposit having maturities of less

than one (1) year, issued by commercial banks in the United States or Canada having capital and surplus of not less than $100,000,000, and (C) wholly owned Subsidiaries, does not exceed 10% of Consolidated Tangible Assets; provided, that the ability of the Borrower and its Subsidiaries to incur any Indebtedness in connection with any Investment permitted by this Section 8.3 shall be governed by Section 8.1.

SECTION 8.4. MERGERS, CONSOLIDATIONS, SALES.

(a) Neither the Borrower nor any Subsidiary shall be a party to any merger, consolidation or exchange of stock unless the Borrower shall be the surviving entity with respect to any such transaction to which the Borrower is a party and a Guarantor shall be the survivor of any merger with any Subsidiary which is not Guarantor or a Subsidiary shall be the surviving entity (and continue to be a Subsidiary) with respect to any such transactions to which one or more Subsidiaries is a party (and the conditions set forth below are satisfied), or purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or any partnership, membership or joint venture or other interest in, any other Person except as otherwise provided in Section 8.3 or this Section 8.4. Notwithstanding the foregoing, the Borrower and its Subsidiaries may purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or joint venture or other interest in, any Person if the following conditions have been met: (i) the proposed transaction will not otherwise create a Default or an Event of Default hereunder; (ii) the business to be acquired predominantly involves (A) the collection, transfer, hauling, disposal or recycling of solid waste (excluding hazardous waste as that term is defined in RCRA) or thermal soil remediation, or (B) other lines of businesses currently engaged in by WMH, including (1) on-site portable sanitation services, (2) industrial cleaning services, (3) chemical waste treatment, storage, disposal and related services, (4) on-site integrated hazardous waste management services, including hazardous waste identification, packaging, removal, and recycling services, (5) radioactive waste management services, (6) development and operation of waste-to-energy facilities and related services, (7) the treatment and management of biosolids, (8) design and installation of air pollution control systems and equipment, or (9) environmental and infrastructure consulting and related services, provided that revenues from operations with respect to items (3), (4) and (5) shall not exceed ten percent (10%) of consolidated revenues without the consent of the Majority Banks; (iii) the business to be acquired operates predominantly (A) in North America or (B) outside North America, provided, that the aggregate amount of such acquisitions under this clause (B) does not exceed fifteen percent (15%) of Consolidated Tangible Assets; and (iv) the board of directors and (if required by applicable law) the shareholders, or the equivalent thereof, of the business to be acquired has approved such acquisition. Notwithstanding anything herein to the contrary, the ability of the Borrower and its Subsidiaries to incur any Indebtedness in connection with any transaction permitted pursuant to this Section 8.4 shall be governed by Section 8.1.

(b) Neither the Borrower nor any Subsidiary shall sell, transfer, convey or lease any assets or group of assets including the sale or transfer of any property owned by the Borrower or any Subsidiary in order then or thereafter to lease such property or lease other property which the Borrower or such Subsidiary intends to use for substantially the

same purpose as the property being sold or transferred (except (1) transfers of real or personal property among Subsidiaries of the Borrower which are wholly owned by the Borrower, (2) Regulatory Dispositions, (3) Strategic Dispositions, (4) Allied Waste Transactions and (5) so long as no Default or Event of Default has occurred and is continuing, or would result therefrom, sales of assets in the ordinary course of business in any calendar year with an aggregate value not greater than $50,000,000), or sell or assign, with or without recourse, any receivables (except accounts receivable (and contract rights, general intangibles or chattel paper related thereto) more than sixty (60) days past due sold or assigned in the ordinary course of collecting past due accounts, or pursuant to a Permitted Receivables Transaction).

(c) Commencing with the Effective Date, at any time when the aggregate Net Cash Proceeds from all Domestic Strategic Dispositions not previously applied or set aside for application under this Section 8.4(c) exceeds $25,000,000 in the aggregate, then all such Net Cash Proceeds (including the first $25,000,000) received by the Borrower or any Subsidiary from Domestic Strategic Dispositions shall be applied within five (5) Business Days to pay down the Existing Domestic Bank Debt on a pro rata basis as set forth in the following table (with concurrent permanent reduction in the lenders' commitments to advance funds or provide credit hereunder and thereunder of not less than eighty percent (80%) of the amount of such pay down), with the remainder of such Net Cash Proceeds to be available for share repurchases (subject to Section 8.5 below), and for other general corporate purposes (including acquisitions):

	Cumulative Net Cash Proceeds	% Required to Repay Existing Domestic Bank Debt	% Available for Share Repurchase
Tier I	Greater than or equal to $0 and less than or equal to $1,500,000,000	100%	0%
Tier II	Greater than $1,500,000,000 and less than or equal to $2,500,000,000	50%	50%
Tier III	Greater than $2,500,000,000 and less than or equal to $5,000,000,000	0%	100%

provided that in the event that the Senior Public Debt Rating is rated less than BBB- by Standard & Poor's AND less than Baa3 by Moody's, Tier III shall be adjusted such that 20% of Net Cash Proceeds are required to repay Existing Domestic Bank Debt and 80% of Net Cash Proceeds will be available for share repurchases. The Borrower shall promptly provide a monthly report to the Administrative Agent in the form of Exhibit L hereto (the "Form of Net Cash Proceeds Certificate") of Net Cash Proceeds from all Domestic Strategic Dispositions for the month, and demonstrating compliance with the conditions set forth above.

(d) Net Cash Proceeds from any European Strategic Dispositions shall be used first to permanently pay down the European Credit Facilities (and concurrent permanent reduction of the commitments of the lenders to advance funds or provide credit thereunder by the amount of such pay down), with any surplus to be treated as if such surplus were Net Cash Proceeds from a Domestic Strategic Disposition in accordance with subsection (c) above. The Borrower shall promptly provide a monthly report to the Administrative Agent in the form of Exhibit L hereto of Net Cash Proceeds from all European Strategic Dispositions for the month, and demonstrating compliance with the conditions set forth above.

SECTION 8.5. RESTRICTED DISTRIBUTIONS AND REDEMPTIONS. Neither the Borrower nor any of its Subsidiaries will (a) declare or pay any Distributions, or (b) redeem, convert, retire or otherwise acquire shares of any class of its capital stock (other than in connection with a merger permitted by Section 8.4 hereof or conversion into another form of equity of any preferred shares of the Borrower existing as of the Effective Date pursuant to the terms thereof); provided that, so long as no Default or Event of Default exists or would be created hereunder, the Borrower and its Subsidiaries may (i) pay cash dividends and redeem stock in an aggregate amount not to exceed Net Cash Proceeds from Strategic Dispositions available for share repurchase in accordance with the table set forth above in Section 8.4(c), provided further that, giving effect to the proposed share repurchase on a proforma basis as if the transaction occurred as of the last day of the prior fiscal quarter, the Borrower (x) shall have cash equivalents plus Existing Domestic Bank Debt Availability of at least $1,000,000,000, (y) the ratio of Total Debt to EBITDA for the most recently ended period of four fiscal quarters shall not exceed 2.75:1 and (z) the European Credit Facilities shall have been paid in full; and (ii) pay common dividends in an aggregate amount not to exceed $25,000,000 per year. Notwithstanding the above, any Subsidiary may make Distributions to the Borrower and the Borrower agrees that neither the Borrower nor any Material Subsidiary will enter into any agreement restricting Distributions from such Material Subsidiary to the Borrower.

SECTION 8.6. EMPLOYEE BENEFIT PLANS. None of the Borrower, any of its Subsidiaries, or any ERISA Affiliate will:

(a) engage in any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code which could result in a material liability for the Borrower on a consolidated basis; or

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in Section 302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower or any Guarantor pursuant to Section 302(f) or Section 4068 of ERISA; or

(d) permit or take any action which would result in the aggregate benefit liabilities (within the meaning of Section 4001 of ERISA), other than with respect to the

Terminated Plans, of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities; or

(e) take any action referred to in paragraph (a), (b), (c) or (d) above that would violate any provisions of Applicable Canadian Pension Legislation.

The Borrower and its Subsidiaries will (i) promptly upon the request of any Bank or the Administrative Agent, furnish to the Banks a copy of the most recent actuarial statement required to be submitted under Section 103(d) of ERISA and Annual Report, Form 5500, with all required attachments, in respect of each Guaranteed Pension Plan and (ii) promptly upon receipt or dispatch, furnish to the Banks any notice, report or demand sent or received in respect of a Guaranteed Pension Plan under Section Section 302, 4041, 4042, 4043, 4063, 4065, 4066 and 4068 of ERISA, or in respect of a Multiemployer Plan, under Section Section 4041A, 4202, 4219, 4242 or 4245 of ERISA.

SECTION 9. FINANCIAL COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or Letter of Credit is outstanding or the Banks have any obligation to make Loans, or any Issuing Bank has any obligation to issue, extend or renew any Letter of Credit hereunder, or the Banks have any obligation to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 9.1. INTEREST COVERAGE RATIO. As of the end of any fiscal quarter of the Borrower, the Borrower will not permit the ratio of (a) EBIT for the four fiscal quarters then ending to (b) Consolidated Total Interest Expense for such period to be less than the applicable ratio set forth in the table below:

FISCAL QUARTERS ENDING:	RATIO:
December 31, 1999 - September 30, 2000	2.75:1
December 31, 2000 and thereafter	3.00:1

SECTION 9.2. TOTAL DEBT TO EBITDA. As of the end of any fiscal quarter of the Borrower, the Borrower will not permit the ratio of (a) Total Debt to (b) EBITDA for the four fiscal quarters then ending to exceed the applicable ratio set forth in the table below:

FISCAL QUARTERS ENDING:	RATIO:
December 31, 1999 - June 30, 2000	3.25:1.00
September 30, 2000 and thereafter	3.00:1.00.

SECTION 9.3. MINIMUM NET WORTH. The Borrower will not permit Consolidated Net Worth at any time to be less than $3,500,000,000, plus 75% of cumulative positive Consolidated Net Income for each fiscal quarter, beginning with the fourth fiscal quarter of 1999, minus any share repurchases permitted pursuant to Section 8.5 hereof.

SECTION 10. CONDITIONS PRECEDENT.

SECTION 10.1. CONDITIONS TO EFFECTIVENESS. The effectiveness of this Agreement and the obligations of the Banks to make any Loans and of any Issuing Bank to issue Letters of Credit and of the Banks to participate in Letters of Credit and otherwise be bound by the terms of this Agreement shall be subject to the satisfaction of each of the following conditions precedent:

SECTION 10.1.1. CORPORATE ACTION. All corporate action necessary for the valid execution, delivery and performance by the Borrower and the Guarantors of the Loan Documents shall have been duly and effectively taken, and evidence thereof certified by authorized officers of the Borrower and the Guarantors and satisfactory to the Majority Banks shall have been provided to the Banks.

SECTION 10.1.2. LOAN DOCUMENTS, ETC. Each of the Loan Documents and other documents listed on the closing agenda shall have been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect in a form satisfactory to the Majority Banks.

SECTION 10.1.3. CERTIFIED COPIES OF CHARTER DOCUMENTS. The Banks shall have received from each of the Borrower and the Guarantors a certificate, certified by a duly authorized officer of such Person to be true and complete on the Effective Date, of (a) no changes (other than those attached thereto) to its charter or other incorporation documents since last delivered to the Administrative Agent, and (b) no changes to its by-laws (other than those attached thereto) since last delivered to the Administrative Agent.

SECTION 10.1.4. INCUMBENCY CERTIFICATE. The Banks shall have received an incumbency certificate, dated as of the Effective Date, signed by duly authorized officers of the Borrower and each of the Guarantors giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign the Loan Documents on behalf of the Borrower and each Guarantor; (b) to make Syndicated Loan Requests and Letter of Credit Requests; (c) to make Competitive Bid Quote Requests; and (d) to give notices and to take other action on the Borrower's or such Guarantor's behalf under the Loan Documents.

SECTION 10.1.5. CERTIFICATES OF INSURANCE. The Banks shall have received (i) a certificate of insurance from an independent insurance broker dated as of the Effective Date, or within 15 days prior thereto, identifying insurers, types of insurance, insurance limits, and policy terms, and otherwise describing the insurance obtained in accordance with the provisions of the Loan Documents and (ii) copies of all policies evidencing such

insurance (or certificates therefor signed by the insurer or an agent authorized to bind the insurer).

SECTION 10.1.6. OPINIONS OF COUNSEL. The Banks shall have received favorable legal opinions from outside counsel to the Borrower and the Guarantors addressed to the Banks, dated the Effective Date, in form and substance satisfactory to the Administrative Agent.

SECTION 10.1.7. SATISFACTORY FINANCIAL CONDITION. Other than as disclosed in the Disclosure Documents, no material adverse change, in the judgment of the Majority Banks, shall have occurred in the financial condition, results of operations, business, properties or prospects of the Borrower and its Subsidiaries, taken as a whole, since the Interim Balance Sheet Date.

SECTION 10.1.8. PAYMENT OF AMENDMENT FEES. For each Bank which executed and delivered its facsimile signature pages by 5:00 p.m. on December 15, 1999, the Borrower shall have paid the agreed upon amendment fee of 0.125% on each such Bank's Commitment to the Administrative Agent for the account of such Banks.

SECTION 10.1.9. AMENDMENTS TO EXISTING DEBT. The Administrative Agent shall have received evidence, in form and substance satisfactory to the Administrative Agent, that the 364 Day Facility is concurrently becoming effective in a form and substance satisfactory to the Administrative Agent, BKB and the Joint Lead Arrangers and Joint Book Managers, and no "Event of Default", "Default" (each as defined in such agreement) or prepayment event shall exist under such agreement and no liens shall be created under such agreement as a result of the transactions contemplated hereby.

SECTION 10.2. NOTICE OF EFFECTIVE DATE. Promptly upon receipt of the items set forth above, the Administrative Agent shall notify the Banks that all of the conditions of Section 10.1 have been satisfied and that the Majority Banks have approved this Agreement. As soon as practical thereafter, the Administrative Agent shall distribute an original counterpart of this Agreement to each Bank, together with copies of other items delivered in connection with the closing of this Agreement.

SECTION 11. CONDITIONS TO ALL LOANS. The obligations of the Banks to make any Loan and the obligation of any Issuing Bank to issue, extend, or renew any Letter of Credit at the time of and subsequent to the Effective Date is subject to the following conditions precedent:

SECTION 11.1. REPRESENTATIONS TRUE. Each of the representations and warranties of the Borrower and the Guarantors (as applicable) contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of such Loan or the issuance, extension, or renewal of any Letter of Credit, as applicable, with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse to the business,

assets or financial condition of the Borrower and its Subsidiaries as a whole, and to the extent that such representations and warranties relate expressly and solely to an earlier date).

SECTION 11.2. PERFORMANCE; NO EVENT OF DEFAULT. The Borrower shall have performed and complied with all terms and conditions herein required to be performed or complied with by it prior to or at the time of the making of any Loan the issuance, extension or renewal of any Letter of Credit, and at the time of the making of any Loan or the issuance, renewal or extension of any Letter of Credit, there shall exist no Default or Event of Default or condition which would result in a Default or an Event of Default upon consummation of such Loan or issuance, extension, or renewal of any Letter of Credit, as applicable. Each request for a Loan, or for issuance, extension or renewal of a Letter of Credit shall constitute certification by the Borrower that the conditions specified in Section Section 11.1 and 11.2 will be duly satisfied on the date of such Loan or Letter of Credit issuance, extension or renewal.

SECTION 11.3. NO LEGAL IMPEDIMENT. No change shall have occurred in any law or regulations thereunder or interpretations thereof which in the reasonable opinion of the Banks would make it illegal for the Banks to make Loans, for any Issuing Bank to issue, extend or renew, or the Banks to participate in, Letters of Credit hereunder.

SECTION 11.4. GOVERNMENTAL REGULATION. The Banks shall have received from the Borrower and its Subsidiaries such statements in substance and form reasonably satisfactory to the Banks as they shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System or the Office of the Superintendent of Financial Institutions.

SECTION 11.5. PROCEEDINGS AND DOCUMENTS. All proceedings in connection with the transactions contemplated by this Agreement and all documents incident thereto shall have been delivered to the Banks as of the date of the making of any extension of credit in substance and in form satisfactory to the Banks, including without limitation a Syndicated Loan Request in the form attached hereto as Exhibit D or a Letter of Credit Request in the form of Exhibit E and the Banks shall have received all information and such counterpart originals or certified or other copies of such documents as the Banks may reasonably request.

SECTION 12. EVENTS OF DEFAULT; ACCELERATION; TERMINATION OF COMMITMENT.

SECTION 12.1. EVENTS OF DEFAULT AND ACCELERATION. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice and/or lapse of time, "Defaults") shall occur:

(a) if the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) if the Borrower shall fail to pay any interest or fees or other amounts owing hereunder (other than those specified in subsection (a) above) within five (5)

Business Days after the same shall become due and payable whether at the Maturity Date or any accelerated date of maturity or at any other date fixed for payment;

(c) if the Borrower shall fail to comply with any of the covenants contained in Sections 7, 8 and 9 hereof;

(d) if the Borrower shall fail to perform any term, covenant or agreement contained herein or in any of the other Loan Documents (other than those specified in subsections (a), (b), and (c) above) and such failure shall not be remedied within 30 days after written notice of such failure shall have been given to the Borrower by the Administrative Agent or any of the Banks;

(e) if any representation or warranty contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material respect upon the date when made or repeated;

(f) if the Borrower or any of its Subsidiaries shall fail to pay when due, or within any applicable period of grace, any Indebtedness in an aggregate amount greater than $50,000,000, or fail to observe or perform any material term, covenant or agreement contained in any one or more agreements by which it is bound, evidencing or securing any Indebtedness in an aggregate amount greater than $50,000,000 for such period of time as would permit, or would have permitted (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or terminate its commitment with respect thereto;

(g) if the Borrower, any Guarantor or any Material Subsidiary makes an assignment for the benefit of creditors, or admits in writing its inability to pay or generally fails to pay its debts as they mature or become due, or petitions or applies for the appointment of a trustee or other custodian, liquidator or receiver of the Borrower, the Guarantors or any Material Subsidiary, or of any substantial part of the assets of the Borrower, the Guarantors or any Material Subsidiary or commences any case or other proceeding relating to the Borrower, the Guarantors or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing, or if any such petition or application is filed or any such case or other proceeding is commenced against the Borrower, the Guarantors or any Material Subsidiary or the Borrower, any Guarantor or any Material Subsidiary indicates its approval thereof, consent thereto or acquiescence therein;

(h) if a decree or order is entered appointing any such trustee, custodian, liquidator or receiver or adjudicating the Borrower or any Guarantor or any Material Subsidiary bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of the Borrower or any Guarantor or any Material Subsidiary in an involuntary case under federal bankruptcy laws of any jurisdiction as now or hereafter constituted, and such decree or order remains in effect for more than 30 days, whether or not consecutive;

(i) if there shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty days, whether or not consecutive, any final judgment against the Borrower or any Subsidiary which, with other outstanding final judgments against the Borrower and its Subsidiaries exceeds in the aggregate $25,000,000 after taking into account any undisputed insurance coverage;

(j) if, with respect to any Guaranteed Pension Plan (or any corresponding plan described in any Applicable Canadian Pension Legislation), an ERISA Reportable Event or similar event under Applicable Canadian Pension Legislation shall have occurred and the Banks shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of the Borrower or any Subsidiary to the PBGC or similar Canadian authorities or the Plan in an aggregate amount exceeding $25,000,000 and such event in the circumstances occurring reasonably could constitute grounds for the partial or complete termination of such Plan by the PBGC or similar Canadian authorities or for the appointment by the appropriate United States District Court or Canadian Court of a trustee to administer such Plan; or a trustee shall have been appointed by the appropriate United States District Court or Canadian Court to administer such Plan; or the PBGC or similar Canadian authorities shall have instituted proceedings to terminate such Plan;

(k) if any of the Loan Documents shall be cancelled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Banks, or any action at law, suit or in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower, any Guarantor, or any of their respective stockholders, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof; or

(l) if any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 25% or more of the outstanding shares of common voting stock of the Borrower; or during any period of twelve consecutive calendar months, individuals who were directors of the Borrower on the first day of such period shall cease to constitute a majority of the board of directors of the Borrower;

then, and in any such event, so long as the same may be continuing, the Administrative Agent may, and upon the request of the Majority Banks shall, by notice in writing to the Borrower, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents and all Reimbursement Obligations to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration to the extent permitted by law or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided that in the event of any Event of Default specified in Section 12.1(g) or 12.1(h), all such amounts shall become immediately due and

payable automatically and without any requirement of notice from the Administrative Agent or any Bank. Upon demand by the Majority Banks after the occurrence of any Event of Default, the Borrower shall immediately provide to the Administrative Agent cash in an amount equal to the aggregate Maximum Drawing Amount to be held by the Administrative Agent as collateral security for the Reimbursement Obligations.

SECTION 12.2. TERMINATION OF COMMITMENTS. If any Event of Default pursuant to Sections 12.1(g) or 12.1(h) hereof shall occur, any unused portion of the Total Commitment hereunder shall forthwith terminate and the Banks and the Issuing Banks shall be relieved of all obligations to make Loans or to issue, extend or renew Letters of Credit hereunder; or if any other Event of Default shall occur, the Majority Banks may by notice to the Borrower terminate the unused portion of the Total Commitment hereunder, and, upon such notice being given, such unused portion of the Total Commitment hereunder shall terminate immediately and the Banks and the Issuing Banks shall be relieved of all further obligations to make Loans or to issue, extend or renew Letters of Credit hereunder. No termination of any portion of the Total Commitment hereunder shall relieve the Borrower of any of its existing Obligations to the Banks, the Issuing Banks or the Administrative Agent hereunder or elsewhere.

SECTION 12.3. REMEDIES. In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Banks shall have accelerated the maturity of the Loans and other Obligations pursuant to Section 12.1, each Bank, upon notice to the other Banks, if owed any amount with respect to the Loans or the Reimbursement Obligations, may proceed to protect and enforce its rights by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Bank are evidenced, including, without limitation, as permitted by applicable law the obtaining of the ex parte appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any legal or equitable right of such Bank, any recovery being subject to the terms of Section 29 hereof. No remedy herein conferred upon any Bank or the Administrative Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

SECTION 13. SETOFF. Regardless of the adequacy of any collateral, during the continuance of an Event of Default, any deposits or other sums credited by or due from any Bank to the Borrower and any securities or other property of the Borrower in the possession of such Bank may be applied to or set off against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower to the Banks or the Administrative Agent. Any amounts set off pursuant to this Section 13 shall be distributed ratably in accordance with Section 29 among all of the Banks by the Bank setting off such amounts. If any Bank fails to share such setoff ratably, the Administrative Agent shall have the right to withhold such Bank's share of the Borrower's payments until each of the Banks shall have, in the aggregate, received a pro rata repayment.

SECTION 14. EXPENSES. Whether or not the transactions contemplated herein shall be consummated, the Borrower hereby promises to reimburse the Administrative Agent for all reasonable out-of-pocket fees and disbursements (including all reasonable attorneys' fees) incurred or expended in connection with the preparation, filing or recording, or interpretation of this Agreement, the other Loan Documents, or any amendment, modification, approval, consent or waiver hereof or thereof. The Borrower further promises to reimburse the Administrative Agent and the Banks for all reasonable out-of-pocket fees and disbursements (including all reasonable legal fees and the allocable cost of in-house attorneys' fees) incurred or expended in connection with the enforcement of any Obligations or the satisfaction of any indebtedness of the Borrower hereunder or under any other Loan Document, or in connection with any litigation, proceeding or dispute hereunder in any way related to the credit hereunder. The Borrower also promises to pay the Administrative Agent all reasonable out-of-pocket fees and disbursements, incurred or expended in connection with the Competitive Bid Loan procedure under Section 4 hereof.

SECTION 15. THE ADMINISTRATIVE AGENT.

SECTION 15.1. APPOINTMENT, POWERS AND IMMUNITIES. Each Bank hereby irrevocably appoints and authorizes MGT to act as Administrative Agent, provided, however, the Administrative Agent is hereby authorized to serve only as administrative and documentation agent for the Banks and to exercise such powers as are reasonably incidental thereto and as are set forth in this Agreement and the other Loan Documents. The Administrative Agent hereby acknowledges that it does not have the authority to negotiate any agreement which would bind the Banks or agree to any amendment, waiver or modification of any of the Loan Documents or bind the Banks except as set forth in this Agreement or the Loan Documents. Except as provided in this Agreement, and in the other Loan Documents, the Administrative Agent shall take action or refrain from acting only upon instructions of the Banks. It is agreed that the duties, rights, privileges and immunities of the Issuing Banks, in their capacity as issuers of Letters of Credit hereunder, shall be identical to the duties, rights, privileges and immunities of the Administrative Agent as provided in this Section 15. The Administrative Agent shall not have any duties or responsibilities or any fiduciary relationship with any Bank except those expressly set forth in this Agreement and the other Loan Documents. Neither the Administrative Agent nor any of its affiliates shall be responsible to the Banks for any recitals, statements, representations or warranties made by the Borrower or any other Person whether contained herein or otherwise or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or for any failure by the Borrower or any other Person to perform its obligations hereunder or thereunder or in respect of the Notes. The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent, the Agents and any of their directors, officers, employees or agents shall not be responsible for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct. The Administrative Agent in its separate capacity as a Bank shall have the same rights and powers hereunder as any other Bank.

SECTION 15.2. ACTIONS BY ADMINISTRATIVE AGENT. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement as reasonably deemed

appropriate unless it shall first have received the consent of the Majority Banks (or, when expressly required hereby, all of the Banks), and shall be indemnified to its reasonable satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any of the Loan Documents in accordance with the instruction of the Majority Banks (or, when expressly required hereby or thereby, all of the Banks), and such instruction and any action taken or failure to act pursuant thereto shall be binding upon the Banks and all future holders of the Notes or any Letter of Credit Participation.

SECTION 15.3. INDEMNIFICATION. Without limiting the obligations of the Borrower hereunder or under any other Loan Document, the Banks agree to indemnify the Administrative Agent, its affiliates and its respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) ratably in accordance with their respective Commitment Percentages for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, that no Bank shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent (or any agent thereof) and provided further that no Bank shall be liable with respect to acts of Section 20 Subsidiaries of other Banks, IT BEING THE INTENT OF THE PARTIES HERETO THAT ALL SUCH INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR ORDINARY SOLE OR CONTRIBUTORY NEGLIGENCE.

SECTION 15.4. REIMBURSEMENT. Without limiting the provisions of Sections 5.1(a), 5.13, and 13, the Administrative Agent shall not be obliged to make available to any Person any sum which the Administrative Agent is expecting to receive for the account of that Person until the Administrative Agent has determined that it has received that sum. The Administrative Agent may, however, disburse funds prior to determining that the sums which the Administrative Agent expects to receive have been finally and unconditionally paid to the Administrative Agent, if the Administrative Agent wishes to do so. If and to the extent that the Administrative Agent does disburse funds and it later becomes apparent that the Administrative Agent did not then receive a payment in an amount equal to the sum paid out, then any Person to whom the Administrative Agent made the funds available shall, on demand from the Administrative Agent, refund to the Administrative Agent the sum paid to that Person. If, in the opinion of the Administrative Agent, the distribution of any amount received by it in such capacity hereunder or under the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

SECTION 15.5. DOCUMENTS. The Administrative Agent will forward to each Bank, promptly after receipt thereof, a copy of each notice or other document furnished to the Administrative Agent for such Bank hereunder; provided, however, that, notwithstanding the foregoing, the Administrative Agent may furnish to the Banks a monthly summary with respect to Letters of Credit issued hereunder in lieu of copies of the related Letter of Credit Applications.

SECTION 15.6. NON-RELIANCE ON ADMINISTRATIVE AGENT AND OTHER BANKS. Each Bank represents that it has, independently and without reliance on the Administrative Agent, the Agents or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of the financial condition and affairs of the Borrower and the Guarantors and the decision to enter into this Agreement and the other Loan Documents and agrees that it will, independently and without reliance upon the Administrative Agent, the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own appraisals and decisions in taking or not taking action under this Agreement or any other Loan Document. Except as herein expressly provided to the contrary, the Administrative Agent shall not be required to keep informed as to the performance or observance by the Borrower and the Guarantors of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or by any other Person of any other agreement or to make inquiry of, or to inspect the properties or books of, any Person. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning any person which may come into the possession of the Administrative Agent or any of their affiliates. Each Bank shall have access to all documents relating to the Administrative Agent's performance of their duties hereunder at such Bank's request. Unless any Bank shall promptly object to any action taken by the Administrative Agent hereunder of which such Bank has actual knowledge (other than actions which require the prior consent of such Bank in accordance with the terms hereof or to which the provisions of Section 15.8 are applicable and other than actions which constitute gross negligence or willful misconduct by the Administrative Agent), such Bank shall be presumed to have approved the same.

SECTION 15.7. RESIGNATION OF ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving 60 days' prior written notice thereof to the Banks and the Borrower. Upon any such resignation, the Banks (other than the resigning Administrative Agent) shall have the right to appoint a successor Administrative Agent from among the Banks. If no successor to the Administrative Agent shall have been so appointed by the Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent from among the remaining Banks, which shall be a financial institution having a combined capital and surplus in excess of $1,000,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the retiring Administrative Agent's resignation, the provisions of this Agreement shall continue in effect for its benefit in respect of any actions taken or omitted to be

taken by it while it was acting as the Administrative Agent. Any new Issuing Bank appointed pursuant to this Section 15.7 shall immediately issue new Letters of Credit in place of Letters of Credit previously issued or, if acceptable to the resigning Issuing Bank, issue letters of credit in favor of the resigning Issuing Bank as security for the outstanding Letters of Credit and shall in due course replace all Letters of Credit previously issued by the resigning Issuing Bank.

SECTION 15.8. ACTION BY THE BANKS, CONSENTS, AMENDMENTS, WAIVERS, ETC. Any action to be taken (including the giving of notice) may be taken, any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Banks may be given, any term of this Agreement, any other Loan Document or any other instrument, document or agreement related to this Agreement or the other Loan Documents or mentioned therein may be amended, and the performance or observance by the Borrower or any other Person of any of the terms thereof and any Default or Event of Default (as defined in any of the above-referenced documents or instruments) may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Majority Banks; provided, however, that no such consent or amendment which affects the rights, duties or liabilities of the Administrative Agent or any Issuing Bank shall be effective without the written consent of the Administrative Agent or such Issuing Bank, as the case may be. Notwithstanding the foregoing, no amendment, waiver or consent shall do any of the following unless in writing and signed by ALL of the Banks (a) increase the principal amount of the Total Commitment (or subject any Bank to any additional obligations), (b) reduce the principal of or interest on the Notes (including, without limitation, interest on overdue amounts) or any fees payable hereunder, (c) postpone any date fixed for any payment in respect of principal or interest (including, without limitation, interest on overdue amounts) on the Notes or any fee hereunder; (d) change the definition of "Majority Banks" or number of Banks which shall be required for the Banks or any of them to take any action under the Loan Documents; (e) amend this Section 15.8; (f) change the Commitment Percentage of any Bank, except as permitted under Section 20 hereof, (g) change the Total Commitment Percentage of any Bank, or (h) release the Borrower or any Guarantor from its obligations hereunder (except as expressly set forth herein).

SECTION 16. INDEMNIFICATION. The Borrower agrees to indemnify and hold harmless the Banks, the Agents, the Issuing Banks, and the Administrative Agent and their affiliates, as well as the Banks' and the Administrative Agent's and their affiliates' shareholders, directors, agents, officers, subsidiaries and affiliates, from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by an indemnified party by reason of or resulting from the transactions contemplated hereby, except any of the foregoing which result from the gross negligence or willful misconduct of any indemnified party. In any investigation, enforcement matter, proceeding or litigation, or the preparation therefor, the Banks and the Administrative Agent shall be entitled to select their own counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation against the Banks or Administrative Agent by third parties, the Borrower shall be entitled to participate in such proceeding or litigation with counsel of their choice at their expense, provided that such counsel shall be reasonably satisfactory to the Banks or

Administrative Agent. The covenants of this Section 16 shall survive payment or satisfaction of payment of amounts owing with respect to any Note or any other Loan Document and satisfaction of all the Obligations hereunder, IT BEING THE INTENT OF THE PARTIES HERETO THAT ALL SUCH INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR ORDINARY SOLE OR CONTRIBUTORY NEGLIGENCE.

SECTION 17. WITHHOLDING TAXES. The Borrower hereby agrees that:

(a) Any and all payments made by the Borrower hereunder shall be made free and clear of, and without deduction for, any and all present or future taxes, levies, fees, duties, imposts, deductions, charges or withholdings of any nature whatsoever, excluding, in the case of the Administrative Agent or the Banks or any holder of the Notes, (i) taxes imposed on, or measured by, its net income or profits, (ii) franchise taxes imposed on it, (iii) taxes imposed by any jurisdiction as a direct consequence of it, or any of its affiliates, having a present or former connection with such jurisdiction, including, without limitation, being organized, existing or qualified to do business, doing business or maintaining a permanent establishment or office in such jurisdiction, and (iv) taxes imposed by reason of its failure to comply with any applicable certification, identification, information, documentation or other reporting requirement (all such non-excluded taxes being hereinafter referred to as "Indemnifiable Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Indemnifiable Taxes pursuant to any applicable law, or governmental rule or regulation, then the Borrower will (i) direct to the relevant taxing authority the full amount required to be so withheld or deducted, (ii) forward to the Administrative Agent for delivery to the applicable Bank an official receipt or other documentation satisfactory to the Administrative Agent and the applicable Bank evidencing such payment to such taxing authority, and (iii) direct to the Administrative Agent for the account of the relevant Banks such additional amount or amounts as is necessary to ensure that the net amount actually received by each relevant Bank will equal the full amount such Bank would have received had no such withholding or deduction (including any Indemnifiable Taxes on such additional amounts) been required. Moreover, if any Indemnifiable Taxes are directly asserted against the Administrative Agent or any Bank with respect to any payment received by the Administrative Agent or such Bank by reason of the Borrower's failure to properly deduct and withhold such Indemnifiable Taxes from such payment, the Administrative Agent or such Bank may pay such Indemnifiable Taxes and the Borrower will promptly pay all such additional amounts (including any penalties, interest or reasonable expenses) as is necessary in order that the net amount received by such Person after the payment of such Indemnifiable Taxes (including any Indemnifiable Taxes on such additional amount) shall equal the amount such Person would have received had not such Indemnifiable Taxes been asserted. Any such payment shall be made promptly after the receipt by the Borrower from the Administrative Agent or such Bank, as the case may be, of a written statement setting forth in reasonable detail the amount of the Indemnifiable Taxes and the basis of the claim.

(b) The Borrower shall pay any present or future stamp or documentary taxes or any other excise or any other similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(c) The Borrower hereby indemnifies and holds harmless the Administrative Agent and each Bank for the full amount of Indemnifiable Taxes or Other Taxes

(including, without limitation, any Indemnifiable Taxes or Other Taxes imposed on amounts payable under this Section 17) paid by the Administrative Agent or such Bank, as the case may be, and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, by reason of the Borrower's failure to properly deduct and withhold Indemnifiable Taxes pursuant to paragraph (a) above or to properly pay Other Taxes pursuant to paragraph (b) above. Any indemnification payment from the Borrower under the preceding sentence shall be made promptly after receipt by the Borrower from the Administrative Agent or Bank of a written statement setting forth in reasonable detail the amount of such Indemnifiable Taxes or such Other Taxes, as the case may be, and the basis of the claim.

(d) If the Borrower pays any amount under this Section 17 to the Administrative Agent or any Bank and such payee knowingly receives a refund of any taxes with respect to which such amount was paid, the Administrative Agent or such Bank, as the case may be, shall pay to the Borrower the amount of such refund promptly following the receipt thereof by such payee.

(e) In the event any taxing authority notifies the Borrower or any Guarantor that any of them has improperly failed to deduct or withhold any taxes (other than Indemnifiable Taxes) from a payment made hereunder to the Administrative Agent or any Bank, the Borrower shall timely and fully pay such taxes to such taxing authority.

(f) The Administrative Agent or the Banks shall, upon the request of the Borrower, take reasonable measures to avoid or mitigate the amount of Indemnifiable Taxes required to be deducted or withheld from any payment made hereunder if such measures can be taken without such Person in its sole judgment suffering any legal, regulatory or economic disadvantage.

(g) Without prejudice to the survival of any other agreement of the parties hereunder, the agreements and obligations of the Borrower contained in this Section 17 shall survive the payment in full of the Obligations.

SECTION 18. TREATMENT OF CERTAIN CONFIDENTIAL INFORMATION.

SECTION 18.1. SHARING OF INFORMATION WITH SECTION 20 SUBSIDIARY. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries, in connection with this Agreement or otherwise, by a Section 20 Subsidiary. The Borrower, for itself and each of its Subsidiaries, hereby authorizes (a) such Section 20 Subsidiary to share with the Administrative Agent and each Bank any information delivered to such Section 20 Subsidiary by the Borrower or any of its Subsidiaries, and (b) the Administrative Agent and each Bank to share with such Section 20 Subsidiary any information delivered to the Administrative Agent or such Bank by the Borrower or any of its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Bank to enter into this Agreement; it being understood, in each case, that any such Section 20 Subsidiary receiving such information shall be bound by the confidentiality provisions of this Agreement. Such authorization shall survive the payment and satisfaction in full of all of Obligations.

SECTION 18.2. CONFIDENTIALITY. Each of the Banks and the Administrative Agent agrees, on behalf of itself and each of its affiliates, directors, officers, employees and representatives, to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied to it by the Borrower or any of its Subsidiaries pursuant to this Agreement that is identified by such Person as being confidential at the time the same is delivered to the Banks or the Administrative Agent, provided that nothing herein shall limit the disclosure of any such information (a) after such information shall have become public other than through a violation of this Section 18, (b) to the extent required by statute, rule, regulation or judicial process, (c) to counsel for any of the Banks or the Administrative Agent, (d) to bank examiners or any other regulatory authority having jurisdiction over any Bank or the Administrative Agent, or to auditors or accountants, (e) to the Administrative Agent, any Bank or any Section 20 Subsidiary, (f) in connection with any litigation to which any one or more of the Banks, the Administrative Agent or any Section 20 Subsidiary is a party, or in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (g) to a Subsidiary or affiliate of such Bank as provided in Section 18.1 or (h) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant agrees to be bound by the provisions of Section 20.

SECTION 18.3. PRIOR NOTIFICATION. Unless specifically prohibited by applicable law or court order, each of the Banks and the Administrative Agent shall, prior to disclosure thereof, notify the Borrower of any request for disclosure of any such non-public information by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Bank by such governmental agency) or pursuant to legal process.

SECTION 18.4. OTHER. In no event shall any Bank or the Administrative Agent be obligated or required to return any materials furnished to it or any Section 20 Subsidiary by the Borrower or any of its Subsidiaries. The obligations of each Bank under this Section 18 shall supersede and replace the obligations of such Bank under any confidentiality letter in respect of this financing signed and delivered by such Bank to the Borrower prior to the date hereof and shall be binding upon any assignee of, or purchaser of any participation in, any interest in any of the Loans or Reimbursement Obligations from any Bank.

SECTION 19. SURVIVAL OF COVENANTS, ETC. Unless otherwise stated herein, all covenants, agreements, representations and warranties made herein, in the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrower or any Guarantor pursuant hereto shall be deemed to have been relied upon by the Banks, the Issuing Banks and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by them, and shall survive the making by the Banks of the Loans and the issuance, extension or renewal of any Letters of Credit by any Issuing Bank, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement, any Obligation, any Letter of Credit or any Note remains outstanding and unpaid or any Bank has any obligation to make any Loans or any Issuing Bank has any obligation to issue, extend, or renew any Letters of Credit hereunder. All statements contained in any certificate or other paper

delivered by or on behalf of the Borrower pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower hereunder.

SECTION 20. ASSIGNMENT AND PARTICIPATION. It is understood and agreed that each Bank shall have the right to assign at any time all or a portion of its Commitment Percentage and interests in the risk relating to the Loans, outstanding Letters of Credit and its Commitment hereunder in an amount equal to or greater than $5,000,000 (or, if a Bank's Commitment is less than $5,000,000, in a minimum amount equal to such Bank's Commitment, provided that prior to any Commitment reductions pursuant to Section 2.3, such Bank's Commitment was at least $10,000,000) to additional banks or other financial institutions with the prior written approval of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, which approvals shall not be unreasonably withheld. Any Bank may at any time, and from time to time, assign to any branch, lending office, or affiliate or such Bank all or any part of its rights and obligations under the Loan Documents by notice to the Administrative Agent and the Borrower. It is further agreed that each bank or other financial institution which executes and delivers to the Administrative Agent and the Borrower hereunder an Assignment and Acceptance substantially in the form of Exhibit G hereto (an "Assignment and Acceptance") together with an assignment fee in the amount of $3,500 payable by the assigning Bank to the Administrative Agent, shall, on the date specified in such Assignment and Acceptance, become a party to this Agreement and the other Loan Documents for all purposes of this Agreement and the other Loan Documents, and its portion of the Commitment, the Loans and Letters of Credit shall be as set forth in such Assignment and Acceptance. The Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents. Upon the execution and delivery of such Assignment and Acceptance, (a) the Borrower shall issue to the assignee bank or other financial institution Notes in the amount of such bank's or other financial institution's Commitment dated the date of the assignment or such other date as may be specified by the Administrative Agent, and otherwise completed in substantially the form of Exhibits A or B, and to the extent any assigning Bank has retained a portion of its obligations hereunder, a replacement Syndicated Note, to the assigning Bank reflecting its assignment; (b) to the extent applicable, the Borrower shall issue a Competitive Bid Note in substantially the form of Exhibit C (and a replacement Competitive Bid Note) or the Administrative Agent shall make appropriate entries on the Competitive Bid Loan Accounts to reflect such assignment of Competitive Bid Loan(s); (c) the Administrative Agent shall distribute to the Borrower, the Banks and such bank or financial institution a revised Schedule 1 reflecting such changes; and (d) this Agreement shall be deemed to be appropriately amended to reflect (i) the status of the bank or financial institution as a party hereto and (ii) the status and rights of the Banks hereunder.

Each Bank shall also have the right to grant participations to one or more banks or other financial institutions in its Commitment, the Loans and outstanding Letters of Credit. The documents evidencing any such participation shall limit such participating bank's or financial institution's voting rights with respect to this Agreement to the matters set forth in Section 15.8 which require the approval of all Banks.

Notwithstanding the foregoing, no assignment or participation shall operate to increase the Total Commitment hereunder or otherwise alter the substantive terms of this Agreement, and no Bank which retains a Commitment hereunder shall have a Commitment of less than $10,000,000, as such amount may be reduced upon reductions in the Total Commitment pursuant to Section 2.3 hereof.

Anything contained in this Section 20 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

The Borrower agrees that in addition to disclosures made in accordance with standard and customary banking practices any Bank may disclose information obtained by such Bank pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder; provided that such assignees or participants or potential assignees or participants shall agree to be bound by Section 18 hereof.

SECTION 21. PARTIES IN INTEREST. All the terms of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto and thereto; provided, that the Borrower shall not assign or transfer its rights or obligations hereunder or thereunder without the prior written consent of each of the Banks.

SECTION 22. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the other Loan Documents shall be in writing and shall be delivered in hand, mailed by United States first class mail, postage prepaid, or sent by telegraph, telex or facsimile and confirmed by letter, addressed as follows:

(a) if to the Borrower or the Guarantors, at 1001 Fannin Street, Suite 4000, Houston, Texas 77002, Attention: Ronald H. Jones, facsimile number (713) 209-9710; or

(b) if to BOA, at Bank of America, N.A., 231 South LaSalle Street, Chicago, Illinois 60697, Attention: Robert P. Rospierski, Managing Director, facsimile number (312) 828-1974; or

(c) if to MGT, J.P. Morgan Securities Inc. or the Administrative Agent at Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York 10260-0060, facsimile number (212) 648-5018; or

(d) if to any Bank, at the last address provided to the Administrative Agent;

or such other address for notice as shall have last been furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (a) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (b) if sent by registered or certified first-class mail, postage prepaid, five Business Days after the posting thereof, and (c) if sent by telex, facsimile, or cable, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

SECTION 23. MISCELLANEOUS. The rights and remedies herein expressed are cumulative and not exclusive of any other rights which the Banks, the Issuing Banks or the Administrative Agent would otherwise have. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

SECTION 24. CONSENTS, ETC. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in this Section 24, subject to the provisions of Section 15.8. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement to be given by the Banks may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by the Borrower of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Borrower and the Majority Banks. To the extent permitted by law, no course of dealing or delay or omission on the part of any of the Banks, the Issuing Banks or the Administrative Agent in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

SECTION 25. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, THE BORROWER AND THE GUARANTORS HEREBY WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWER AND EACH OF THE GUARANTORS EACH (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY BANK, ANY ISSUING BANK,

THE ADMINISTRATIVE AGENT OR ANY AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH BANK, SUCH ISSUING BANK, THE ADMINISTRATIVE AGENT OR SUCH AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT THE ADMINISTRATIVE AGENT, THE BANKS, AND THE ISSUING BANKS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BECAUSE OF, AMONG OTHER THINGS, THE BORROWER'S AND THE GUARANTORS' WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

SECTION 26. GOVERNING LAW; SUBMISSION TO JURISDICTION. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. THE BORROWER AND THE GUARANTORS CONSENT AND AGREE THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER IN ACCORDANCE WITH LAW AT THE ADDRESS SPECIFIED IN SECTION 22. THE BORROWER AND EACH OF THE GUARANTORS HEREBY WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

SECTION 27. SEVERABILITY. The provisions of this Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

SECTION 28. GUARANTY.

SECTION 28.1. GUARANTY. For value received and hereby acknowledged and as an inducement to the Banks and the Issuing Banks to make the Loans available to the Borrower, and issue, extend or renew Letters of Credit for the account of the Borrower, each Guarantor hereby unconditionally and irrevocably guarantees (a) the full punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of the Borrower now or hereafter existing whether for principal, interest, fees, expenses or otherwise, and (b) the strict performance and observance by the Borrower of all agreements, warranties and covenants applicable to the Borrower in the Loan Documents and (c) the obligations of the Borrower under the Loan Documents (such Obligations collectively being hereafter referred to as the "Guaranteed Obligations").

SECTION 28.2. GUARANTY ABSOLUTE. Each of the Guarantors guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms hereof, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Bank, any Issuing Bank or the Administrative Agent with respect thereto. The liability of the Guarantors under the guaranty granted under this Agreement with regard to the Guaranteed Obligations shall be absolute and unconditional irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, all or any of its Guaranteed Obligations or any other amendment or waiver of or any consent to departure from this Agreement or any other Loan Document (with regard to such Guaranteed Obligations);

(b) any release or amendment or waiver of or consent to departure from any other guaranty for all or any of its Guaranteed Obligations;

(c) any change in ownership of the Borrower;

(d) any acceptance of any partial payment(s) from the Borrower or any other Guarantor; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower in respect of its Obligations under any Loan Document.

The guaranty under this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by the Banks, the Issuing Banks or the Administrative Agent upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

SECTION 28.3. EFFECTIVENESS; ENFORCEMENT. The guaranty under this Agreement shall be effective and shall be deemed to be made with respect to each Loan and each Letter of Credit as of the time it is made, issued or extended, or becomes a Letter of Credit under this Agreement, as applicable. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect any liability of the Borrower, and no defect in or insufficiency or want of powers of the Borrower or irregular or improperly recorded exercise thereof, shall impair, affect, be a defense to or claim against such guaranty. The guaranty under this Agreement is a continuing guaranty and shall (a) survive any termination of this Agreement, and (b) remain in full force and effect until payment in full of, and performance of, all Guaranteed Obligations and all other amounts payable under this Agreement. Notwithstanding anything set forth in this Section 28 to the contrary, Sanifill shall be released from its guaranty obligations upon the satisfaction (as determined in the Administrative Agent's judgment and evidenced by a release executed by the Administrative Agent) of the Sanifill Convertible Subordinated Debt. The guaranty under this Agreement is made for the benefit of the Administrative Agent, the Issuing Banks and the Banks and their successors and assigns, and may be enforced from time to time as often as occasion therefor may arise and without requirement on the part of the Administrative Agent, the Issuing

Banks or the Banks first to exercise any rights against the Borrower, or to resort to any other source or means of obtaining payment of any of the said obligations or to elect any other remedy.

SECTION 28.4. WAIVER. Except as otherwise specifically provided in any of the Loan Documents, each of the Guarantors hereby waives promptness, diligence, protest, notice of protest, all suretyship defenses, notice of acceptance and any other notice with respect to any of its Guaranteed Obligations and the guaranty under this Agreement and any requirement that the Banks, the Issuing Banks or the Administrative Agent protect, secure, perfect any security interest or lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person. Each of the Guarantors also irrevocably waives, to the fullest extent permitted by law, all defenses which at any time may be available to it in respect of its Guaranteed Obligations by virtue of any statute of limitations, valuation, stay, moratorium law or other similar law now or hereafter in effect.

SECTION 28.5. EXPENSES. Each of the Guarantors hereby promises to reimburse (a) the Administrative Agent for all reasonable out-of-pocket fees and disbursements (including all reasonable attorneys' fees), incurred or expended in connection with the preparation, filing or recording, or interpretation of the guaranty under this Agreement, the other Loan Documents to which such Guarantor is a party, or any amendment, modification, approval, consent or waiver hereof or thereof, and (b) the Administrative Agent, the Issuing Banks and the Banks and their respective affiliates for all reasonable out-of-pocket fees and disbursements (including reasonable attorneys' fees), incurred or expended in connection with the enforcement of its Guaranteed Obligations (whether or not legal proceedings are instituted). The Guarantors will pay any taxes (including any interest and penalties in respect thereof) other than the Banks' taxes based on overall income or profits, payable on or with respect to the transactions contemplated by the guaranty under this Agreement, each of the Guarantors hereby agreeing jointly and severally to indemnify each Bank with respect thereto.

SECTION 28.6. CONCERNING JOINT AND SEVERAL LIABILITY OF THE GUARANTORS.

(a) Each of the Guarantors hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the Borrower, with respect to the payment and performance of all of its Guaranteed Obligations (including, without limitation, any Guaranteed Obligations arising under this Section 28), it being the intention of the parties hereto that all such Guaranteed Obligations shall be the joint and several Guaranteed Obligations of such Guarantor and the Borrower without preferences or distinction among them.

(b) If and to the extent that the Borrower shall fail to make any payment with respect to any of its Obligations as and when due or to perform any of its Guaranteed Obligations in accordance with the terms thereof, then in each such event the applicable Guarantor will make such payment with respect to, or perform, such Guaranteed Obligation.

(c) The Guaranteed Obligations of each Guarantor under the provisions of this Section 28 constitute full recourse obligations of such Guarantor enforceable against such

Guarantor to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstance whatsoever.

(d) Except as otherwise expressly provided in this Agreement, each of the Guarantors hereby waives notice of acceptance of its joint and several liability, notice of any Loans made, or Letters of Credit issued under this Agreement, notice of any action at any time taken or omitted by the Administrative Agent, the Issuing Banks or the Banks under or in respect of any of the Guaranteed Obligations, and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement. Each of the Guarantors hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Guaranteed Obligations, the acceptance of any payment of any of the Guaranteed Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Administrative Agent, the Issuing Banks or the Banks at any time or times in respect of any Default or Event of Default by the Borrower or the Guarantors in the performance or satisfaction of any term, covenant, condition or provision of this Agreement or any other Loan Document, any and all other indulgences whatsoever by the Administrative Agent, the Issuing Banks or the Banks in respect of any of the Guaranteed Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Guaranteed Obligations or the addition, substitution or release, in whole or in part, of the Borrower or any Guarantor. Without limiting the generality of the foregoing, each of the Guarantors assents to any other action or delay in acting or failure to act on the part of the Banks, the Issuing Banks or the Administrative Agent with respect to the failure by the Borrower or any Guarantor to comply with its respective Obligations or Guaranteed Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 28, afford grounds for terminating, discharging or relieving the Guarantors, in whole or in part, from any of the Guaranteed Obligations under this Section 28, it being the intention of the Guarantors that, so long as any of the Guaranteed Obligations hereunder remain unsatisfied, the Guaranteed Obligations of each of the Guarantors under this Section 28 shall not be discharged except by performance and then only to the extent of such performance. The Guaranteed Obligations of each of the Guarantors under this Section 28 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to the Borrower or any of the Guarantors or the Banks, the Issuing Banks or the Administrative Agent. The joint and several liability of each of the Guarantors hereunder shall continue in full force and effect notwithstanding any absorption, merger, consolidation, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of the Borrower or the Guarantors, the Banks, the Issuing Banks or the Administrative Agent.

(e) The Guarantors shall be liable under this Section 28 only for the maximum amount of such liabilities that can be incurred under applicable law without rendering this Section 28 voidable under applicable law relating to fraudulent conveyance and fraudulent transfer, and not for any greater amount. Accordingly, if any obligation under any

provision under this Section 28 shall be declared to be invalid or unenforceable in any respect or to any extent, it is the stated intention and agreement of the Guarantors, the Administrative Agent, the Issuing Banks and the Banks that any balance of the obligation created by such provision and all other obligations of the Guarantors under this Section 28 to the Banks, the Issuing Banks or the Administrative Agent shall remain valid and enforceable, and that all sums not in excess of those permitted under applicable law shall remain fully collectible by the Banks, the Issuing Banks and the Administrative Agent from the Borrower or the Guarantors, as the case may be.

(f) The provisions of this Section 28 are made for the benefit of the Administrative Agent, the Issuing Banks and the Banks and their successors and assigns, and may be enforced in good faith by them from time to time against the Guarantors as often as occasion therefor may arise and without requirement on the part of the Administrative Agent, the Issuing Banks or the Banks first to marshal any of their claims or to exercise any of their rights against the Borrower or the Guarantors or to exhaust any remedies available to them against the Borrower or the Guarantors or to resort to any other source or means of obtaining payment of any of the obligations hereunder or to elect any other remedy. The provisions of this Section 28 shall remain in effect until all of the Guaranteed Obligations shall have been paid in full or otherwise fully satisfied and the Commitments have expired and all outstanding Letters of Credit have expired, matured or otherwise been terminated. If at any time, any payment, or any part thereof, made in respect of any of the Guaranteed Obligations, is rescinded or must otherwise be restored or returned by the Banks, the Issuing Banks or the Administrative Agent upon the insolvency, bankruptcy or reorganization of the Borrower or any of the Guarantors, or otherwise, the provisions of this Section 28 will forthwith be reinstated in effect, as though such payment had not been made.

SECTION 28.7. WAIVER. Until the final payment and performance in full of all of the Obligations, neither of the Guarantors shall exercise and each of the Guarantors hereby waives any rights such Guarantor may have against the Borrower or the other Guarantor arising as a result of payment by such Guarantor hereunder, by way of subrogation, reimbursement, restitution, contribution or otherwise, and will not prove any claim in competition with the Administrative Agent, the Issuing Banks or any Bank in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; such Guarantor will not claim any setoff, recoupment or counterclaim against the Borrower or the other Guarantor in respect of any liability of the Borrower to such Guarantor; and such Guarantor waives any benefit of and any right to participate in any collateral security which may be held by the Administrative Agent, the Issuing Banks or any Bank.

SECTION 28.8. SUBROGATION; SUBORDINATION. The payment of any amounts due with respect to any indebtedness of the Borrower for money borrowed or credit received now or hereafter owed to either of the Guarantors is hereby subordinated to the prior payment in full of all of the Obligations. Each of the Guarantors agrees that, after the occurrence of any default in the payment or performance of any of the Obligations, such Guarantor will not demand, sue for or otherwise attempt to collect any such indebtedness of the Borrower or the other Guarantor to such Guarantor until all of the Obligations shall have been paid in full. If, notwithstanding the

foregoing sentence, either of the Guarantors shall collect, enforce or receive any amounts in respect of such indebtedness while any Obligations are still outstanding, such amounts shall be collected, enforced and received by such Guarantor as trustee for the Banks, the Issuing Banks and the Administrative Agent and be paid over to the Administrative Agent at Default, for the benefit of the Banks, the Issuing Banks, and the Administrative Agent on account of the Obligations without affecting in any manner the liability of such Guarantor under the other provisions hereof.

SECTION 29. PARI PASSU TREATMENT.

(a) Notwithstanding anything to the contrary set forth herein, each payment or prepayment of principal and interest received after the occurrence of an Event of Default hereunder shall be distributed pari passu among the Banks, in accordance with the aggregate outstanding principal amount of the Obligations owing to each Bank divided by the aggregate outstanding principal amount of all Obligations.

(b) Following the occurrence and during the continuance of any Event of Default, each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower (pursuant to Section 13 or otherwise), including a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, obtain payment (voluntary or involuntary) in respect of the Notes, Loans, Reimbursement Obligations and other Obligations held by it (other than pursuant to Section 5.5, Section 5.6 or Section 5.8) as a result of which the unpaid principal portion of the Notes and the Obligations held by it shall be proportionately less than the unpaid principal portion of the Notes and Obligations held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in the Notes and Obligations held by such other Bank, so that the aggregate unpaid principal amount of the Notes, Obligations and participations in Notes and Obligations held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of the Notes and Obligations then outstanding as the principal amount of the Notes and other Obligations held by it prior to such exercise of banker's lien, setoff or counterclaim was to the principal amount of all Notes and other Obligations outstanding prior to such exercise of banker's lien, setoff or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 29 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Person holding such a participation in the Notes and the Obligations deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Person as fully as if such Person had made a Loan directly to the Borrower in the amount of such participation.

SECTION 30. TRANSITIONAL ARRANGEMENTS. Upon the Effective Date (a) this Agreement shall supersede the Existing Credit Agreement in its entirety, and (b) the parties

acknowledge and agree that the Pricing Table set forth herein shall be applied retroactively to October 29, 1999 to the Loans and Letters of Credit outstanding under the Existing Credit Agreement; and the Borrower hereby agrees to pay on December 15, 1999 (i) any facility fees due under the Existing Credit Agreement, (ii) any incremental amounts due as the result of such retroactive increase to the extent not paid on or before the Effective Date, and (iii) any other amounts due under the Existing Credit Agreement.

SECTION 31. FINAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

THE BORROWER AND GUARANTORS:

WASTE MANAGEMENT, INC.
(f/k/a USA Waste Services, Inc.)

By:

Name:
Title:

SANIFILL, INC.

By:

Name:
Title:

By:

Name:
Title:

WASTE MANAGEMENT HOLDINGS, INC.

By:

Name:
Title:

By:

Name:
Title:

THE BANKS AND ADMINISTRATIVE AGENT:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
individually and as Administrative Agent

By:

Name:
Title:

BANK OF AMERICA, N.A.

By:

Name:
Title:

ABN AMRO BANK, N.V.

By:

Name:
Title:

By:

Name:
Title:

BANCA COMMERCIALE ITALIANA, LOS ANGELES
FOREIGN BRANCH

By:

Name:
Title:

By:

Name:
Title:

BANK AUSTRIA AKTIENGESELLSCHAFT

By:

Name:
Title:

By:

Name:
Title:

BANKBOSTON, N.A.

By:

Name:
Title:

BANK OF MONTREAL

By:

Name:
Title:

BANQUE NATIONALE DE PARIS

By:

Name:
Title:

WELLS FARGO BANK (TEXAS),
NATIONAL ASSOCIATION

By:

Name:
Title:

THE BANK OF NOVA SCOTIA

By:

Name:
Title:

BANK ONE, TEXAS, N.A.

By:

Name:
Title:

PARIBAS

By:

Name:
Title:

By:

Name:
Title:

COMERICA BANK

By:

Name:
Title:

CIBC INC.

By:

Name:
Title:

CREDIT LYONNAIS NEW YORK BRANCH

By:

Name:
Title:

THE DAI-ICHI KANGYO BANK, LTD.

By:

Name:
Title:

DEUTSCHE BANK AG, NEW YORK AND/OR CAYMAN ISLANDS BRANCHES

By:

Name:
Title:

By:

Name:
Title:

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK AG

By:

Name:
Title:

By:

Name:
Title:

THE FIRST NATIONAL BANK OF MARYLAND

By:

Name:
Title:

FLEET BANK, N.A.

By:

Name:
Title:

THE FUJI BANK, LIMITED, HOUSTON AGENCY

By:

Name:
Title:

HIBERNIA NATIONAL BANK

By:

Name:
Title:

THE INDUSTRIAL BANK OF JAPAN
TRUST COMPANY

By:

Name:
Title:

KBC BANK N.V.

By:

Name:
Title:

By:

Name:
Title:

THE MITSUBISHI TRUST AND BANKING CORPORATION

By:

Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

ROYAL BANK OF CANADA

By:

Name:
Title:

THE SANWA BANK LIMITED

By:

Name:
Title:

THE SUMITOMO BANK, LIMITED

By:

Name:
Title:

SUNTRUST BANK, ATLANTA

By:

Name:
Title:

By:

Name:
Title:

CHASE BANK OF TEXAS, N.A.

By:

Name:
Title:

TORONTO DOMINION (TEXAS), INC.

By:

Name:
Title:

WACHOVIA BANK, N.A.

By:

Name:
Title:

WESTDEUTSCHE LANDESBANK GIROZENTRALE,
NEW YORK BRANCH

By:

Name:
Title:

THE BANK OF NEW YORK

By:

Name:
Title:

ABU DHABI INTERNATIONAL BANK INC.

By:

Name:
Title:

By:

Name:
Title:

CALIFORNIA BANK AND TRUST
(f/k/a Sumitomo Bank of California)

By:

Name:
Title:

THE SUMITOMO TRUST & BANKING CO.,
LIMITED, NEW YORK BRANCH

By:

Name:
Title:

REPUBLIC NATIONAL BANK OF NEW YORK

By:

Name:
Title:

ERSTE BANK

By:

Name:
Title:

Exhibit 10.33

AMENDED AND RESTATED
LOAN AGREEMENT

DATED AS OF DECEMBER 15, L999

by and among

WASTE MANAGEMENT, INC.

(the "Borrower")

and

THE GUARANTOR

and

BANKBOSTON, N.A. ("BKB")
BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION ("BOA")
CHASE BANK OF TEXAS, N.A. ("CHASE")
DEUTSCHE BANK AG, NEW YORK BRANCH ("DEUTSCHE")

AND THE OTHER FINANCIAL INSTITUTIONS WHICH BECOME
A PARTY TO THIS AGREEMENT

(Collectively, the "Banks")

and

BKB AS ADMINISTRATIVE AGENT (the "Administrative Agent")

and

DEUTSCHE AS DOCUMENTATION AGENT (the "Documentation Agent")

and

BOA AND CHASE AS SYNDICATION AGENTS
(the "Syndication Agents")

and

BANC OF AMERICA SECURITIES, LLC AND CHASE SECURITIES INC. ("CSI")
AS JOINT LEAD ARRANGERS AND JOINT BOOK MANAGERS (the "Joint Lead Arrangers and
Joint Book Managers")

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BD DRAFT
12/15/99

AMENDED AND RESTATED LOAN AGREEMENT

This AMENDED AND RESTATED LOAN AGREEMENT is made as of the 15th day of December, l999, by and among WASTE MANAGEMENT, INC., a Delaware corporation having its chief executive office at 1001 Fannin Street, Suite 4000, Houston, Texas 77002 (the "Borrower"), the Guarantor, and BANKBOSTON, N.A., a national banking association having its principal place of business at 100 Federal Street, Boston, MA 02110 ("BKB"), BANK OF AMERICA, N.A., a national banking association having a place of business at 231 South LaSalle Street Chicago, IL 60697 ("BOA"), CHASE BANK OF TEXAS, N.A., a national banking association having its principal place of business at 707 Travis Street, Houston, TX 77002 ("Chase"), DEUTSCHE BANK AG, NEW YORK BRANCH, the duly licensed New York branch of a German corporation having its principal place of business at 31 West 52nd Street, New York, NY 10019 ("Deutsche"), and each of the other financial institutions party hereto (collectively, the "Banks"), and BKB as administrative agent (the "Administrative Agent"), Banc of America Securities LLC and Chase Securities Inc. as joint lead arrangers and joint book managers (the "Joint Lead Arrangers and Joint Book Managers"), BOA and Chase Securities Inc. as syndication agents (the "Syndication Agents") and Deutsche as documentation agent (the "Documentation Agent", and together with the Administrative Agent, the Joint Lead Arrangers and Joint Book Managers and the Syndication Agents, the "Agents").

WHEREAS, the Borrower, the Guarantor, BKB, BOA, Chase, Deutsche, certain of the Banks, BKB as administrative agent thereunder, Banc of America Securities LLC and Chase Securities Inc. as lead arrangers and book managers thereunder, BOA and Chase Securities Inc. as syndication agents thereunder and Deutsche as documentation agent thereunder (collectively, the "Original Parties"), are party to that certain Loan Agreement dated as of July 13, 1999, by and among the Original Parties (the "Prior Loan Agreement"); and

WHEREAS, the Borrower has requested changes in certain terms and the pricing of the Prior Loan Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, on the Effective Date, the Prior Loan Agreement shall be amended and restated by this Agreement, the terms of which are as follows:

SECTION 1. DEFINITIONS AND RULES OF INTERPRETATION.

SECTION 1.1. DEFINITIONS. The following terms shall have the meanings set forth in this Section 1 or elsewhere in the provisions of this Agreement referred to below:

Absolute Competitive Bid Loan(s). See Section 4.3(a).

Accountants. See Section 8.4(a).

Administrative Agent. See Preamble.

Affected Bank. See Section 6.11.

Agents. See Preamble.

Agreement. This Amended and Restated Loan Agreement, including the Schedules and Exhibits hereto, as from time to time amended and supplemented in accordance with the terms hereof.

Allied Waste Transactions. The series of transactions, which have been designed to be substantially cash neutral in the aggregate, to be entered into among Allied Waste Services, Inc. ("Allied"), the Company, and certain of their respective affiliates, pursuant to which, among other things, (i) the Company through its affiliates will purchase from Allied and its affiliates all of the outstanding capital stock of Browning-Ferris Industries Limited ("BFIL") which owns certain solid waste operations in Canada (the "Canadian Operations"), and (ii) Allied through its affiliates will acquire from the Company and its affiliates certain solid waste operations in the United States (the "US Operations"); and including, in each case, such divestitures of Canadian Operations and US Operations as may be required by applicable governmental authorities in connection with their review of such transactions for their potential antitrust and competitive effects.

Applicable Canadian Pension Legislation. At any time, any pension or retirement benefits legislation (be it federal, provincial, territorial, or otherwise) then applicable to any of the Canadian Subsidiaries, including the Pension Benefits Act (Ontario), the Income Tax Act (Canada), and all regulations made thereunder.

Applicable Eurodollar Rate. The applicable rate per annum of interest on the Eurodollar Loans as set forth in the Pricing Table.

Applicable Facility Rate. The applicable rate per annum with respect to the Facility Fee as set forth in the Pricing Table.

Applicable L/C Rate. The applicable rate per annum on the Maximum Drawing Amount as set forth in the Pricing Table.

Applicable Requirements. See Section 8.10.

Applicable Swing Line Rate. The annual rate of interest agreed upon from time to time by BKB and the Borrower with respect to Swing Line Loans.

Assignment and Acceptance. See Section 21.

Availability. As of any date of determination, the aggregate amount of unused commitments of the lenders party to this Agreement and the Revolving Credit Facility as of such date.

Balance Sheet Date. December 31, 1998.

Banks. See Preamble.

Base Rate. The higher of (a) the annual rate of interest announced from time to time by the Administrative Agent at its Head Office as its base rate (it being understood that such rate is a reference rate and not necessarily the lowest rate of interest charged by the Administrative Agent), or (b) one percent (1%) above the Overnight Federal Funds Effective Rate.

Base Rate Loans. Syndicated Loans bearing interest calculated by reference to the Base Rate.

BKB. See Preamble.

BOA. See Preamble.

Borrower. See Preamble.

Business Day. Any day, other than a Saturday, Sunday or any day on which banking institutions in Boston, Massachusetts and New York, New York are authorized by law to close, and, when used in connection with a Eurodollar Loan, a Eurodollar Business Day.

Capitalized Leases. Leases under which the Borrower or any of its Subsidiaries is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

CERCLA. See Section 7.15(a).

Certified or certified. With respect to the financial statements of any Person, such statements as audited by a firm of independent auditors, whose report expresses the opinion, without qualification, that such financial statements present fairly the financial position of such Person.

CFO or the CAO. See Section 8.4(b).

Chase. See Preamble.

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time.

Commitment. With respect to each Bank, such Bank's commitment to make Syndicated Loans to, and to participate in the issuance, extension and renewal of Letters of Credit for the account of, the Borrower, determined by multiplying such Bank's Commitment Percentage by the Total Commitment.

Commitment Percentage. With respect to each Bank, the percentage initially set forth next to such Bank's name on Schedule 1 hereto, as the same may be adjusted in accordance with Section 21.

Competitive Bid Loan(s). A borrowing hereunder consisting of one or more loans made by any of the participating Banks whose offer to make a Competitive Bid Loan as part of such borrowing has been accepted by the Borrower under the auction bidding procedure described in Section 4 hereof.

Competitive Bid Loan Accounts. See Section 4.2(a).

Competitive Bid Margin. See Section 4.5(b)(iv).

Competitive Bid Notes. See Section 4.2(b).

Competitive Bid Quote. An offer by a Bank to make a Competitive Bid Loan in accordance with Section 4.5 hereof.

Competitive Bid Quote Request. See Section 4.3.

Competitive Bid Rate. See Section 4.5(b)(v).

Compliance Certificate. See Section 8.4(c).

Consolidated or consolidated. With reference to any term defined herein, shall mean that term as applied to the accounts of the Borrower and its Subsidiaries consolidated in accordance with GAAP.

Consolidated Earnings Before Interest and Taxes, or EBIT. For any period, the Consolidated Net Income (or Deficit) of the Borrower and its Subsidiaries on a consolidated basis plus the sum of (1) interest expense, (2) income taxes, and (3) $1,762,517,000 in charges, taken as a special charge in respect of the Borrower's internal review in the fiscal quarter ending September 30, 1999, to the extent that each of items (1) through (3) was deducted, without duplication, in determining Consolidated Net Income (or Deficit) in the relevant period.

Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization or EBITDA. For any period, EBIT plus (a) depreciation expense, and (b) amortization expense to the extent the same would be included in the calculation of Consolidated Net Income (or Deficit) for such period, determined in accordance with GAAP.

Consolidated Net Income (or Deficit). The consolidated net income (or deficit) of the Borrower and its Subsidiaries on a consolidated basis, after deduction of all expenses, taxes, and other proper charges, determined in accordance with GAAP.

Consolidated Net Worth. The sum of the par value of the capital stock (excluding treasury stock), capital in excess of par or stated value of shares of capital stock, retained earnings (minus accumulated deficit) and any other account which, in accordance with GAAP, constitute stockholders' equity, of the Borrower and its Subsidiaries determined on a consolidated basis, excluding any effect of foreign currency transaction computed pursuant to Financial Accounting Standards Board Statement No. 52, as amended, supplemented or modified from time to time, or otherwise in accordance with GAAP.

Consolidated Tangible Assets. Consolidated Total Assets less the sum of:

(a) the total book value of all assets of the Borrower and its Subsidiaries properly classified as intangible assets under generally accepted accounting principles, including such items as goodwill, the purchase price of acquired assets in excess of the fair market value thereof, trademarks, trade names, service marks, customer lists, brand names, copyrights, patents and licenses, and rights with respect to the foregoing; plus

(b) all amounts representing any write-up in the book value of any assets of the Borrower or its Subsidiaries resulting from a revaluation thereof subsequent to the Balance Sheet Date.

Consolidated Total Assets. All assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

Consolidated Total Interest Expense. For any period, the aggregate amount of interest expense required by GAAP to be paid or accrued during such period on all Indebtedness of the Borrower and its Subsidiaries outstanding during all or any part of such period, including capitalized interest expense for such period.

Defaulting Bank. See Section 6.11.

Defaults. See Section 13.1.

Deutsche. See Preamble.

Disclosure Documents. The Borrower's financial statements referred to in Section 7.4 and filings made by the Borrower or Guarantor with the Securities and Exchange Commission that were publicly available prior to the Effective Date which were provided to the Banks.

Disposal. See "Release".

Distribution. The declaration or payment of any dividend or other return on equity on or in respect of any shares of any class of capital stock, any partnership interests or any membership interests of any Person, other than dividends or other such returns payable solely in shares of common stock, partnership interests or membership units of such Person, as the case may be; the purchase, redemption, or other retirement of any shares of any class of capital stock, partnership interests or membership units of such Person, directly or indirectly through a Subsidiary or otherwise; the return of equity capital by any Person to its shareholders, partners or members as such; or any other distribution on or in respect of any shares of any class of capital stock, partnership interest or membership unit of such Person.

Dollars or US$ or $ or U.S. Dollars. Dollars in lawful currency of the United States of America.

Dome. Dome Merger Subsidiary, Inc., a Delaware corporation and wholly owned Subsidiary of Borrower.

Domestic Strategic Dispositions. Any sale or other disposition of core and non-core assets owned by the Borrower and its Subsidiaries formed under the laws of the United States or any State thereof as more particularly described in Schedule 1.1(a), as such Schedule 1.1(a) may be added to from time to time by the Borrower with the approval of the Administrative Agent.

Drawdown Date. The date on which any Loan is made or is to be made, or any amount is paid by the Issuing Bank under a Letter of Credit.

EBIT. See definition of Consolidated Earnings Before Interest and Taxes.

EBITDA. See definition of Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization.

Effective Date. The date on which the conditions precedent set forth in Section 11.1 hereof are satisfied and the Majority Banks consent to this Agreement.

Employee Benefit Plan. Any employee benefit plan within the meaning of Section 3(3) of ERISA or Applicable Canadian Pension Legislation maintained or contributed to by the Borrower, any of its Subsidiaries, or any ERISA Affiliate, other than a Multiemployer Plan.

Environmental Laws. See Section 7.15(a).

EPA. See Section 7.15(b).

ERISA. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

ERISA Affiliate. Any Person which is treated as a single employer with the Borrower or any of its Subsidiaries under Section 414 of the Code.

ERISA Reportable Event. A reportable event within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder with respect to a Guaranteed Pension Plan as to which the requirement of notice has not been waived.

Eurocurrency Reserve Rate. For any day with respect to a Eurodollar Loan, the maximum rate (expressed as a decimal) at which any lender subject thereto would be required to maintain reserves under Regulation D of the Board of Governors of the Federal Reserve System (or any successor or similar regulations relating to such reserve requirements) against "Eurocurrency Liabilities" (as that term is used in Regulation D), if such liabilities were outstanding. The Eurocurrency Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Rate.

Eurodollar Business Day. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other eurodollar interbank market as may be selected by the Administrative Agent in its sole discretion acting in good faith.

Eurodollar Lending Office. Initially, the office of each Bank set forth in the administrative materials provided to the Administrative Agent; thereafter, upon notice to the Administrative Agent, such other office of such Bank that shall be making or maintaining Eurodollar Loans.

Eurodollar Loans. Syndicated Loans bearing interest calculated by reference to the Eurodollar Rate.

Eurodollar Rate. For any Interest Period with respect to a Eurodollar Loan, the rate of interest equal to (i) the arithmetic average of the rates per annum for each Reference Bank at which such Reference Bank's Eurodollar Lending Office is offered Dollar deposits at approximately 10:00 a.m. (New York time) two (2) Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar operations of such Eurodollar Lending Office are customarily conducted, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Rate Loan of such Reference Bank to which such Interest Period applies, divided by (ii) a number equal to 1.00 minus the Eurocurrency Reserve Rate, if applicable (rounded upwards to the nearest 1/16 of one percent).

European Credit Facilities. That certain Credit Agreement dated November 26, 1998, providing for borrowings by Waste Management International ("International") and other foreign Subsidiaries of the Borrower, guaranteed by the Borrower, in the amount of Euro 167,000,000, as amended; and that certain Credit Agreement dated November 26, 1998, providing for borrowings by International and other foreign subsidiaries, guaranteed by the Borrower, in the amount of Euro 30,000,000, as amended.

European Strategic Dispositions. Any sale or other disposition of core and non-core assets owned by any Subsidiary of the Borrower not formed under the laws of the United States or any State thereof as more particularly described in Schedule 1.1(b), as such Schedule 1.1(b) may be added to from time to time by the Borrower with the approval of the Administrative Agent.

Events of Default. See Section 13.1.

Existing Domestic Bank Debt. The amount of Indebtedness outstanding under this Agreement and the Revolving Credit Facility from time to time.

Facility Fee. See Section 2.2.

generally accepted accounting principles or GAAP. (i) When used in Section 10, whether directly or indirectly through reference to a capitalized term used therein, means (A) principles that are consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its predecessors, in effect for the fiscal year ended on the Balance Sheet Date, and (B) to the extent consistent with such principles, the accounting practice of the Borrower reflected in its financial statements for the year ended on the Balance Sheet Date, and (ii) when used in general, other than as provided above, means principles that are (A) consistent with the principles promulgated or adopted by the Financial Accounting Standards Board and its

predecessors, as in effect from time to time, and (B) consistently applied with past financial statements of the Borrower adopting the same principles, provided that in each case referred to in this definition of "generally accepted accounting principles" a certified public accountant would, insofar as the use of such accounting principles is pertinent, be in a position to deliver an unqualified opinion (other than a qualification regarding changes in generally accepted accounting principles) as to financial statements in which such principles have been properly applied.

Guaranteed Obligations. See Section 29.1.

Guaranteed Pension Plan. Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower, its Subsidiaries or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

Guarantor. Waste Management Holdings, Inc., a wholly owned Subsidiary of the Borrower.

Hazardous Substances. See Section 7.15(b).

Head Office. The Administrative Agent's head office located in Boston, Massachusetts, or at such other location as the Administrative Agent may designate from time to time.

Indebtedness. Collectively without duplication, whether classified as Indebtedness, an Investment or otherwise on the obligor's balance sheet, (a) all indebtedness for borrowed money, (b) all obligations for the deferred purchase price of property or services (other than trade payables not overdue by more than ninety (90) days incurred in the ordinary course of business), (c) all obligations evidenced by notes, bonds, debentures or other similar debt instruments, (d) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations, liabilities and indebtedness under Capitalized Leases, (f) all obligations, liabilities or indebtedness (contingent or otherwise) under surety, performance bonds or any other bonding arrangements, (g) all Indebtedness of others referred to in clauses (a) through (f) above which is guaranteed, or in effect guaranteed, directly or indirectly in any manner, including through an agreement (A) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling any Person to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (C) to supply funds to or in any other manner invest in any Person (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure any Person against loss, and (h) all Indebtedness referred to in clauses (a) through (g) above secured or supported by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured or supported by) any lien or encumbrance on (or other right of recourse to or against) property (including, without limitation, accounts and contract rights), even though the owner of the property has not assumed or become liable, contractually or otherwise, for the payment of such

Indebtedness; provided that if a Permitted Receivables Transaction is outstanding and is accounted for as a sale of accounts receivable under generally accepted accounting principles, Indebtedness determined as aforesaid shall be adjusted to include the additional Indebtedness, determined on a consolidated basis, which would have been outstanding had such Permitted Receivables Transaction been accounted for as a borrowing. The sum of all such Indebtedness of the Borrower and its Subsidiaries on a consolidated basis under (a) through (h) above shall be referred to as "Total Debt"; provided, however, that Indebtedness under (f) above shall be included in such calculation only to the extent that a surety has been called upon to make payment on a bond.

Ineligible Securities. Securities which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

Interest Period. With respect to each Loan (a) initially, the period commencing on the Drawdown Date of such Loan and ending on the last day of one of the periods set forth below, as selected by the Borrower in accordance with this Agreement (i) for any Base Rate Loan or Swing Line Loan, the first day of the month; (ii) for any Eurodollar Loan, 1, 2, 3, or 6 months; (iii) for any Absolute Competitive Bid Loan, from 7 through 180 days; and (iv) for any LIBOR Competitive Bid Loan, 1, 2, 3, 4, 5, or 6 months; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the last day of one of the periods set forth above, as selected by the Borrower in accordance with this Agreement or if such period has no numerically corresponding day, on the last Business Day of such period; provided that any Interest Period which would otherwise end on a day which is not a Business Day shall be deemed to end on the next succeeding Business Day; provided further that for any Interest Period for any Eurodollar Loan or LIBOR Competitive Bid Loan, if such next succeeding Business Day falls in the next succeeding calendar month, such Interest Period shall be deemed to end on the next preceding Business Day; and provided further that no Interest Period shall extend beyond the Revolving Credit Maturity Date or Term Loan Maturity Date, as applicable.

Interim Balance Sheet Date. September 30, 1999.

Investments. All expenditures made by a Person and all liabilities incurred (contingently or otherwise) by a Person for the acquisition of stock (other than the stock of wholly owned Subsidiaries), pre-payments for use of landfill air space in excess of usual and customary industry practice, or Indebtedness of, or for loans, advances, capital contributions or transfers of property to, or in respect of any guaranties or other commitments as described under Indebtedness, or obligations of, any other Person, including without limitation, the funding of any captive insurance company (other than loans, advances, capital contributions or transfers of property to any wholly owned Subsidiaries or guaranties with respect to Indebtedness of wholly owned Subsidiaries). In determining the aggregate amount of Investments outstanding at any particular time: (a) the amount of any Investment represented by a guaranty shall be taken at not less than the principal amount of the obligations guaranteed and still outstanding; (b) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (c) there shall be deducted in respect of each

such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution); (d) there shall not be deducted in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (b) may be deducted when paid; and (e) there shall not be deducted from the aggregate amount of Investments any decrease in the value thereof.

Issuance Fee. See Section 3.6.

Issuing Banks. The Bank(s) issuing Letters of Credit, which shall be (a) BKB, BOA and Chase, and (b) such other Banks as agreed to by the Borrower and the Administrative Agent; and (c) the Transitional Issuing Banks.

Letter of Credit Applications. Letter of credit applications in such form as may be agreed upon by the Borrower and the Issuing Bank from time to time which are entered into pursuant to Section 3 hereof, as such Letter of Credit Applications are amended, varied or supplemented from time to time; provided, however, in the event of any conflict or inconsistency between the terms of any Letter of Credit Application and this Agreement, the terms of this Agreement shall control.

Letter of Credit Fee. See Section 3.6.

Letter of Credit Participation. See Section 3.1(b).

Letters of Credit. Standby or direct-pay letters of credit issued or to be issued by the Issuing Banks under Section 3 hereof for the account of the Borrower.

LIBOR Competitive Bid Loan(s). See Section 4.3(a).

LIBOR Rate. For any Interest Period with respect to a LIBOR Competitive Bid Loan, (a) the rate of interest equal to the rate determined by the Administrative Agent at which Dollar deposits for such Interest Period are offered based on information presented on Telerate Page 3750 as of 11:00 a.m. (London time) two (2) Eurodollar Business Days prior to the first day of such Interest Period, or (b) if such rate is not shown at such place, the rate of interest equal to (i) the arithmetic average of the rates per annum for each Reference Bank at which such Reference Bank's Eurodollar Lending Office is offered Dollar deposits two (2) Eurodollar Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar operations of such Eurodollar Lending Office are customarily conducted, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Loan of such Reference Bank to which such Interest Period applies, divided by (ii) a number equal to 1.00 minus the Eurocurrency Reserve Rate, if applicable (rounded upwards to the nearest 1/16 of one percent).

Loan Documents. This Agreement, the Notes, the Letter of Credit Applications, the Letters of Credit, and any documents, instruments or agreements executed in connection with any of the foregoing, each as amended, modified, supplemented, or replaced from time to time.

Loans. Collectively, the Syndicated Loans, the Swing Line Loans, the Competitive Bid Loans and the Term Loan.

Majority Banks. The Banks with fifty-one percent (51%) of the Total Commitment; provided that in the event that the Total Commitment has been terminated, the Majority Banks shall be the Banks holding fifty-one percent (51%) of the aggregate outstanding principal amount of the Obligations on such date.

Material Subsidiary. Any Subsidiary which, at the time such determination is made, (a) has assets, revenues, or liabilities equal to at least $20,000,000, or (b) is the holder of or the applicant for a permit to operate a solid waste facility pursuant to RCRA or any analogous state law.

Maximum Drawing Amount. The maximum aggregate amount from time to time that the beneficiaries may draw under outstanding Letters of Credit.

MGT. Morgan Guaranty Trust Company of New York.

Moody's. Moody's Investors Service, Inc.

Multiemployer Plan. Any multiemployer plan within the meaning of Section 3(37) of ERISA maintained or contributed to by the Borrower, any of its Subsidiaries, or any ERISA Affiliate.

Net Cash Proceeds. With respect to any sale of any assets of the Borrower or any of its Subsidiaries, the gross cash consideration received by the Borrower or any of its Subsidiaries, net of (a) commissions, direct sales costs, normal closing costs and adjustments, (b) the amount used to repay any Indebtedness secured by such assets, (c) any amount which by the terms of such sale, or by applicable law must be repaid out of the proceeds of such asset sale, (d) all amounts to be provided by the seller as a reserve, in accordance with GAAP, or retained in escrow with respect to any liabilities associated with the assets disposed of in such asset sale, (e) income taxes attributable to such sale, and (f) professional fees and expenses incurred directly or payable in connection therewith; provided that if any consideration which would otherwise constitute "Net Cash Proceeds" is required to be held in escrow pending determination of whether a purchase price adjustment will be made, such escrow amount shall become "Net Cash Proceeds" only at such time as it is released from escrow. For purposes of determining the amount of Net Cash Proceeds associated with any asset sale which is in a currency other than U.S. Dollars, the Borrower shall, for purposes of Sections 9.4 and 9.5, calculate an equivalent amount of such Net Cash Proceeds in U.S. Dollars by utilizing the conversion rates published in the Wall Street Journal on the first Business Day of the week during which such asset sale occurred.

New Lending Office. See Section 6.1(c).

Non-U.S. Bank. See Section 6.1(b).

Notes. Collectively, the Competitive Bid Notes, the Syndicated Notes, the Swing Line Note and the Term Notes.

Obligations. All indebtedness, obligations and liabilities of the Borrower to any of the Banks and the Administrative Agent arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or Reimbursement Obligations incurred or the Letters of Credit, the Notes, or any other instrument at any time evidencing any thereof individually or collectively, existing on the date of this Agreement or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise.

Original Parties. See Recitals.

Overnight Federal Funds Effective Rate. The overnight federal funds effective rate as published by the Board of Governors of the Federal Reserve System, as in effect from time to time, or if such rate is not published, the average of the quotations at approximately 11:00 a.m. New York time for the day of such transaction(s), received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by the Administrative Agent.

PBGC. The Pension Benefit Guaranty Corporation created by Section 4002 of ERISA and any successor entity or entities having similar responsibilities.

Permitted Liens. See Section 9.2.

Permitted Receivables Transaction. Any sale or sales of, and/or securitization of, any accounts receivable of the Borrower and/or any of its Subsidiaries (the "Receivables") pursuant to which (a) the Borrower and its Subsidiaries realize aggregate net proceeds of not more than $500,000,000 at any one time outstanding, including, without limitation, any revolving purchase(s) of Receivables where the maximum aggregate uncollected purchase price (exclusive of any deferred purchase price) for such Receivables at any time outstanding does not exceed $500,000,000, and (b) which Receivables shall not be discounted more than 25%.

Person. Any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

Pricing Table:

LEVEL	SENIOR PUBLIC DEBT RATING	APPLICABLE FACILITY RATE	APPLICABLE L/C RATE	APPLICABLE EURODOLLAR RATE
1	(Greater than or equal to BBB by Standard & Poor's and greater than or equal to Ba2 by Moody's) or (greater than or equal to BBB- by Standard & Poor's and greater than or equal to Ba1 by Moody's)	0.2000% per annum	1.0500% per annum	Eurodollar Rate plus 1.0500% per annum
2	BBB- by Standard & Poor's and Ba2 by Moody's	0.2500% per annum	1.2500% per annum	Eurodollar Rate plus 1.2500% per annum
3	(BB+ by Standard & Poor's and Ba1 or Ba2 by Moody's) or (BB by Standard & Poor's and Ba1 by Moody's)	0.2500% per annum	1.5000% per annum	Eurodollar Rate plus 1.5000% per annum
4	BB by Standard & Poor's and Ba2 by Moody's	0.3000% per annum	1.7000% per annum	Eurodollar Rate plus 1.7000% per annum
5	(Less than BB by Standard & Poor's or Ba2 by Moody's) or (Unrated by Standard & Poor's and Moody's)	0.3750% per annum	1.8750% per annum	Eurodollar Rate plus 1.8750% per annum

The applicable rates charged for any day shall be determined by the Senior Public Debt Rating in effect as of that day.

Prior Loan Agreement. See Preamble.

RCRA. See Section 7.15(a).

Real Property. All real property heretofore, now, or hereafter owned, operated, or leased by the Borrower or any of its Subsidiaries.

Reference Banks. BKB, BOA, and Deutsche.

Regulatory Disposition. The disposition of any assets of the Borrower and its Subsidiaries required under antitrust laws in connection with the WMI Merger.

Reimbursement Obligation. The Borrower's obligation to reimburse the applicable Issuing Bank and the Banks on account of any drawing under any Letter of Credit, all as provided in Section 3.2.

Release. Shall have the meaning specified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 et seq. ("CERCLA") and the term "Disposal" (or "Disposed") shall have the meaning specified in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq. ("RCRA") and regulations promulgated thereunder; provided, that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment and provided further, to the extent that the laws of Canada or a state, province, territory or other political subdivision thereof wherein the property lies establish a meaning for "Release" or "Disposal" which is broader than specified in either CERCLA, or RCRA, such broader meaning shall apply to the Borrower's or any of its Subsidiaries' activities in that state, province, territory or political subdivision.

Replacement Bank. See Section 6.11.

Replacement Notice. See Section 6.11.

Revolving Credit Facility. That certain Third Amended and Restated Revolving Credit Agreement dated as of December 15, 1999 by and among the Borrower, Sanifill, the Guarantor, BOA, MGT and the other banks party thereto, and MGT as administrative and documentation agent thereunder, as amended from time to time.

Revolving Credit Loans. Collectively, the Syndicated Loans, the Swing Line Loans and the Competitive Bid Loans.

Revolving Credit Maturity Date. July 10, 2000, as the same may be extended in the sole discretion of the Banks pursuant to Section 2.10 hereof.

Revolving Credit Notes. Collectively, the Competitive Bid Notes, the Syndicated Notes and the Swing Line Note.

Sanifill. Sanifill, Inc., a Delaware corporation having its chief executive office at 1001 Fannin Street, Suite 4000, Houston, Texas 77002.

Section 20 Subsidiary. A Subsidiary of the bank holding company controlling any Bank, which Subsidiary has been granted authority by the Federal Reserve Board to underwrite and deal in certain Ineligible Securities.

Senior Public Debt Rating. The ratings of the Borrower's public unsecured long-term senior debt, without third party credit enhancement, issued by Moody's and Standard & Poor's.

Standard & Poor's. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Strategic Dispositions. Domestic Strategic Dispositions and European Strategic Dispositions.

Subsidiary. Any corporation, association, trust, or other business entity of which the designated parent shall at any time own directly or indirectly through a Subsidiary or Subsidiaries at least a majority of the outstanding capital stock or other interest entitled to vote generally.

Swing Line Loans. See Section 2.12(a).

Swing Line Note. See Section 2.12(a).

Swing Line Settlement. The making or receiving of payments, in immediately available funds, by the Banks to or from the Administrative Agent in accordance with Section 2.12 hereof to the extent necessary to cause each Bank's actual share of the outstanding amount of the Syndicated Loans to be equal to such Bank's Commitment Percentage of the outstanding amount of such Syndicated Loans, in any case when, prior to such action, the actual share is not so equal.

Swing Line Settlement Amount. See Section 2.12(b).

Swing Line Settlement Date. See Section 2.12(b).

Swing Line Settling Bank. See Section 2.12(b).

Syndicated Loan Request. See Section 2.6(a).

Syndicated Loans. A borrowing hereunder consisting of one or more loans made by the Banks to the Borrower under the procedure described in Section 2.1(a) and Section 2.12 hereof.

Syndicated Notes. See Section 2.4(a).

Term Loan. The term loan made or to be made by the Banks to the Borrower on the Revolving Credit Maturity Date as contemplated by Section 5.

Term Loan Maturity Date. The date 364 days after the Revolving Credit Maturity Date.

Term Notes. See Section 5.1.

Terminated Plans. The Waste Management, Inc. Pension Plan and The Waste Management of Alameda County, Inc. Retirement Plan.

Total Commitment. $3,000,000,000, as such amount may be reduced pursuant to Section 2.3 hereof, or, if such Total Commitment has been terminated pursuant to Section 2.3 or Section 13.2 hereof, zero.

Transitional Issuing Banks. Bank One, Texas, N.A., First Union National Bank, and Mellon Bank, N.A.

WMI Merger. The merger of Dome into the Guarantor pursuant to the WMI Merger Agreement, on or about July 16, 1998, with the Guarantor having become the surviving corporation and having become a wholly owned subsidiary of the Borrower and with the Guarantor having changed its name to Waste Management Holdings, Inc.

WMI Merger Agreement. The Agreement and Plan of Merger, dated as of March 10, 1998, among the Borrower, Dome and the Guarantor.

Year 2000 Compliant. See Section 7.19.

SECTION 1.2. RULES OF INTERPRETATION.

(a) Unless otherwise noted, a reference to any document or agreement (including this Agreement) shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) Accounting terms capitalized but not otherwise defined herein have the meanings assigned to them by generally accepted accounting principles applied on a consistent basis by the accounting entity to which they refer.

(f) The words "include", "includes" and "including" are not limiting.

(g) All terms not specifically defined herein or by generally accepted accounting principles, which terms are defined in the Uniform Commercial Code as in effect in the State of New York, have the meanings assigned to them therein.

(h) Reference to a particular "Section " refers to that section of this Agreement unless otherwise indicated.

(i) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

SECTION 2. THE SYNDICATED LOAN FACILITIES.

SECTION 2.1. COMMITMENT TO LEND.

(a) Subject to the terms and conditions set forth in this Agreement, each of the Banks severally agrees to lend to the Borrower and the Borrower may borrow, repay, and reborrow from time to time between the Effective Date and the Revolving Credit Maturity Date, upon notice by the Borrower to the Administrative Agent given in accordance with this Section 2, its Commitment Percentage of the Syndicated Loans as are requested by the Borrower; provided that the sum of the outstanding principal amount of the Syndicated Loans (including the Swing Line Loans) and the Maximum Drawing Amount of outstanding Letters of Credit shall not exceed the Total Commitment minus the aggregate amount of Competitive Bid Loans outstanding at such time.

(b) Each request for a Loan or Letter of Credit hereunder shall constitute a representation and warranty by the Borrower that the conditions set forth in Section 11 and Section 12, as the case may be, have been satisfied on the date of such request. Any unpaid Reimbursement Obligation shall be a Base Rate Loan, as set forth in Section 3.2(a).

SECTION 2.2. FACILITY FEE. The Borrower agrees to pay to the Administrative Agent for the account of the Banks a fee (the "Facility Fee") on the Total Commitment equal to the Applicable Facility Rate multiplied by the Total Commitment, provided that in the event that the Borrower exercises its option under Section 5 to convert the outstanding Revolving Credit Loans into a Term Loan, the Facility Fee will be equal to the aggregate principal amount of the Term Loan multiplied by the Applicable Facility Rate. The Facility Fee shall be payable for the period from and after the Effective Date quarterly in arrears on the first day of each calendar quarter for the immediately preceding calendar quarter with the first such payment commencing on January 1, 2000 and with a final payment on the Revolving Credit Maturity Date (or on the date of termination in full of the Total Commitment, if earlier), provided that in the event the Borrower opts to convert its outstanding Revolving Credit Loans into a Term Loan, the final payment shall be on the Term Loan Maturity Date (or on the date the Term Loan is paid in full, if earlier). The Facility Fee shall be distributed pro rata among the Banks in accordance with each Bank's Commitment Percentage (as determined prior to the date the Borrower converts the outstanding Revolving Credit Loans into a Term Loan, with respect to the Facility Fee payable on the Term Loan).

SECTION 2.3. REDUCTION OF TOTAL COMMITMENT.

(a) The Borrower shall have the right at any time and from time to time upon three (3) Business Days' prior written notice to the Administrative Agent to reduce by $25,000,000 or a greater amount or terminate entirely, the Total Commitment, whereupon each Bank's Commitment shall be reduced pro rata in accordance with such Bank's Commitment Percentage of the amount specified in such notice or, as the case may be, terminated provided that at no time may (i) the Total Commitment be reduced to an amount less than the sum of (A) the Maximum Drawing Amount of all Letters of Credit, and (B) all Revolving Credit Loans then outstanding.

(b) The Total Commitment shall be automatically reduced as required pursuant to Sections 9.4(c) and (d), whereupon each Bank's Commitment shall be reduced pro rata in accordance with such Bank's Commitment Percentage of the amount terminated.

(c) No reduction or termination of the Total Commitment once made may be revoked; the portion of the Total Commitment reduced or terminated may not be reinstated; and amounts in respect of such reduced or terminated portion may not be reborrowed.

(d) The Administrative Agent will notify the Banks promptly after receiving any notice delivered by the Borrower pursuant to this Section 2.3 and will distribute to each Bank a revised Schedule 1 to this Agreement.

SECTION 2.4. THE SYNDICATED NOTES.

(a) The Syndicated Loans shall be evidenced by separate promissory notes of the Borrower in substantially the form of Exhibit A hereto (each, a "Syndicated Note"), dated as of the Effective Date (or such later date at which a Bank becomes a party hereto pursuant to Section 21) and completed with appropriate insertions. One Syndicated Note shall be payable to the order of each Bank in an amount equal to its maximum Commitment, and shall represent the obligation of the Borrower to pay such Bank such principal amount or, if less, the outstanding principal amount of all Syndicated Loans made by such Bank, plus interest accrued thereon, as set forth herein.

(b) The Borrower irrevocably authorizes each Bank to make, or cause to be made, in connection with a Drawdown Date of any Syndicated Loan and at the time of receipt of any payment of principal on its Syndicated Note, an appropriate notation on such Bank's records or on the schedule attached to such Bank's Syndicated Note or a continuation of such schedule attached thereto reflecting the making of such Loan, or the receipt of such payment (as the case may be) and each Bank may, prior to any transfer of its Syndicated Note endorse on the reverse side thereof the outstanding principal amount of such Loans evidenced thereby. The outstanding amount of the Syndicated Loans set forth on such Bank's records shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder or under such Notes to make payments of principal of or interest on any such Notes when due.

SECTION 2.5. INTEREST ON SYNDICATED LOANS.

(a) The outstanding principal amount of the Syndicated Loans shall bear interest at the rate per annum equal to (i) the Base Rate on Base Rate Loans, (ii) the Applicable Eurodollar Rate on Eurodollar Loans and (iii) the Applicable Swing Line Rate on Swing Line Loans.

(b) Interest shall be payable (i) monthly in arrears on the first Business Day of each month, with the first such payment commencing January 1, 2000, on Base Rate Loans, (ii) on the last day of the applicable Interest Period, and if such Interest Period is longer than three months, also on the last day of each three month period following the commencement of such Interest Period, on Eurodollar Loans, and (iii) on the Revolving Credit Maturity Date for all Revolving Credit Loans.

SECTION 2.6. REQUESTS FOR SYNDICATED LOANS.

(a) The Borrower shall give to the Administrative Agent written notice in the form of Exhibit D hereto (or telephonic notice confirmed in writing or a facsimile in the form of Exhibit D hereto) of each Syndicated Loan requested hereunder (a "Syndicated Loan Request") not later than (a) 11:00 a.m. (New York time) on the proposed Drawdown Date of any Base Rate Loan, or (b) 11:00 a.m. (New York time) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Eurodollar Loan. Each such Syndicated Loan Request shall specify (A) the principal amount of the Syndicated Loan requested, (B) the proposed Drawdown Date of such Syndicated Loan, (C) whether such Syndicated Loan requested is to be a Base Rate Loan or a Eurodollar Loan, and (D) the Interest Period for such Syndicated Loan, if a Eurodollar Loan. Each Syndicated Loan requested shall be in a minimum amount of $10,000,000. Each such Syndicated Loan Request shall reflect the Maximum Drawing Amount of all Letters of Credit outstanding and the amount of all Revolving Credit Loans outstanding (including Competitive Bid Loans and Swing Line Loans). Syndicated Loan Requests made hereunder shall be irrevocable and binding on the Borrower, and shall obligate the Borrower to accept the Syndicated Loan requested from the Banks on the proposed Drawdown Date.

(b) Each of the representations and warranties made by the Borrower to the Banks or the Administrative Agent in this Agreement or any other Loan Document shall be true and correct in all material respects when made and shall, for all purposes of this Agreement, be deemed to be repeated by the Borrower on and as of the date of the submission of a Syndicated Loan Request, Competitive Bid Quote Request, or Letter of Credit Application and on and as of the Drawdown Date of any Revolving Credit Loan or the date of issuance of any Letter of Credit (except to the extent (i) of changes resulting from transactions contemplated or permitted by this Agreement and the other Loan Documents, (ii) of changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse to the business, assets or financial condition of the Borrower and its Subsidiaries as a whole, or (iii) that such representations and warranties expressly relate only to an earlier date).

(c) The Administrative Agent shall promptly notify each Bank of each Syndicated Loan Request received by the Administrative Agent (i) on the proposed Drawdown Date of any Base Rate Loan, or (ii) three (3) Eurodollar Business Days prior to the proposed Drawdown Date of any Eurodollar Loan.

SECTION 2.7. ELECTION OF EURODOLLAR RATE; NOTICE OF ELECTION; INTEREST PERIODS; MINIMUM AMOUNTS.

(a) At the Borrower's option, so long as no Default or Event of Default has occurred and is then continuing, the Borrower may (i) elect to convert any Base Rate Loan or a portion thereof to a Eurodollar Loan, (ii) at the time of any Syndicated Loan Request, specify that such requested Loan shall be a Eurodollar Loan, or (iii) upon expiration of the applicable Interest Period, elect to maintain an existing Eurodollar Loan as such, provided that the Borrower give notice to the Administrative Agent pursuant to

Section 2.7(b) hereof. Upon determining any Eurodollar Rate, the Administrative Agent shall forthwith provide notice thereof to the Borrower and the Banks, and each such notice to the Borrower shall be considered prima facie correct and binding, absent manifest error.

(b) Three (3) Eurodollar Business Days prior to the making of any Eurodollar Loan or the conversion of any Base Rate Loan to a Eurodollar Loan, or, in the case of an outstanding Eurodollar Loan, the expiration date of the applicable Interest Period, the Borrower shall give written, telex or facsimile notice (or telephonic notice promptly confirmed in a writing or a facsimile) received by the Administrative Agent not later than 11:00 a.m. (New York time) of its election pursuant to Section 2.7(a). Each such notice delivered to the Administrative Agent shall specify the aggregate principal amount of the Syndicated Loans to be borrowed or maintained as or converted to Eurodollar Loans and the requested duration of the Interest Period that will be applicable to such Eurodollar Loan, and shall be irrevocable and binding upon the Borrower. If the Borrower shall fail to give the Administrative Agent notice of its election hereunder together with all of the other information required by this Section 2.7(b) with respect to any Syndicated Loan, whether at the end of an Interest Period or otherwise, such Syndicated Loan shall be deemed a Base Rate Loan. The Administrative Agent shall promptly notify the Banks in writing (or by telephone confirmed in writing or by facsimile) of such election.

(c) Notwithstanding anything herein to the contrary, the Borrower may not specify an Interest Period that would extend beyond the Revolving Credit Maturity Date.

(d) No conversion of Loans pursuant to this Section 2.7 may result in Eurodollar Loans that are less than $5,000,000. In no event shall the Borrower have more than eight (8) different Interest Periods for borrowings of Eurodollar Loans outstanding at any time.

(e) Subject to the terms and conditions of Section 6.7 hereof, if any Affected Bank demands compensation under Section 6.4(c) or (d) with respect to any Eurodollar Loan, the Borrower may at any time, upon at least three (3) Business Days' prior written notice to the applicable Administrative Agent, elect to convert such Eurodollar Loan into a Base Rate Loan (on which interest and principal shall be payable contemporaneously with the related Eurodollar Loans of the other Banks). Thereafter, and until such time as the Affected Bank notifies the Administrative Agent that the circumstances giving rise to the demand for compensation under Section 6.4(c) or (d) no longer exist, all requests for Eurodollar Loans from such Affected Bank shall be deemed to be requests for Base Rate Loans. Once the Affected Bank notifies the Administrative Agent that such circumstances no longer exist, the Borrower may elect that the principal amount of each such Loan converted hereunder shall again bear interest as Eurodollar Loans beginning on the first day of the next succeeding Interest Period applicable to the related Eurodollar Loans of the other Banks.

SECTION 2.8. FUNDS FOR SYNDICATED LOANS. Not later than 1:00 p.m. (New York time) on the proposed Drawdown Date of Syndicated Loans, each of the Banks will make available to the Administrative Agent at its Head Office, in immediately available funds, the amount of its Commitment Percentage of the amount of the requested Loan. Upon receipt from each Bank of such amount, and upon receipt of the documents required by Section 11 and Section 12 and the satisfaction of

the other conditions set forth therein, the Administrative Agent will make available to the Borrower the aggregate amount of such Syndicated Loans made available by the Banks. The failure or refusal of any Bank to make available to the Administrative Agent at the aforesaid time and place on any Drawdown Date the amount of its Commitment Percentage of the requested Syndicated Loan shall not relieve any other Bank from its several obligations hereunder to make available to the Administrative Agent the amount of such Bank's Commitment Percentage of the requested Loan.

SECTION 2.9. MATURITY OF THE REVOLVING CREDIT LOANS AND REIMBURSEMENT OBLIGATIONS. The Borrower promises to pay on the Revolving Credit Maturity Date, and there shall become absolutely due and payable on the Revolving Credit Maturity Date, all of the Revolving Credit Loans and unpaid Reimbursement Obligations outstanding on such date, together with any and all accrued and unpaid interest thereon and any fees and other amounts owing hereunder.

SECTION 2.10. REQUEST FOR EXTENSION OF REVOLVING CREDIT MATURITY DATE. The Borrower may, provided that no Default or Event of Default has occurred and is continuing, by written notice to the Administrative Agent given not more than sixty (60) days nor less than forty-five (45) days prior to the initial Revolving Credit Maturity Date (the "Initial Maturity Date") request that the Initial Maturity Date be extended to the date which is 364 days after the Initial Maturity Date. The Administrative Agent shall notify the Banks of such request promptly after receipt, and request each Bank to notify the Administrative Agent of its determination to consent or not to consent to such extension. Each Bank which makes a determination not to consent shall notify the Administrative Agent of such determination by the thirtieth (30th) day prior to the Initial Maturity Date (without prejudice to any Bank's right to determine not to consent after such thirtieth (30th) day but on or before the tenth (10th) Business Day before the Initial Maturity Date). The Borrower may take the actions permitted by Section 6.11 to replace any Bank that fails to consent to such extension, or reduce the Total Commitment as permitted under Section 2.3. If the Majority Banks (including any Replacement Bank, if applicable) consent to the extension by so notifying the Administrative Agent in writing no earlier than ten (10) Business Days prior to the Initial Maturity Date, the Revolving Credit Maturity Date for Revolving Credit Loans of such consenting or Replacement Banks shall be extended for 364 days. The determination of each Bank shall be in the sole discretion of such Bank. Each Bank shall give written notice of its determination to consent or not to consent to such extension pursuant to this Section 2.10, no earlier than the tenth (10th) Business Day prior to the Initial Maturity Date. All non-consenting Banks' Revolving Credit Loans shall be payable in full on the Initial Maturity Date, unless the Borrower has exercised its option to term out all Revolving Credit Loans pursuant to Section 5.1. Any Bank which fails to give written notice of its consent or non-consent shall be deemed not to have consented to the extension hereunder.

SECTION 2.11. PREPAYMENTS OR REPAYMENTS OF REVOLVING CREDIT LOANS.

(a) Optional Prepayments: Subject to the terms and conditions of Section 6.7, the Borrower shall have the right, at its election, to repay or prepay the outstanding amount of the Revolving Credit Loans (other than Competitive Bid Loans), as a whole or in part, at any time without penalty or premium. The Borrower shall give the Administrative Agent no later than 11:00 a.m. (New York time) (i) on the proposed date of prepayment

or repayment of Base Rate Loans, and (ii) three (3) Eurodollar Business Day prior to the proposed date of prepayment or repayment of Eurodollar Rate Loans, written notice (or telephonic notice confirmed in writing or by facsimile) of any proposed prepayment or repayment pursuant to this Section 2.11, specifying the proposed date of prepayment or repayment of such Loans and the principal amount to be paid. Notwithstanding the foregoing, the Borrower may not prepay any Competitive Bid Loans. The Administrative Agent shall promptly notify each Bank by written notice (or telephonic notice confirmed in writing or by facsimile) of such notice of payment.

(b) Mandatory Repayments:

(i) If at any time the sum of the outstanding principal amount of the Revolving Credit Loans plus the Maximum Drawing Amount of all outstanding Letters of Credit exceeds the Total Commitment, whether by reduction of the Total Commitment or otherwise, then the Borrower shall immediately pay the amount of such excess to the Administrative Agent, (A) for application to the Revolving Credit Loans, first to Syndicated Loans, then to Competitive Bid Loans, subject to Section 6.7, or (B) if no Revolving Credit Loans shall be outstanding, to be held by the Administrative Agent for the benefit of the Banks as collateral security for such excess Maximum Drawing Amount and the Borrower hereby grants a security interest in such amount to the Administrative Agent for the benefit of the Banks; provided, however, that if the amount of cash collateral held by the Administrative Agent pursuant to this Section 2.11(b)(i) exceeds the Maximum Drawing Amount required to be collateralized from time to time, the Administrative Agent shall return such excess to the Borrower.

(ii) Payments required pursuant to Section Section 9.4(c) and (d) shall be applied in the manner set forth in subsection (i) above.

SECTION 2.12. SWING LINE LOANS; SETTLEMENTS.

(a) Solely for ease of administration of the Syndicated Loans, BKB may, but shall not be required to, fund Base Rate Loans made in accordance with the provisions of this Agreement ("Swing Line Loans"). The Swing Line Loans shall be evidenced by a promissory note of the Borrower in substantially the form of Exhibit B hereto (the "Swing Line Note") and, at the discretion of BKB may be in amounts less than $10,000,000 provided that the outstanding amount of Swing Line Loans advanced by BKB hereunder shall not exceed $10,000,000 at any time. Each Bank shall remain severally and unconditionally liable to fund its pro rata share (based upon each Bank's Commitment Percentage) of such Swing Line Loans on each Swing Line Settlement Date and, in the event BKB chooses not to fund all Base Rate Loans requested on any date, to fund its Commitment Percentage of the Base Rate Loans requested, subject to satisfaction of the provisions hereof relating to the making of Base Rate Loans. Prior to each Swing Line Settlement, all payments or repayments of the principal of, and interest on, Swing Line Loans shall be credited to the account of BKB.

(b) The Banks shall effect Swing Line Settlements on (i) the Business Day immediately following any day which BKB gives written notice to the Administrative Agent to effect a Swing Line Settlement, (ii) the Business Day immediately following the Administrative Agent's becoming aware of the existence of any Default or Event of Default, and (iii) the Revolving Credit Maturity Date (each such date, a "Swing Line Settlement Date"). One (1) Business Day prior to each such Swing Line Settlement Date, the Administrative Agent shall give telephonic notice to the Banks of (A) the respective outstanding amount of Syndicated Loans made by each Bank as at the close of business on the prior day, (B) the amount that any Bank, as applicable (a "Swing Line Settling Bank"), shall pay to effect a Swing Line Settlement (a "Swing Line Settlement Amount") and (C) the portion (if any) of the aggregate Swing Line Settlement Amount to be paid to each Bank. A statement of the Administrative Agent submitted to the Banks with respect to any amounts owing hereunder shall be prima facie evidence of the amount due and owing. Each Swing Line Settling Bank shall, not later than 1:00 p.m. (New York time) on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to the Administrative Agent at its Head Office in the amount of such Bank's Swing Line Settlement Amount. The Administrative Agent shall, as promptly as practicable during normal business hours on each Swing Line Settlement Date, effect a wire transfer of immediately available funds to each Bank of the Swing Line Settlement Amount to be paid to such Bank. All funds advanced by any Bank as a Swing Line Settling Bank pursuant to this Section 2.12(b) shall for all purposes be treated as a Base Rate Loan made by such Swing Line Settling Bank to the Borrower, and all funds received by any Bank pursuant to this Section 2.12(b) shall for all purposes be treated as repayment of amounts owed by the Borrower with respect to Base Rate Loans made by such Bank.

(c) The Administrative Agent may (unless notified to the contrary by any Swing Line Settling Bank by 12:00 noon (New York time) one (1) Business Day prior to the Settlement Date) assume that each Swing Line Settling Bank has made available (or will make available by the time specified in Section 2.12(b)) to the Administrative Agent its Swing Line Settlement Amount, and the Administrative Agent may (but shall not be required to), in reliance upon such assumption, make available to each applicable Bank its share (if any) of the aggregate Swing Line Settlement Amount. If the Swing Line Settlement Amount of such Swing Line Settling Bank is made available to the Administrative Agent by such Swing Line Settling Bank on a date after such Swing Line Settlement Date, such Swing Line Settling Bank shall pay the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period times (ii) such Swing Line Settlement Amount times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Swing Line Settlement Date to but not including the date on which such Swing Line Settlement Amount shall become immediately available to the Administrative Agent, and the denominator of which is 365. Upon payment of such amount such Swing Line Settling Bank shall be deemed to have delivered its Swing Line Settlement Amount on the Swing Line Settlement Date and shall become entitled to interest payable by the Borrower with respect to such Swing Line Settling Bank's Swing Line Settlement

Amount as if such share were delivered on the Swing Line Settlement Date. If such Swing Line Settlement Amount is not in fact made available to the Administrative Agent by such Swing Line Settling Bank within three (3) Business Days of such Swing Line Settlement Date, the Administrative Agent shall be entitled to recover such amount from the Borrower, with interest thereon at the Base Rate.

(d) After any Swing Line Settlement Date, any payment by the Borrower of Swing Line Loans hereunder shall be allocated among the Banks, in amounts determined so as to provide that after such application and the related Swing Line Settlement, the outstanding amount of Syndicated Loans of each Bank equals, as nearly as practicable, such Bank's Commitment Percentage of the aggregate amount of Syndicated Loans.

SECTION 3. LETTERS OF CREDIT.

SECTION 3.1. LETTER OF CREDIT COMMITMENTS.

(a) Subject to the terms and conditions hereof and the receipt of a Letter of Credit Application by an Issuing Bank, with a copy to the Administrative Agent reflecting the Maximum Drawing Amount of all Letters of Credit (including the requested Letter of Credit), such Issuing Bank, on behalf of the Banks and in reliance upon the representations and warranties of the Borrower contained herein and the agreement of the Banks contained in Section 3.1(b) hereof, agrees to issue Letters of Credit for the account of the Borrower (which may, with such Issuing Bank's consent, incorporate automatic renewals for periods of up to twelve (12) months), in such form as may be requested from time to time by the Borrower and agreed to by the Issuing Bank; provided, however, that, after giving effect to such request, the aggregate Maximum Drawing Amount of all Letters of Credit issued at any time shall not exceed the lesser of (i) $100,000,000 or (ii) the Total Commitment minus the aggregate outstanding amount of the Revolving Credit Loans and provided further, that no Letter of Credit shall have an expiration date later than five (5) Business Days prior to the Revolving Credit Maturity Date. The letters of credit listed in Schedule 3.1(a) issued by the Issuing Banks and the Transitional Issuing Banks under the Prior Loan Agreement shall be Letters of Credit under this Agreement. Letters of Credit may only be renewed or extended by Letters of Credit issued by Issuing Banks (other than Transitional Issuing Banks) hereunder.

(b) Each Letter of Credit shall be denominated in Dollars. Each Bank severally agrees that it shall be absolutely liable, without regard to the occurrence of any Default or Event of Default, the termination of the Total Commitment pursuant to Section 13.2, or any other condition precedent whatsoever, to the extent of such Bank's Commitment Percentage to reimburse the Issuing Bank on demand for the amount of each draft paid by the Issuing Bank under each Letter of Credit to the extent that such amount is not reimbursed by the Borrower pursuant to Section 3.2 (such agreement for a Bank being called herein the "Letter of Credit Participation" of such Bank). Each Bank agrees that its obligation to reimburse the Issuing Bank pursuant to this Section 3.1(b) shall not be affected in any way by any circumstance other than the gross negligence or willful misconduct of the Issuing Bank.

(c) Each such reimbursement payment made by a Bank to the Issuing Bank shall be treated as the purchase by such Bank of a participating interest in the applicable Reimbursement Obligation under Section 3.2 in an amount equal to such payment. Each Bank shall share in accordance with its participating interest in any interest which accrues pursuant to Section 3.2.

SECTION 3.2. REIMBURSEMENT OBLIGATION OF THE BORROWER. In order to induce the Issuing Banks to issue, extend and renew each Letter of Credit, the Borrower hereby agrees to reimburse or pay to each Issuing Bank, with respect to each Letter of Credit issued, extended or renewed by such Issuing Bank hereunder as follows:

(a) if any draft presented under any Letter of Credit is honored by such Issuing Bank or such Issuing Bank otherwise makes payment with respect thereto, the sum of (i) the amount paid by such Issuing Bank under or with respect to such Letter of Credit, and (ii) the amount of any taxes, fees, charges or other costs and expenses whatsoever incurred by such Issuing Bank in connection with any payment made by such Issuing Bank under, or with respect to, such Letter of Credit, provided however, if the Borrower does not reimburse such Issuing Bank on the Drawdown Date, such amount shall, provided that no Event of Default under Section 13(g) or 13(h) has occurred, become automatically a Syndicated Loan which is a Base Rate Loan advanced hereunder in an amount equal to such sum; and

(b) upon the Revolving Credit Maturity Date or the acceleration of the Reimbursement Obligations with respect to all Letters of Credit in accordance with Section 13, an amount equal to the then Maximum Drawing Amount of all Letters of Credit shall be paid by the Borrower to the Administrative Agent to be held as cash collateral for the applicable Reimbursement Obligations.

SECTION 3.3. OBLIGATIONS ABSOLUTE. The Borrower's respective obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of the occurrence of any Default or Event of Default or any condition precedent whatsoever or any setoff, counterclaim or defense to payment which the Borrower may have or have had against any Issuing Bank, any Bank or any beneficiary of a Letter of Credit, and the Borrower expressly waives any such rights that it may have with respect thereto. The Borrower further agrees with each Issuing Bank and the Banks that such Issuing Bank and the Banks (i) shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.2 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged (unless due to the willful misconduct of such Issuing Bank or any other Bank), or any dispute between or among the Borrower and the beneficiary of any Letter of Credit or any financing institution or other party to which any Letter of Credit may be transferred or any claims or defenses whatsoever of the Borrower against the beneficiary of any Letter of Credit or any such transferee, and (ii) shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit except to the extent of their own willful misconduct. The Borrower agrees that any action taken or omitted by any Issuing Bank or any Bank in good faith

under or in connection with any Letter of Credit and the related drafts and documents shall be binding upon the Borrower and shall not result in any liability on the part of such Issuing Bank or any Bank (or their respective affiliates) to the Borrower. Nothing herein shall constitute a waiver by the Borrower of any of its rights against any beneficiary of a Letter of Credit.

SECTION 3.4. RELIANCE BY THE ISSUING BANKS. To the extent not inconsistent with Section 3.3, each Issuing Bank shall be entitled to rely, and shall be fully protected in relying, upon any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile, telex or teletype message, statement, order or other document believed by such Issuing Bank in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by such Issuing Bank.

SECTION 3.5. NOTICE REGARDING LETTERS OF CREDIT. One (1) Business Day prior to the issuance of any Letter of Credit or amendments, extensions or terminations thereof, the applicable Issuing Bank shall notify the Administrative Agent of the terms of such Letter of Credit, amendment, extension or termination. On the day of any drawing under any Letter of Credit, such Issuing Bank shall notify the Administrative Agent of such drawing under any Letter of Credit.

SECTION 3.6. LETTER OF CREDIT FEE. The Borrower shall pay a fee (the "Letter of Credit Fee") equal to the Applicable L/C Rate on the Maximum Drawing Amount of the Letters of Credit to the Administrative Agent for the account of the Banks, to be shared pro rata by the Banks in accordance with their respective Commitment Percentages. The Letter of Credit Fee shall be payable quarterly in arrears on the first day of each calendar quarter for the quarter just ended, with the first such payment commencing January 1, 2000, and on the Revolving Credit Maturity Date. In addition, an issuing fee (the "Issuance Fee") with respect to each Letter of Credit to be agreed upon annually between the Borrower and each Issuing Bank shall be payable to such Issuing Bank for its account.

SECTION 4. COMPETITIVE BID LOANS.

SECTION 4.1. THE COMPETITIVE BID OPTION. In addition to the Syndicated Loans made pursuant to Section 2 hereof, the Borrower may request Competitive Bid Loans pursuant to the terms of this Section 4. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept such offers in the manner set forth in this Section 4. Notwithstanding any other provision herein to the contrary, at no time shall the aggregate principal amount of Competitive Bid Loans outstanding at any time exceed the Total Commitment minus the sum of (a) the aggregate outstanding principal amount of Syndicated Loans (including the Swing Loans), plus (b) the Maximum Drawing Amount of Letters of Credit, outstanding at such time.

SECTION 4.2. COMPETITIVE BID LOAN ACCOUNTS: COMPETITIVE BID NOTES.

(a) The obligation of the Borrower to repay the outstanding principal amount of any and all Competitive Bid Loans, plus interest at the applicable rate accrued thereon, shall be evidenced by this Agreement and by individual loan accounts (the "Competitive Bid Loan Accounts" and individually, a "Competitive Bid Loan Account") maintained by

the Administrative Agent on its books for each of the Banks, it being the intention of the parties hereto that, except as provided for in paragraph (b) of this Section 4.2, the Borrower's obligations with respect to Competitive Bid Loans are to be evidenced only as stated herein and not by separate promissory notes.

(b) Any Bank may at any time, and from time to time, request that any Competitive Bid Loans outstanding to such Bank be evidenced by a promissory note of the Borrower in substantially the form of Exhibit C hereto (each, a "Competitive Bid Note"), dated as of the Effective Date and completed with appropriate insertions. One Competitive Bid Note shall be payable to the order of each Bank in an amount equal to the Total Commitment, and representing the obligation of the Borrower to pay such Bank such principal amount or, if less, the outstanding principal amount of any and all Competitive Bid Loans made by such Bank, plus interest at the applicable Competitive Bid Rate or Competitive Bid Margin accrued thereon, as set forth herein. Upon execution and delivery by the Borrower of a Competitive Bid Note, the Borrower's obligation to repay any and all Competitive Bid Loans made to it by such Bank and all interest thereon shall thereafter be evidenced by such Competitive Bid Note.

(c) The Borrower irrevocably authorizes (i) each Bank to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Bank's Competitive Bid Note in the case of a Competitive Bid Note, and (ii) the Administrative Agent to make or cause to be made, in connection with a Drawdown Date of any Competitive Bid Loan or at the time of receipt of any payment of principal on such Bank's Competitive Bid Loan Account in the case of a Competitive Bid Loan Account, an appropriate notation on such Bank's records or on the schedule attached to such Bank's Competitive Bid Note or a continuation of such schedule attached thereto, or the Administrative Agent's records, as applicable, reflecting the making of the Competitive Bid Loan or the receipt of such payment (as the case may be) and such Bank may, prior to any transfer of a Competitive Bid Note, endorse on the reverse side thereof the outstanding principal amount of Competitive Bid Loans evidenced thereby. The outstanding amount of the Competitive Bid Loans set forth on such Bank's record or the Administrative Agent's records, as applicable, shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount shall not limit or otherwise affect the obligations of the Borrower hereunder to make payments of principal of or interest on any Competitive Bid Loan when due.

SECTION 4.3. COMPETITIVE BID QUOTE REQUEST; INVITATION FOR COMPETITIVE BID QUOTES.

(a) When the Borrower wishes to request offers to make Competitive Bid Loans under this Section 4, it shall transmit to the Administrative Agent by telex or facsimile a Competitive Bid Quote Request substantially in the form of Exhibit H hereto (a "Competitive Bid Quote Request") so as to be received no later than 1:00 p.m. (New York time) (x) five (5) Eurodollar Business Days prior to the requested Drawdown Date in the case of a LIBOR Competitive Bid Loan (a "LIBOR Competitive Bid Loan") or (y)

one (1) Business Day prior to the requested Drawdown Date in the case of an Absolute Competitive Bid Loan (an "Absolute Competitive Bid Loan"), specifying:

(i) the requested Drawdown Date (which must be a Eurodollar Business Day in the case of a LIBOR Competitive Bid Loan or a Business Day in the case of an Absolute Competitive Bid Loan);

(ii) the aggregate amount of such Competitive Bid Loans, which shall be $10,000,000 or larger multiple of $1,000,000;

(iii) the duration of the Interest Period(s) applicable thereto, subject to the provisions of the definition of Interest Period; and

(iv) whether the Competitive Bid Quotes requested are for LIBOR Competitive Bid Loans or Absolute Competitive Bid Loans.

The Borrower may request offers to make Competitive Bid Loans for more than one Interest Period in a single Competitive Bid Quote Request. No new Competitive Bid Quote Request shall be given until the Borrower has notified the Administrative Agent of its acceptance or non-acceptance of the Competitive Bid Quotes relating to any outstanding Competitive Bid Quote Request.

(b) Promptly upon receipt of a Competitive Bid Quote Request, the Administrative Agent shall send to the Banks by telecopy or facsimile transmission an Invitation for Competitive Bid Quotes substantially in the form of Exhibit I hereto, which shall constitute an invitation by the Borrower to each Bank to submit Competitive Bid Quotes in accordance with this Section 4.

SECTION 4.4. ALTERNATIVE MANNER OF PROCEDURE. If, after receipt by the Administrative Agent and each of the Banks of a Competitive Bid Quote Request from the Borrower in accordance with Section 4.3, the Administrative Agent or any Bank shall be unable to complete any procedure of the auction process described in Section Section 4.5 through 4.6 (inclusive) due to the inability of such Person to transmit or receive communications through the means specified therein, such Person may rely on telephonic notice for the transmission or receipt of such communications. In any case where such Person shall rely on telephone transmission or receipt, any communication made by telephone shall, as soon as possible thereafter, be followed by written confirmation thereof.

SECTION 4.5. SUBMISSION AND CONTENTS OF COMPETITIVE BID QUOTES.

(a) Each Bank may, but shall be under no obligation to, submit a Competitive Bid Quote containing an offer or offers to make Competitive Bid Loans in response to any Competitive Bid Quote Request. Each Competitive Bid Quote must comply with the requirements of this Section 4.5 and must be submitted to the Administrative Agent by telex or facsimile transmission at its offices as specified in or pursuant to Section 23 not later than (x) 2:00 p.m. (New York time) on the fourth Eurodollar Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (y) 10:00 a.m. (New York time) on the proposed Drawdown Date, in the case of an Absolute Competitive Bid

Loan, provided that Competitive Bid Quotes may be submitted by the Administrative Agent in its capacity as a Bank only if it submits its Competitive Bid Quote to the Borrower not later than (x) one hour prior to the deadline for the other Banks, in the case of a LIBOR Competitive Bid Loan or (y) 15 minutes prior to the deadline for the other Banks, in the case of an Absolute Competitive Bid Loan. Subject to the provisions of Sections 11 and 12 hereof, any Competitive Bid Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(b) Each Competitive Bid Quote shall be in substantially the form of Exhibit J hereto and shall in any case specify:

(i) the proposed Drawdown Date;

(ii) the principal amount of the Competitive Bid Loan for which each proposal is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Bank, (x) must be $5,000,000 or a larger multiple of $1,000,000, (y) may not exceed the aggregate principal amount of Competitive Bid Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Competitive Bid Loans for which offers being made by such quoting Bank may be accepted;

(iii) the Interest Period(s) for which Competitive Bid Quotes are being submitted;

(iv) in the case of a LIBOR Competitive Bid Loan, the margin above or below the applicable LIBOR Rate (the "Competitive Bid Margin") offered for each such Competitive Bid Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such LIBOR Rate;

(v) in the case of an Absolute Competitive Bid Loan, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Competitive Bid Rate") offered for each such Absolute Competitive Bid Loan; and

(vi) the identity of the quoting Bank.

A Competitive Bid Quote may include up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Competitive Bid Quotes.

(c) Any Competitive Bid Quote shall be disregarded if it:

(i) is not substantially in the form of Exhibit J hereto;

(ii) contains qualifying, conditional or similar language;

(iii) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bid Quotes; or

(iv) arrives after the time set forth in Section 4.5(a) hereof.

SECTION 4.6. NOTICE TO BORROWER. The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Competitive Bid Quote submitted by a Bank that is in accordance with Section 4.5 and (y) of any Competitive Bid Quote that amends, modifies or is otherwise inconsistent with a previous Competitive Bid Quote submitted by such Bank with respect to the same Competitive Bid Quote Request. Any such subsequent Competitive Bid Quote shall be disregarded by the Administrative Agent unless such subsequent Competitive Bid Quote is submitted solely to correct a manifest error in such former Competitive Bid Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Competitive Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Quote Request, (B) the respective principal amounts and Competitive Bid Margins or Competitive Bid Rates, as the case may be, so offered, and the identity of the respective Banks submitting such offers, and (C) if applicable, limitations on the aggregate principal amount of Competitive Bid Loans for which offers in any single Competitive Bid Quote may be accepted.

SECTION 4.7. ACCEPTANCE AND NOTICE BY BORROWER AND ADMINISTRATIVE AGENT. Not later than 11:00 a.m. (New York time) on (x) the third Eurodollar Business Day prior to the proposed Drawdown Date, in the case of a LIBOR Competitive Bid Loan or (y) the proposed Drawdown Date, in the case of an Absolute Competitive Bid Loan, the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of each Competitive Bid Quote in substantially the form of Exhibit K hereto. The Borrower may accept any Competitive Bid Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Competitive Bid Loan may not exceed the applicable amount set forth in the related Competitive Bid Quote Request;

(ii) acceptance of offers may only be made on the basis of ascending Competitive Bid Margins or Competitive Bid Rates, as the case may be, and

(iii) the Borrower may not accept any offer that is described in subsection 4.5(c) or that otherwise fails to comply with the requirements of this Agreement.

The Administrative Agent shall promptly notify each Bank which submitted a Competitive Bid Quote of the Borrower's acceptance or non-acceptance thereof. At the request of any Bank which submitted a Competitive Bid Quote and with the consent of the Borrower, the Administrative Agent will promptly notify all Banks which submitted Competitive Bid Quotes of (a) the aggregate principal amount of, and (b) the range of Competitive Bid Rates or Competitive Bid Margins of, the accepted Competitive Bid Loans for each requested Interest Period.

SECTION 4.8. ALLOCATION BY ADMINISTRATIVE AGENT. If offers are made by two or more Banks with the same Competitive Bid Margin or Competitive Bid Rate, as the case may be, for a greater aggregate principal amount than the amount in respect of which offers are accepted for the related Interest Period, the principal amount of Competitive Bid Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as

nearly as possible (in such multiples, not less than $1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Administrative Agent of the amounts of Competitive Bid Loans shall be conclusive in the absence of manifest error.

SECTION 4.9. FUNDING OF COMPETITIVE BID LOANS. If, on or prior to the Drawdown Date of any Competitive Bid Loan, the Total Commitment has not terminated in full and if, on such Drawdown Date, the applicable conditions of Sections 11 and 12 hereof are satisfied, the Bank or Banks whose offers the Borrower has accepted will fund each Competitive Bid Loan so accepted. Such Bank or Banks will make such Competitive Bid Loans by crediting the Administrative Agent for further credit to the Borrower's specified account with the Administrative Agent, in immediately available funds not later than 1:00 p.m. (New York time) on such Drawdown Date.

SECTION 4.10. FUNDING LOSSES. If, after acceptance of any Competitive Bid Quote pursuant to Section 4, the Borrower (i) fails to borrow any Competitive Bid Loan so accepted on the date specified therefor, or (ii) repays the outstanding amount of the Competitive Bid Loan prior to the last day of the Interest Period relating thereto, the Borrower shall indemnify the Bank making such Competitive Bid Quote or funding such Competitive Bid Loan against any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Bank to fund or maintain such unborrowed Competitive Bid Loans, including, without limitation compensation as provided in Section 6.7.

SECTION 4.11. REPAYMENT OF COMPETITIVE BID LOANS; INTEREST. The principal of each Competitive Bid Loan shall become absolutely due and payable by the Borrower on the last day of the Interest Period relating thereto, and the Borrower hereby absolutely and unconditionally promises to pay to the Administrative Agent for the account of the relevant Banks at or before 1:00 p.m. (New York time) on the last day of the Interest Periods relating thereto the principal amount of all such Competitive Bid Loans, plus interest thereon at the applicable rates. The Competitive Bid Loans shall bear interest at the rate per annum specified in the applicable Competitive Bid Quotes. Interest on the Competitive Bid Loans shall be payable (a) on the last day of the applicable Interest Periods, and if any such Interest Period is longer than three months, also on the last day of the third month following the commencement of such Interest Period, and (b) on the Revolving Credit Maturity Date for all Revolving Credit Loans. Subject to the terms of this Agreement, the Borrower may make Competitive Bid Quote Requests with respect to new borrowings of any amounts so repaid prior to the Revolving Credit Maturity Date.

SECTION 5. THE TERM LOAN.

SECTION 5.1. CONVERSION OF REVOLVING CREDIT LOANS; THE TERM LOAN. Subject to the terms and conditions set forth in this Agreement, including, without limitation, the satisfaction of the conditions set forth in Section 12 hereof and the execution and delivery by the Borrower of the Term Notes to the Banks, on the Revolving Credit Maturity Date the aggregate amount of the outstanding Revolving Credit Loans at such date shall, at the option of the Borrower, be converted into a Term Loan in the aggregate principal amount equal to the aggregate outstanding principal balance of the Revolving Credit Loans on such date, held severally by the Banks in accordance with their Commitment Percentages and the Commitments hereunder shall terminate.

The Term Loan outstanding after conversion shall be evidenced by the separate Term Notes (the "Term Notes") of the Borrower payable to the order of each Bank, each dated as of the Revolving Credit Maturity Date and in substantially the form of Exhibit L hereto, completed with appropriate insertions. On the Revolving Credit Maturity Date, the Borrower shall pay to the Administrative Agent for the pro rata accounts of the Banks, all interest accrued to such date on the Revolving Credit Loans, any Facility Fees and other fees payable to the Administrative Agent and the Banks hereunder and, as soon as reasonably practicable after such payment, each Bank shall surrender to the Borrower its Revolving Credit Notes against receipt of its Term Note evidencing the amount of the outstanding Revolving Credit Loans so converted. The term-out option granted herein may be exercised only once (either on the Initial Maturity Date or the extended Revolving Credit Maturity Date) and must term out all then existing Revolving Credit Loans.

SECTION 5.2. THE TERM NOTES. Each Term Note shall represent the obligation of the Borrower to pay to such Bank the principal amount of the Term Loan evidenced by the Term Note plus interest accrued thereon, as set forth below. The Borrower irrevocably authorizes each Bank to make or cause to be made a notation on such Bank's Term Note Record reflecting the original principal amount of such Bank's Commitment Percentage of the Term Loan and, at or about the time of such Bank's receipt of any principal payment on such Bank's Term Note, an appropriate notation on such Bank's Term Note Record reflecting such payment. The aggregate unpaid amount set forth on such Bank's Term Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Bank, but the failure to record, or any error in so recording, any such amount on such Bank's Term Note Record shall not affect the obligations of the Borrower hereunder or under any Term Note to make payments of principal of and interest on any Term Note when due.

SECTION 5.3. REPAYMENTS OF THE TERM LOAN. The Borrower promises to pay to the Administrative Agent for the account of the Banks the principal amount of the Term Loan on the Term Loan Maturity Date in an amount equal to the unpaid balance of the Term Loan.

SECTION 5.4. OPTIONAL PREPAYMENT OF TERM LOAN. The Borrower shall have the right at any time to prepay the Term Loans on or before the Term Loan Maturity Date, as a whole, or in part, upon not less than one (1) Business Day prior written notice to the Administrative Agent, without premium or penalty, provided that (a) each partial prepayment shall be in the principal amount of $5,000,000 or an integral multiple thereof, (b) any portion of any Eurodollar Rate Loan which has been prepaid on any day other than the last day of the Interest Period relating thereto shall be subject to the payment by the Borrower of any applicable costs associated with such prepayment as set forth in Section 2.11 hereof, and (c) each partial prepayment shall be allocated among the Banks, in proportion, as nearly as practicable, to the respective outstanding amount of each Bank's Term Note, with adjustments to the extent practicable to equalize any prior prepayments not exactly in proportion. Any prepayment of principal of the Term Loan shall include all interest accrued on such amount to the date of prepayment. No amount repaid with respect to the Term Loan may be reborrowed.

SECTION 5.5. INTEREST ON TERM LOAN.

SECTION 5.5.1. NOTIFICATION BY BORROWER. The Borrower shall notify the Administrative Agent, such notice to be irrevocable, at least three (3) Eurodollar Business Days prior to the Drawdown Date of the Term Loan if all or any portion of the Term Loan is to be a Eurodollar Rate Loan. After the Term Loan has been made, the provisions of Section 2 shall apply mutatis mutandis with respect to all or any portion of the Term Loan so that the Borrower may have the same interest rate options and interest rates with respect to all or any portion of the Term Loan as it would be entitled to with respect to the Syndicated Loans.

SECTION 5.5.2. AMOUNTS, ETC. Any portion of the Term Loan which is a Eurodollar Loan relating to any Interest Period shall be in the amount of $5,000,000 or a whole multiple or $1,000,000 in excess thereof. No Interest Period relating to the Term Loan or any portion thereof which is a Eurodollar Loan shall extend beyond the Term Loan Maturity Date.

SECTION 6. PROVISIONS RELATING TO ALL LOANS AND LETTERS OF CREDIT.

SECTION 6.1. PAYMENTS.

(a) All payments of principal, interest, Reimbursement Obligations, fees (other than the Issuance Fee) and any other amounts due hereunder or under any of the other Loan Documents shall be made to the Administrative Agent at its Head Office in immediately available funds by 11:00 a.m. (New York time) on any due date. Subject to the provisions of Section 30, if a payment is received by the Administrative Agent at or before 1:00 p.m. (New York time) on any Business Day, the Administrative Agent shall on the same Business Day transfer in immediately available funds, as applicable, to (1) each of the Banks, their pro rata portion of such payment in accordance with their respective Commitment Percentages, in the case of payments with respect to Syndicated Loans, Letters of Credit and the Term Loan, (2) BKB in the case of payments with respect to Swing Line Loans, and (3) the appropriate Bank(s), in the case of payments with respect to Competitive Bid Loans. If such payment is received by the Administrative Agent after 1:00 p.m. (New York time) on any Business Day, such transfer shall be made by the Administrative Agent to the applicable Bank(s) on the next Business Day. In the event that the Administrative Agent fails to make such transfer to any Bank as set forth above, the Administrative Agent shall pay to such Bank on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by such Bank for funds acquired by such Bank during each day included in such period, times (ii) the amount (A) equal to such Bank's Commitment Percentage of such payment in the case of payments under clause (1) above, or (B) of such payment to which such Bank is entitled in the case of payments with respect to Competitive Bid Loans and Swing Line Loans, times (iii) a fraction, the numerator of which is the number of days that elapse from and including the date of payment to and including the date on which the amount due to such Bank shall become immediately available to such Bank, and the denominator of which is 365. A statement of such Bank submitted to the applicable Administrative Agent with respect to any

amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to such Bank by the Administrative Agent.

(b) Each Bank that is not incorporated or organized under the laws of the United States of America or a state thereof or the District of Columbia (a "Non-U.S. Bank") agrees that, prior to the first date on which any payment is due to it hereunder, it will deliver to the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI or successor applicable form, as the case may be, certifying in each case that such Non-U.S. Bank is entitled to receive payments under this Agreement and the Notes payable to it, without deduction or withholding of any United States federal income taxes. Each Non-U.S. Bank that so delivers a Form W-8BEN or W-8ECI pursuant to the preceding sentence further undertakes to deliver to each of the Borrower and the Administrative Agent two further copies of Form W-8BEN or W-8ECI or successor applicable form, or other manner of certification, as the case may be, on or before the date that any such letter or form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower, and such extensions or renewals thereof as may reasonably be requested by the Borrower, certifying in the case of a Form W-8BEN or W-8ECI that such Non-U.S. Bank is entitled to receive payments under this Agreement and the Notes without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Non-U.S. Bank from duly completing and delivering any such form with respect to it and such Non-U.S. Bank advises the Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(c) The Borrower shall not be required to pay any additional amounts to any Non-U.S. Bank in respect of United States Federal withholding tax pursuant to Section 18 to the extent that (i) the obligation to withhold amounts with respect to United States Federal withholding tax existed on the date such Non-U.S. Bank became a party to this Agreement or, with respect to payments to a different lending office designated by the Non-U.S. Bank as its applicable lending office (a "New Lending Office"), the date such Non-U.S. Bank designated such New Lending Office with respect to a Loan; provided, however, that this clause (i) shall not apply to any transferee or New Lending Office as a result of an assignment, transfer or designation made at the request of the Borrower; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts any transferee, or Bank through a New Lending Office, would be entitled to receive without regard to this clause (i) do not exceed the indemnity payment or additional amounts that the Person making the assignment or transfer to such transferee, or Bank making the designation of such New Lending Office, would have been entitled to receive in the absence of such assignment, transfer or designation; or (ii) the obligation to pay such additional amounts would not have arisen but for a failure by such Non-U.S. Bank to comply with the provisions of paragraph (b) above.

(d) Notwithstanding the foregoing, each Bank agrees to use reasonable efforts (consistent with legal and regulatory restrictions) to change its lending office to avoid or to minimize any amounts otherwise payable under Section 18 in each case solely if such change can be made in a manner so that such Bank, in its sole determination, suffers no legal, economic or regulatory disadvantage.

SECTION 6.2. COMPUTATIONS. Except as otherwise expressly provided herein, all computations of interest, Facility Fees, Letter of Credit Fees or other fees shall be based on a 360-day year and paid for the actual number of days elapsed, except that computations based on the Base Rate shall be based on a 365 or 366, as applicable, day year and paid for the actual number of days elapsed. Whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension; provided that for any Interest Period for any Eurodollar Loan if such next succeeding Business Day falls in the next succeeding calendar month or after the Revolving Credit Maturity Date, or Term Loan Maturity Date, as the case may be, it shall be deemed to end on the next preceding Business Day.

SECTION 6.3. ILLEGALITY; INABILITY TO DETERMINE EURODOLLAR RATE. Notwithstanding any other provision of this Agreement (other than Section 6.9), if (a) the introduction of, any change in, or any change in the interpretation of, any law or regulation applicable to any Bank or the Administrative Agent shall make it unlawful, or any central bank or other governmental authority having jurisdiction thereof shall assert that it is unlawful, for any Bank or the Administrative Agent to perform its obligations in respect of any Eurodollar Loans, or (b) if any Bank or the Administrative Agent, as applicable, shall reasonably determine with respect to Eurodollar Loans that (i) by reason of circumstances affecting any Eurodollar interbank market, adequate and reasonable methods do not exist for ascertaining the Eurodollar Rate which would otherwise be applicable during any Interest Period, or (ii) deposits of Dollars in the relevant amount for the relevant Interest Period are not available to such Bank or the Administrative Agent in any Eurodollar interbank market, or (iii) the Eurodollar Rate does not or will not accurately reflect the cost to the Bank or the Administrative Agent of obtaining or maintaining the Eurodollar Loans during any Interest Period, then such Bank or the Administrative Agent shall promptly give telephonic, telex or cable notice of such determination to the Borrower (which notice shall be conclusive and binding upon the Borrower). Upon such notification by the Bank or the Administrative Agent, the obligation of the Banks and the Administrative Agent to make Eurodollar Loans shall be suspended until the Banks or the Administrative Agent, as the case may be, determine that such circumstances no longer exist, and to the extent permitted by law the outstanding Eurodollar Loans shall continue to bear interest at the applicable rate based on the Eurodollar Rate until the end of the applicable Interest Period, and thereafter shall be deemed converted to Base Rate Loans in equal principal amounts to such former Eurodollar Loans.

SECTION 6.4. ADDITIONAL COSTS, ETC. If any present or future applicable law (which expression, as used herein, includes statutes, rules and regulations thereunder and interpretations thereof by any competent court or by any governmental or other regulatory body or official charged with the administration or the interpretation thereof and requests, directives, instructions and notices at any time or from time to time hereafter made upon or otherwise issued to any Bank by any

central bank or other fiscal, monetary or other authority, whether or not having the force of law) shall:

(a) subject such Bank to any tax, levy, impost, duty, charge, fee, deduction or withholding of any nature with respect to this Agreement, the other Loan Documents, such Bank's Commitment or the Loans (other than taxes based upon or measured by the income or profits of such Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office); or

(b) materially change the basis of taxation (except for changes in taxes on income or profits of such Bank imposed by the jurisdiction of its incorporation or organization, or the location of its lending office) of payments to such Bank of the principal or of the interest on any Loans or any other amounts payable to such Bank under this Agreement or the other Loan Documents; or

(c) except as provided in Section 6.5 or as otherwise reflected in the Base Rate, the Eurodollar Rate, or the applicable rate for Competitive Bid Loans, impose or increase or render applicable (other than to the extent specifically provided for elsewhere in this Agreement) any special deposit, reserve, assessment, liquidity, capital adequacy or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or commitments of, an office of any Bank with respect to this Agreement, the other Loan Documents, such Bank's Commitment or the Loans; or

(d) impose on such Bank any other conditions or requirements with respect to this Agreement, the other Loan Documents, the Loans, such Bank's Commitment or any class of loans or commitments of which any of the Loans or such Bank's Commitment forms a part, and the result of any of the foregoing is:

(i) to increase the cost to such Bank of making, funding, issuing, renewing, extending or maintaining the Loans or such Bank's Commitment or issuing or participating in Letters of Credit;

(ii) to reduce the amount of principal, interest or other amount payable to such Bank hereunder on account of such Bank's Commitment, the Loans or the Reimbursement Obligations; or

(iii) to require such Bank to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Bank from the Borrower hereunder,

then, and in each such case, the Borrower will, upon demand made by such Bank at any time and from time to time as often as the occasion therefore may arise (which demand shall be accompanied by a statement setting forth the basis of such demand which shall be conclusive absent manifest error), pay such reasonable additional amounts

as will be sufficient to compensate such Bank for such additional costs, reduction, payment or foregone interest or other sum.

SECTION 6.5. CAPITAL ADEQUACY. If any Bank shall have determined that, after the date hereof, (i) the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any such law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, or (ii) compliance by such Bank or the Administrative Agent or any corporation controlling such Bank or the Administrative Agent with any law, governmental rule, regulation, policy, guideline or directive (whether or not having the force of law and including any determination by such central bank or other governmental authority that for purposes of capital adequacy requirements the Commitments hereunder do not constitute commitments with an original maturity of one year or less) of any such entity regarding capital adequacy, has or would have the effect of reducing the rate of return on capital of such Bank (or any corporation controlling such Bank) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or any corporation controlling such Bank) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank, the Borrower shall pay to such Bank such additional amount or amounts as will, in such Bank's reasonable determination, fairly compensate such Bank (or any corporation controlling such Bank) for such reduction. Each Bank shall allocate such cost increases among its customers in good faith and on an equitable basis.

SECTION 6.6. CERTIFICATE. A certificate setting forth the additional amounts payable pursuant to Section 6.4 or Section 6.5 and a reasonable explanation of such amounts which are due, submitted by any Bank to the Borrower, shall be conclusive, absent manifest error, that such amounts are due and owing.

SECTION 6.7. EURODOLLAR AND COMPETITIVE BID INDEMNITY. The Borrower agrees to indemnify the Banks and the Administrative Agent and to hold them harmless from and against any reasonable loss, cost or expense that any such Bank and the Administrative Agent may sustain or incur as a consequence of (a) the default by the Borrower in payment of the principal amount of or any interest on any Eurodollar Loans or Competitive Bid Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by any Bank or the Administrative Agent to lenders of funds obtained by it in order to maintain its Eurodollar Loans or Competitive Bid Loans, (b) the default by the Borrower in making a borrowing of a Eurodollar Loan or Competitive Bid Loan or conversion of a Eurodollar Loan or a prepayment of a Eurodollar or Competitive Bid Loan other than pursuant to Section 2.5(b) after the Borrower has given (or is deemed to have given) a Syndicated Loan Request, a notice pursuant to Section 2.7 or a Notice of Acceptance/Rejection of Competitive Bid Quote(s), or a notice pursuant to Section 2.11, and (c) the making of any payment of a Eurodollar Loan or Competitive Bid Loan, or the making of any conversion of any Eurodollar Loan to a Base Rate Loan on a day that is not the last day of the applicable Interest Period with respect thereto. Such loss, cost, or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its

cost of obtaining the funds for (A) the Eurodollar Loan being paid, prepaid, converted, not converted, reallocated, or not borrowed, as the case may be (based on the Eurodollar Rate), or (B) the Competitive Bid Loan being paid, prepaid, or not borrowed, as the case may be (based on the applicable interest rate) for the period from the date of such payment, prepayment, conversion, or failure to borrow or convert, as the case may be, to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid, converted, or not borrowed, converted, or prepaid for such period or Interest Period, as the case may be, which determinations shall be conclusive absent manifest error.

SECTION 6.8. INTEREST ON OVERDUE AMOUNTS. Overdue principal and (to the extent permitted by applicable law) interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents shall bear interest compounded monthly and payable on demand at a rate per annum equal to the Base Rate plus 2%, until such amount shall be paid in full (after as well as before judgment).

SECTION 6.9. INTEREST LIMITATION. Notwithstanding any other term of this Agreement or the Notes, any other Loan Document or any other document referred to herein or therein, the maximum amount of interest which may be charged to or collected from any Person liable hereunder or under the Notes by any Bank shall be absolutely limited to, and shall in no event exceed, the maximum amount of interest which could lawfully be charged or collected by such Bank under applicable laws (including, to the extent applicable, the provisions of Section 5197 of the Revised Statutes of the United States of America, as amended, and 12 U.S.C. Section 85, as amended).

SECTION 6.10. REASONABLE EFFORTS TO MITIGATE. Each Bank agrees that as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected under Sections 6.3, 6.4 or 6.5, such Bank will give notice thereof to the Borrower, with a copy to the Administrative Agent and, to the extent so requested by the Borrower and not inconsistent with such Bank's internal policies, such Bank shall use reasonable efforts and take such actions as are reasonably appropriate if as a result thereof the additional moneys which would otherwise be required to be paid to such Bank pursuant to such sections would be materially reduced, or the illegality or other adverse circumstances which would otherwise require a conversion of such Loans or result in the inability to make such Loans pursuant to such sections would cease to exist, and in each case if, as determined by such Bank in its sole discretion, the taking of such actions would not adversely affect such Loans or such Bank or otherwise be disadvantageous to such Bank.

SECTION 6.11. REPLACEMENT OF BANKS. If any Bank (an "Affected Bank") (i) makes demand upon the Borrower for (or if the Borrower is otherwise required to pay) amounts pursuant to Sections 6.4 or 6.5, (ii) is unable to make or maintain Eurodollar Loans as a result of a condition described in Section 6.3, (iii) defaults in its obligation to make Loans or to participate in Letters of Credit in accordance with the terms of this Agreement (such Bank being referred to as a "Defaulting Bank") or (iv) fails to agree to extend the Revolving Credit Maturity Date pursuant to Section 2.10, the Borrower may, within 90 days of receipt of such demand, notice (or the occurrence

of such other event causing the Borrower to be required to pay such compensation or causing Section 6.3 to be applicable), or default, as the case may be, by notice (a "Replacement Notice") in writing to the Administrative Agent and such Affected Bank (A) request the Affected Bank to cooperate with the Borrower in obtaining a replacement bank satisfactory to the Administrative Agent and the Borrower (the "Replacement Bank") as provided herein, but none of such Banks shall be under an obligation to find a Replacement Bank; (B) request the non-Affected Banks to acquire and assume all of the Affected Bank's Loans and Commitment, and to participate in Letters of Credit as provided herein, but none of such Banks shall be under an obligation to do so; or (C) designate a Replacement Bank reasonably satisfactory to the Administrative Agent. If any satisfactory Replacement Bank shall be obtained, and/or any of the non-Affected Banks shall agree to acquire and assume all of the Affected Bank's Loans and Commitment, and to participate in Letters of Credit then such Affected Bank shall, so long as no Event of Default shall have occurred and be continuing, assign, in accordance with Section 21, all of its Commitment, Loans, Notes and other rights and obligations under this Agreement and all other Loan Documents to such Replacement Bank or non-Affected Banks, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Affected Bank; provided, however, that (x) such assignment shall be without recourse, representation or warranty and shall be on terms and conditions reasonably satisfactory to such Affected Bank and such Replacement Bank and/or non-Affected Banks, as the case may be, and (y) prior to any such assignment, the Borrower shall have paid to such Affected Bank all amounts properly demanded and unreimbursed under Sections 6.4, 6.5 and 6.7. Upon the effective date of such assignment, the Borrower shall issue replacement Notes to such Replacement Bank and/or non-Affected Banks, as the case may be, and such Replacement Bank shall become a "Bank" for all purposes under this Agreement and the other Loan Documents.

SECTION 6.12. ADVANCES BY ADMINISTRATIVE AGENT. The Administrative Agent may (unless earlier notified to the contrary by any Bank by 12:00 noon (New York time) one (1) Business Day prior to any Drawdown Date) assume that each Bank has made available (or will before the end of such Business Day make available) to the Administrative Agent the amount of such Bank's Commitment Percentage with respect to the Loans (or, in the case of Competitive Bid Loans, the amount of such Bank's accepted offers of such Loans, if any) to be made on such Drawdown Date, and the Administrative Agent may (but shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Bank makes such amount available to the Administrative Agent on a date after such Drawdown Date, such Bank shall pay the Administrative Agent on demand an amount equal to the product of (i) the average, computed for the period referred to in clause (iii) below, of the weighted average annual interest rate paid by the Administrative Agent for federal funds acquired by the Administrative Agent during each day included in such period times (ii) the amount equal to such Bank's Commitment Percentage of such Syndicated Loan (or, in the case of Competitive Bid Loans and Swing Line Loans, the amount of such Bank's accepted offer of such Competitive Bid Loans, if any, and portion of such Swing Line Loans) or the Term Loan, as the case may be, times (iii) a fraction, the numerator of which is the number of days that elapse from and including such Drawdown Date to but not including the date on which the amount equal to such Bank's Commitment Percentage of such Loans, or the amount of such Bank's accepted offers of such Competitive Bid Loans, if any, and portion of Swing Line Loans, shall become immediately

available to the Administrative Agent, and the denominator of which is 365. A statement of the Administrative Agent submitted to such Bank with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to the Administrative Agent by such Bank. If such amount is not in fact made available to the Administrative Agent by such Bank within three (3) Business Days of such Drawdown Date, the Administrative Agent shall be entitled to recover such amount from such Borrower, with interest thereon at the applicable rate per annum.

SECTION 7. REPRESENTATIONS AND WARRANTIES. The Borrower (and the Guarantor, where applicable) represents and warrants to the Banks that:

SECTION 7.1. CORPORATE AUTHORITY.

(a) INCORPORATION; GOOD STANDING. The Borrower and each of its Subsidiaries (i) is duly organized, validly existing and in good standing under the laws of its respective jurisdiction of formation, (ii) has all requisite corporate power to own its property and conduct its business as now conducted and as presently contemplated, and (iii) is in good standing and is duly authorized to do business in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary, except where a failure to be so qualified would not have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries as a whole.

(b) AUTHORIZATION. The execution, delivery and performance of its Loan Documents and the transactions contemplated hereby and thereby (i) are within the corporate authority of the Borrower and the Guarantor, (ii) have been duly authorized by all necessary corporate proceedings on the part of each of the Borrower and the Guarantor, (iii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any of the Borrower or the Guarantor or any of their Subsidiaries is subject or any judgment, order, writ, injunction, license or permit applicable to the Borrower, the Guarantor or any of their Subsidiaries so as to materially adversely affect the assets, business or any activity of the Borrower, the Guarantor and their Subsidiaries as a whole, and (iv) do not conflict with any provision of the corporate charter or bylaws of the Borrower, the Guarantor or any Subsidiary or any agreement or other instrument binding upon the Borrower, the Guarantor or any of their Subsidiaries.

(c) ENFORCEABILITY. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantor will result in valid and legally binding obligations of the Borrower and the Guarantor enforceable against them in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

SECTION 7.2. GOVERNMENTAL AND OTHER APPROVALS. The execution, delivery and performance of the Loan Documents by the Borrower and the Guarantor and the consummation by the Borrower and the Guarantor of the transactions contemplated hereby and thereby do not require any approval or consent of, or filing with, any governmental agency or authority or other third party other than those already obtained and those required after the date hereof in connection with the Borrower's and its Subsidiaries' performance of their covenants contained in Sections 8, 9 and 10 hereof.

SECTION 7.3. TITLE TO PROPERTIES; LEASES. The Borrower and its Subsidiaries own all of the assets reflected in the consolidated balance sheet as at the Interim Balance Sheet Date or acquired since that date (except property and assets operated under capital leases or sold or otherwise disposed of in the ordinary course of business since that date), subject to no mortgages, Capitalized Leases, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens.

SECTION 7.4. FINANCIAL STATEMENTS; SOLVENCY.

(a) There have been furnished to the Banks consolidated balance sheets of the Borrower and its Subsidiaries dated the Balance Sheet Date and consolidated statements of operations for the fiscal periods then ended, certified by the Accountants. In addition, there have been furnished to the Banks consolidated balance sheets of the Borrower and its Subsidiaries dated the Interim Balance Sheet Date and the related consolidated statements of operation for the fiscal quarter ending on the Interim Balance Sheet Date. All said balance sheets and statements of operations have been prepared in accordance with GAAP (but, in the case of any of such financial statements which are unaudited, only to the extent GAAP is applicable to interim unaudited reports), fairly present the financial condition of the Borrower and its Subsidiaries on a consolidated basis as at the close of business on the dates thereof and the results of operations for the periods then ended, subject, in the case of unaudited interim financial statements, to changes resulting from audit and normal year-end adjustments and to the absence of complete footnotes. There are no contingent liabilities of the Borrower and its Subsidiaries involving material amounts, known to the officers of the Borrower or Guarantor which have not been disclosed in said balance sheets and the related notes thereto or otherwise in writing to the Banks.

(b) The Borrower and its Subsidiaries on a consolidated basis (both before and after giving effect to the transactions contemplated by this Agreement) are solvent (i.e., they have assets having a fair value in excess of the amount required to pay their probable liabilities on their existing debts as they become absolute and matured) and have, and expect to have, the ability to pay their debts from time to time incurred in connection therewith as such debts mature.

SECTION 7.5. NO MATERIAL CHANGES, ETC. Since the Interim Balance Sheet Date, there have occurred no material adverse changes in the consolidated financial condition, business, assets or liabilities (contingent or otherwise) of the Borrower and its Subsidiaries, taken together, as shown on or reflected in the consolidated balance sheets of the Borrower and its Subsidiaries as at the Interim Balance Sheet Date, or the consolidated statements of income for the period then

ended other than changes in the ordinary course of business which have not had any material adverse effect either individually or in the aggregate on the financial condition, business, assets or liabilities (contingent or otherwise) of the Borrower and its Subsidiaries, taken together. Since the Interim Balance Sheet Date, there have not been any Distributions other than as permitted by Section 9.5 hereof.

SECTION 7.6. FRANCHISES, PATENTS, COPYRIGHTS, ETC. The Borrower and each of its Subsidiaries possess all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of their business substantially as now conducted (other than those the absence of which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole) without known conflict with any rights of others other than a conflict which would not have a material adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries as a whole.

SECTION 7.7. LITIGATION. Except as set forth on Schedule 7.7 or in the Disclosure Documents, there are no actions, suits, proceedings or investigations of any kind pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened against the Borrower or any of its Subsidiaries before any court, tribunal or administrative agency or board which, either in any case or in the aggregate, could reasonably be expected to have a material adverse effect on the financial condition, business, or assets of the Borrower and its Subsidiaries, considered as a whole, or materially impair the right of the Borrower and its Subsidiaries, considered as a whole, to carry on business substantially as now conducted, or result in any substantial liability not adequately covered by insurance, or for which adequate reserves are not maintained on the consolidated balance sheet or which question the validity of any of the Loan Documents to which the Borrower or any of its Subsidiaries is a party, or any action taken or to be taken pursuant hereto or thereto.

SECTION 7.8. NO MATERIALLY ADVERSE CONTRACTS, ETC. Neither the Borrower nor any of its Subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Borrower's or such Subsidiary's officers has or could reasonably be expected in the future to have a materially adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries, considered as a whole. Neither the Borrower nor any of its Subsidiaries is a party to any contract or agreement which in the judgment of the Borrower's or its Subsidiary's officers has or could reasonably be expected to have any materially adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries, considered as a whole, except as otherwise reflected in adequate reserves as required by GAAP.

SECTION 7.9. COMPLIANCE WITH OTHER INSTRUMENTS, LAWS, ETC. Neither the Borrower nor any of its Subsidiaries is (a) violating any provision of its charter documents or by-laws or (b) violating any agreement or instrument to which any of them may be subject or by which any of them or any of their properties may be bound or any decree, order, judgment, or any statute, license, rule or regulation, in a manner which could (in the case of such agreements or such instruments) reasonably be expected to result in the imposition of substantial penalties or

materially and adversely affect the financial condition, business or assets of the Borrower and its Subsidiaries, considered as a whole.

SECTION 7.10. TAX STATUS. The Borrower and its Subsidiaries have filed all federal, state, provincial and territorial income and all other tax returns, reports and declarations (or obtained extensions with respect thereto) required by applicable law to be filed by them (unless and only to the extent that the Borrower or such Subsidiary has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes as required by GAAP); and have paid all taxes and other governmental assessments and charges (other than taxes, assessments and other governmental charges imposed by jurisdictions other than the United States, Canada or any political subdivision thereof which in the aggregate are not material to the financial condition, business or assets of the Borrower or such Subsidiary on an individual basis or of the Borrower and its Subsidiaries on a consolidated basis) that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith; and, as required by GAAP, have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except to the extent contested in the manner permitted in the preceding sentence, there are no unpaid taxes in any material amount claimed by the taxing authority of any jurisdiction to be due and owing by the Borrower or any Subsidiary, nor do the officers of the Borrower or any of its Subsidiaries know of any basis for any such claim.

SECTION 7.11. NO EVENT OF DEFAULT. (a) No Default or Event of Default has occurred hereunder and is continuing, and (b) no "Default" or "Event of Default" (as defined in the Revolving Credit Facility or the European Credit Facilities, respectively) under the Revolving Credit Facility or the European Credit Facilities, respectively, has occurred and is continuing, or would be created by the incurrence of Indebtedness under this Agreement.

SECTION 7.12. HOLDING COMPANY AND INVESTMENT COMPANY ACTS. Neither the Borrower nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935; nor is any of them a "registered investment company", or an "affiliated company" or a "principal underwriter" of a "registered investment company", as such terms are defined in the Investment Company Act of 1940.

SECTION 7.13. ABSENCE OF FINANCING STATEMENTS, ETC. Except as permitted by Section 9.2 of this Agreement, there is no Indebtedness senior to the Obligations, and there is no effective financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry, or other public office, which purports to cover, affect or give notice of any present or possible future lien on, or security interest in, any assets or property of the Borrower or any of its Subsidiaries or right thereunder.

SECTION 7.14. EMPLOYEE BENEFIT PLANS.

SECTION 7.14.1. IN GENERAL. Each Employee Benefit Plan has been maintained and operated in compliance in all material respects with the provisions of ERISA and/or all Applicable Canadian Pension Legislation, as applicable, and, to the extent applicable, the

Code, including but not limited to the provisions thereunder respecting prohibited transactions. Promptly upon the request of any Bank or the Administrative Agent, the Borrower will furnish to the Administrative Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under Section 103(d) of ERISA, with respect to each Guaranteed Pension Plan.

SECTION 7.14.2. TERMINABILITY OF WELFARE PLANS. Under each Employee Benefit Plan which is an employee welfare benefit plan within the meaning of Section 3(1) or Section 3(2)(B) of ERISA, no benefits are due unless the event giving rise to the benefit entitlement occurs prior to plan termination (except as required by Title I, Part 6 of ERISA) . The Borrower or an ERISA Affiliate, as appropriate, may terminate each such Plan at any time (or at any time subsequent to the expiration of any applicable bargaining agreement) in the discretion of the Borrower or such ERISA Affiliate without liability to any Person.

SECTION 7.14.3. GUARANTEED PENSION PLANS. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of Section 302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid) has been incurred by the Borrower or any ERISA Affiliate with respect to any Guaranteed Pension Plan (other than Terminated Plans) and there has not been any ERISA Reportable Event, or any other event or condition which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Other than with respect to the Terminated Plans, based on the latest valuation of each Guaranteed Pension Plan (which in each case occurred within twelve months of the date of this representation), and on the actuarial methods and assumptions employed for that valuation, the aggregate benefit liabilities of all such Guaranteed Pension Plans within the meaning of Section 4001 of ERISA did not exceed the aggregate value of the assets of all such Guaranteed Pension Plans, disregarding for this purpose the benefit liabilities and assets of any Guaranteed Pension Plan with assets in excess of benefit liabilities.

SECTION 7.14.4. MULTIEMPLOYER PLANS. Neither the Borrower nor any ERISA Affiliate has incurred any material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA or as a result of a sale of assets described in Section 4204 of ERISA. Neither the Borrower nor any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of Section 4241 or Section 4245 of ERISA or that any Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA.

SECTION 7.15. ENVIRONMENTAL COMPLIANCE. The Borrower and its Subsidiaries have taken all necessary steps to investigate the past and present condition and usage of the Real Property and the operations conducted by the Borrower and its Subsidiaries and, based upon such diligent investigation, have determined that, except as set forth on Schedule 7.15 or in the Disclosure Documents:

(a) Neither the Borrower, its Subsidiaries, nor any operator of their properties, is in violation, or alleged violation, of any judgment, decree, order, law, permit, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any applicable international, federal, state, provincial, territorial or local statute, regulation, ordinance, order or decree relating to health, safety, waste transportation or disposal, or the environment (the "Environmental Laws"), which violation, individually or in the aggregate, would have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis.

(b) Except with respect to any such matters which individually or in the aggregate would not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis, neither the Borrower nor any of its Subsidiaries has received notice from any third party including, without limitation: any federal, state, provincial, territorial or local governmental authority, (i) that any one of them has been identified by the United States Environmental Protection Agency ("EPA") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B; (ii) that any hazardous waste, as defined by 42 U.S.C. Section 6903(5), any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) or any toxic substance, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws, excluding household hazardous waste ("Hazardous Substances"), which any one of them has generated, transported or disposed of, has been found at any site at which a federal, state, provincial, territorial or local agency or other third party has conducted or has ordered that the Borrower or any of its Subsidiaries conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, legal or administrative proceeding arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the Release of Hazardous Substances.

(c) (i) No portion of the Real Property or other assets of the Borrower and its Subsidiaries has been used for the handling, processing, storage or disposal of Hazardous Substances except in accordance with applicable Environmental Laws, except as would not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Borrower and its Subsidiaries on a consolidated basis; (ii) in the course of any activities conducted by the Borrower, its Subsidiaries, or operators of the Real Property or other assets of the Borrower and its Subsidiaries, no Hazardous Substances have been generated or are being used on such properties except in accordance with applicable Environmental Laws, except for occurrences that would not have a material adverse effect on the business, assets or financial condition of the

Borrower and its Subsidiaries on a consolidated basis; (iii) there have been no unpermitted Releases or threatened Releases of Hazardous Substances on, upon, into or from the Real Property or other assets of the Borrower or its Subsidiaries, which Releases would have a material adverse effect on the value of such properties; (iv) to the best of the Borrower's and its Subsidiaries' knowledge, there have been no Releases on, upon, from or into any real property in the vicinity of the Real Property or other assets of the Borrower or its Subsidiaries which, through soil or groundwater contamination, may have come to be located on, and which would reasonably be expected to have a material adverse effect on the value of, such properties; and (v) in addition, any Hazardous Substances that have been generated on the Real Property or other assets of the Borrower or its Subsidiaries have been transported offsite only by carriers having an identification number issued by the EPA, treated or disposed of only by treatment or disposal facilities maintaining valid permits as required under applicable Environmental Laws, which transporters and facilities have been and are, to the best of the Borrower's and its Subsidiaries' knowledge, operating in compliance with such permits and applicable Environmental Laws.

(d) None of the Real Property or other assets of the Borrower or its Subsidiaries or any of the stock (or assets) being acquired with proceeds of Loans is or shall be subject to any applicable environmental clean-up responsibility law or environmental restrictive transfer law or regulation, by virtue of the transactions set forth herein and contemplated hereby.

SECTION 7.16. TRUE COPIES OF CHARTER AND OTHER DOCUMENTS. Each of the Borrower and the Guarantor has furnished the Administrative Agent as of the Effective Date, true and complete copies of (a) all charter and other incorporation documents (together with any amendments thereto) and (b) by-laws (together with any amendments thereto).

SECTION 7.17. DISCLOSURE. No representation or warranty made by the Borrower or the Guarantor in this Agreement or in any agreement, instrument, document, certificate, statement or letter furnished to the Banks or the Administrative Agent by or on behalf of or at the request of the Borrower and the Guarantor in connection with any of the transactions contemplated by the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances in which they are made.

SECTION 7.18. PERMITS AND GOVERNMENTAL AUTHORITY. All permits (other than those the absence of which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole) required for the construction and operation of all landfills currently owned or operated by the Borrower or any of its Subsidiaries have been obtained and remain in full force and effect and are not subject to any appeals or further proceedings or to any unsatisfied conditions that may allow material modification or revocation. Neither the Borrower nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, the holder of such permits is in violation of any such permits, except for any violation which would not have a material adverse effect on the business, operations or financial condition of the Borrower and its Subsidiaries as a whole.

SECTION 7.19. YEAR 2000 COMPLIANCE. The Borrower and its Subsidiaries have (i) reviewed the areas within their businesses and operations which could be adversely affected by failure to become "Year 2000 Compliant" (i.e. that computer applications, imbedded microchips and other systems used by the Borrower or any of its Subsidiaries or any of their material vendors or customers, will be able properly to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999), (ii) developed a detailed plan and timetable to become Year 2000 Compliant in a timely manner, and (iii) committed adequate resources to support the Year 2000 plan of the Borrower and its Subsidiaries. Based upon such review, the Borrower reasonably believes that the Borrower and its Subsidiaries, as well as their material vendors and customers, will become "Year 2000 Compliant" in a timely manner except to the extent that failure to do so will not have any materially adverse effect on the business or financial condition of the Borrower or any of its Subsidiaries.

SECTION 7.20. USE OF PROCEEDS. The proceeds of the Loans shall be used for general corporate purposes.

SECTION 8. AFFIRMATIVE COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or any Letter of Credit is outstanding or the Banks have any obligation to make Loans, or any Issuing Bank has any obligation to issue, extend or renew any Letters of Credit hereunder, or the Banks have any obligations to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 8.1. PUNCTUAL PAYMENT. The Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans, all Reimbursement Obligations, fees and other amounts provided for in this Agreement and the other Loan Documents, all in accordance with the terms of this Agreement and such other Loan Documents.

SECTION 8.2. MAINTENANCE OF U.S. OFFICE. The Borrower will maintain its chief executive offices at Houston, Texas, or at such other place in the United States of America as the Borrower shall designate upon 30 days' prior written notice to the Administrative Agent.

SECTION 8.3. RECORDS AND ACCOUNTS. The Borrower will, and will cause each of its Subsidiaries to, keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP and with the requirements of all regulatory authorities and maintain adequate accounts and reserves for all taxes (including income taxes), depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves.

SECTION 8.4. FINANCIAL STATEMENTS, CERTIFICATES AND INFORMATION. The Borrower will deliver to the Banks:

(a) as soon as practicable, but, in any event not later than 92 days after the end of each fiscal year of the Borrower, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such year, consolidated statements of cash flows, and the related consolidated statements of operations, each setting forth in comparative form the figures for the previous fiscal year, all such consolidated financial statements to be in

reasonable detail, prepared, in accordance with GAAP and, with respect to the consolidated financial statements, certified by PricewaterhouseCoopers LLP or Arthur Andersen LLP or by other independent auditors selected by the Borrower and reasonably satisfactory to the Banks (the "Accountants"). In addition, simultaneously therewith, the Borrower shall provide the Banks with a written statement from such Accountants to the effect that they have read a copy of this Agreement, and that, in making the examination necessary to said certification, they have obtained no knowledge of any Default or Event of Default, or, if such Accountants shall have obtained knowledge of any then existing Default or Event of Default they shall disclose in such statement any such Default or Event of Default;

(b) as soon as practicable, but in any event not later than 47 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, copies of the consolidated balance sheet and statement of operations of the Borrower and its Subsidiaries as at the end of such quarter, subject to year-end adjustments, and the related consolidated statement of cash flows, all in reasonable detail and prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) with a certification by the principal financial or accounting officer of the Borrower (the "CFO or the CAO") that the consolidated financial statements are prepared in accordance with GAAP (to the extent GAAP is applicable to interim unaudited financial statements) and fairly present the consolidated financial condition of the Borrower and its Subsidiaries on a consolidated basis as at the close of business on the date thereof and the results of operations for the period then ended, it being understood that no such statement need be accompanied by complete footnotes;

(c) simultaneously with the delivery of the financial statements referred to in (a) and (b) above, a certificate in the form of Exhibit F hereto (the "Compliance Certificate") signed by the CFO or the CAO or the Borrower's corporate treasurer, stating that the Borrower and its Subsidiaries are in compliance with the covenants contained in Sections 8, 9 and 10 hereof as of the end of the applicable period and setting forth in reasonable detail computations evidencing such compliance with respect to the covenants contained in Sections 9.1(d), 9.3, 9.4, 9.5, and 10 hereof and that no Default or Event of Default exists, provided that if the Borrower shall at the time of issuance of such Compliance Certificate or at any other time obtain knowledge of any Default or Event of Default, the Borrower shall include in such certificate or otherwise deliver forthwith to the Banks a certificate specifying the nature and period of existence thereof and what action the Borrower proposes to take with respect thereto;

(d) contemporaneously with, or promptly following, the filing or mailing thereof, copies of all material of a financial nature filed with the Securities and Exchange Commission or sent to the Borrower's and its Subsidiaries' stockholders generally; and

(e) from time to time such other financial data and other information as the Banks may reasonably request.

The Borrower hereby authorizes each Bank to disclose any information obtained pursuant to this Agreement to all appropriate governmental regulatory authorities where required

by law; provided, however, this authorization shall not be deemed to be a waiver of any rights to object to the disclosure by the Banks of any such information which the Borrower has or may have under the federal Right to Financial Privacy Act of 1978, as in effect from time to time, except as to matters specifically permitted therein.

SECTION 8.5. EXISTENCE AND CONDUCT OF BUSINESS. The Borrower will, and will cause each Subsidiary, to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights and franchises; and effect and maintain its foreign qualifications (except where the failure of the Borrower or any Subsidiary to remain so qualified would not materially adversely impair the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis), licensing, domestication or authorization except as terminated by its Board of Directors in the exercise of its reasonable judgment; provided that such termination would not have a material adverse effect on the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis. The Borrower will not, and will cause its Subsidiaries not to, become obligated under any contract or binding arrangement which, at the time it was entered into, would materially adversely impair the financial condition, business or assets of the Borrower and its Subsidiaries, on a consolidated basis. The Borrower will, and will cause each Subsidiary to, continue to engage primarily in the businesses now conducted by it and in related businesses.

SECTION 8.6. MAINTENANCE OF PROPERTIES. The Borrower will, and will cause its Subsidiaries to, cause all material properties used or useful in the conduct of their businesses to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower and its Subsidiaries may be necessary so that the businesses carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this section shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Borrower or such Subsidiary, desirable in the conduct of its or their business and which does not in the aggregate materially adversely affect the financial condition, business or assets of the Borrower and its Subsidiaries on a consolidated basis.

SECTION 8.7. INSURANCE. The Borrower will, and will cause its Subsidiaries to, maintain with financially sound and reputable insurance companies, funds or underwriters, insurance of the kinds, covering the risks (other than risks arising out of or in any way connected with personal liability of any officers and directors thereof) and in the relative proportionate amounts usually carried by reasonable and prudent companies conducting businesses similar to that of the Borrower and its Subsidiaries, in amounts substantially similar to the existing coverage policies maintained by the Borrower and its Subsidiaries, copies of which have been provided to the Administrative Agent. In addition, the Borrower will furnish from time to time, upon any Bank's request, a summary of the insurance coverage of the Borrower and its Subsidiaries, which summary shall be in form and substance satisfactory to the Banks and, if requested by any of the Banks, will furnish to the Administrative Agent and such Bank copies of the applicable policies.

SECTION 8.8. TAXES. The Borrower will, and will cause its Subsidiaries to, duly pay and discharge, or cause to be paid and discharged, before the same shall become overdue, all taxes, assessments and other governmental charges (other than taxes, assessments and other governmental charges imposed by jurisdictions other than the United States, Canada or any political subdivision thereof, which in the aggregate are not material to the business, financial conditions, or assets of the Borrower and its Subsidiaries on a consolidated basis) imposed upon it and its real properties, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials, or supplies, which if unpaid might by law become a lien or charge upon any of its property; provided, however, that any such tax, assessment, charge, levy or claim need not be paid if the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or such Subsidiary shall have set aside on its books adequate reserves with respect thereto as required by GAAP; and provided, further, that the Borrower or such Subsidiary will pay all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien which may have attached as security therefor.

SECTION 8.9. INSPECTION OF PROPERTIES, BOOKS AND CONTRACTS. The Borrower will, and will cause its Subsidiaries to, permit the Administrative Agent or any Bank or any of their designated representatives, upon reasonable notice, to visit and inspect any of the properties of the Borrower and its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries, or contracts (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, their officers, all at such times and intervals as may be reasonably requested.

SECTION 8.10. COMPLIANCE WITH LAWS, CONTRACTS, LICENSES AND PERMITS; MAINTENANCE OF MATERIAL LICENSES AND PERMITS. The Borrower will, and will cause each Subsidiary to, (i) comply with the provisions of its charter documents and by-laws; (ii) comply in all material respects with all agreements and instruments by which it or any of its properties may be bound; (iii) comply with all applicable laws and regulations (including Environmental Laws), decrees, orders, judgments, licenses and permits, including, without limitation, all environmental permits ("Applicable Requirements"), except where noncompliance with such Applicable Requirements would not reasonably be expected to have a material adverse effect in the aggregate on the consolidated financial condition, properties or businesses of the Borrower and its Subsidiaries; (iv) maintain all material operating permits for all landfills now owned or hereafter acquired; and (v) dispose of hazardous waste only at licensed disposal facilities operating, to the best of the Borrower's or such Subsidiary's knowledge after reasonable inquiry, in compliance with Environmental Laws. If at any time any authorization, consent, approval, permit or license from any officer, agency or instrumentality of any government shall become necessary or required in order that the Borrower or any Subsidiary may fulfill any of its obligations hereunder or under any other Loan Document, the Borrower will immediately take or cause to be taken all reasonable steps within the power of the Borrower or such Subsidiary to obtain such authorization, consent, approval, permit or license and furnish the Banks with evidence thereof.

SECTION 8.11. ENVIRONMENTAL INDEMNIFICATION. The Borrower covenants and agrees that it will indemnify and hold the Banks, the Issuing Banks and the Administrative Agent and their respective affiliates, and each of the representatives, agents and officers of each of the foregoing,

harmless from and against any and all claims, expense, damage, loss or liability incurred by the Banks, the Issuing Banks or the Administrative Agent (including all costs of legal representation incurred by the Banks, the Issuing Banks or the Administrative Agent) relating to (a) any Release or threatened Release of Hazardous Substances on the Real Property; (b) any violation of any Environmental Laws or Applicable Requirements with respect to conditions at the Real Property or other assets of the Borrower or its Subsidiaries, or the operations conducted thereon; or (c) the investigation or remediation of offsite locations at which the Borrower, any of its Subsidiaries, or their predecessors are alleged to have directly or indirectly Disposed of Hazardous Substances. It is expressly acknowledged by the Borrower that this covenant of indemnification shall survive the payment of the Loans and Reimbursement Obligations and satisfaction of all other Obligations hereunder and shall inure to the benefit of the Banks, the Issuing Banks, the Administrative Agent and their affiliates, successors and assigns.

SECTION 8.12. FURTHER ASSURANCES. The Borrower and the Guarantor will cooperate with the Administrative Agent and execute such further instruments and documents as the Administrative Agent shall reasonably request to carry out to the Banks' satisfaction the transactions contemplated by this Agreement.

SECTION 8.13. NOTICE OF POTENTIAL CLAIMS OR LITIGATION. The Borrower shall deliver to the Banks, within 30 days of receipt thereof, written notice of the initiation of any action, claim, complaint, or any other notice of dispute or potential litigation against the Borrower or any of its Subsidiaries wherein the potential liability is in excess of $25,000,000 or which questions the validity or enforceability of any Loan Document, together with a copy of each such complaint or other notice received by the Borrower or any of its Subsidiaries if requested by the Administrative Agent.

SECTION 8.14. NOTICE OF CERTAIN EVENTS CONCERNING INSURANCE AND ENVIRONMENTAL CLAIMS.

(a) The Borrower will provide the Banks with written notice as to any material cancellation or material adverse change in any insurance of the Borrower or any of its Subsidiaries within ten (10) Business Days after the Borrower's or any of its Subsidiary's receipt of any notice (whether formal or informal) of such material cancellation or material change by any of its insurers.

(b) The Borrower will promptly, and in any event within ten (10) Business Days of the Borrower's obtaining knowledge thereof, notify the Banks in writing of any of the following events:

(i) upon the Borrower's or any Subsidiary's obtaining knowledge of any violation of any Environmental Law regarding the Real Property or the Borrower's or any Subsidiary's operations which violation could have a material adverse effect on the business, financial condition, or assets of the Borrower and its Subsidiaries on a consolidated basis;

(ii) upon the Borrower's or any Subsidiary's obtaining knowledge of any potential or known Release, or threat of Release, of any Hazardous Substance at, from, or into the Real Property which could materially affect the business,

financial condition, or assets of the Borrower and its Subsidiaries on a consolidated basis;

(iii) upon the Borrower's or any Subsidiary's receipt of any notice of any material violation of any Environmental Law or of any Release or threatened Release of Hazardous Substances, including a notice or claim of liability or potential responsibility from any third party (including any federal, state, provincial, territorial or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) the Borrower's, any Subsidiary's or any Person's operation of the Real Property, (B) contamination on, from, or into the Real Property, or (C) investigation or remediation of offsite locations at which the Borrower, any Subsidiary, or its predecessors are alleged to have directly or indirectly Disposed of Hazardous Substances, and with respect to which the liability associated therewith could be reasonably expected to exceed $30,000,000; or

(iv) upon the Borrower's or any Subsidiary's obtaining knowledge that any expense or loss which individually or in the aggregate exceeds $30,000,000 has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Substances with respect to which the Borrower or any Subsidiary may be liable or for which a lien may be imposed on the Real Property.

SECTION 8.15. NOTICE OF DEFAULT. The Borrower will promptly notify the Banks in writing of the occurrence of any Default or Event of Default. If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default) under this Agreement or any other note, evidence of indebtedness, indenture or other obligation evidencing indebtedness in excess of $25,000,000 as to which the Borrower or any of its Subsidiaries is a party or obligor, whether as principal or surety, the Borrower shall forthwith upon obtaining actual knowledge thereof give written notice thereof to the Banks, describing the notice of action and the nature of the claimed default.

SECTION 8.16. USE OF PROCEEDS.

(a) GENERALLY: The proceeds of the Loans shall be used for general corporate purposes. No proceeds of the Loans shall be used in any way that will violate Regulations U or X of the Board of Governors of the Federal Reserve System.

(b) INELIGIBLE SECURITIES: No portion of the proceeds of any Loan is to be used, and no portion of any Letter of Credit is to be obtained, for the purpose of (i) knowingly purchasing, or providing credit support for the purchase of, Ineligible Securities from a Section 20 Subsidiary during any period in which such Section 20 Subsidiary makes a market in such Ineligible Securities, (ii) knowingly purchasing, or providing credit support for the purchase of, during the underwriting or placement period, any Ineligible Securities being underwritten or privately placed by a Section 20 Subsidiary, or (iii) making, or providing credit support for the making of, payments of principal or interest on Ineligible Securities underwritten or privately placed by a Section

20 Subsidiary and issued by or for the benefit of the Borrower or any Subsidiary or other affiliate of the Borrower.

SECTION 8.17. CERTAIN TRANSACTIONS. Except as disclosed in the Disclosure Documents prior to the Effective Date, and except for arm's length transactions pursuant to which the Borrower or any Subsidiary makes payments in the ordinary course of business upon terms no less favorable than the Borrower or such Subsidiary could obtain from third parties, none of the officers, directors, or employees or any other affiliate of the Borrower or any Subsidiary are presently or shall be a party to any transaction with the Borrower or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Borrower or any Subsidiary, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

SECTION 9. CERTAIN NEGATIVE COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or Letter of Credit is outstanding or the Banks have any obligation to make Loans or any Issuing Bank has any obligation to issue, extend or renew any Letters of Credit hereunder, or the Banks have any obligation to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 9.1. RESTRICTIONS ON INDEBTEDNESS. Neither the Borrower nor any of its Subsidiaries shall become or be a guarantor or surety of, or otherwise create, incur, assume, or be or remain liable, contingently or otherwise, with respect to any Indebtedness, or become or be responsible in any manner (whether by agreement to purchase any obligations, stock, assets, goods or services, or to supply or advance any funds, assets, goods or services or otherwise) with respect to any Indebtedness of any other Person, or incur any Indebtedness other than:

(a) Indebtedness arising under this Agreement or the other Loan Documents;

(b) (i) Indebtedness incurred by the Borrower or any Subsidiary with respect to any suretyship or performance bond incurred in the ordinary course of its business, and undrawn landfill closure bonds; and

(ii) Guarantees of the Subsidiaries' obligations to governmental authorities in lieu of the posting of any landfill closure bonds;

(c) Unsecured Indebtedness of the Borrower (and any guarantee thereof by Guarantor), including commercial paper, which is pari passu or subordinated to the Obligations; provided that there does not exist a Default or Event of Default at the time of the incurrence of such Indebtedness and no Default or Event of Default would be created by the incurrence of such Indebtedness;

(d) (i) Indebtedness of the Borrower's Subsidiaries (other than of the Guarantor incurred prior to July 16, 1998), (ii) secured Indebtedness of the Borrower,

(iii) Indebtedness with respect to drawn landfill closure bonds of the Borrower's Subsidiaries (other than of the Guarantor), and (iv) Indebtedness with respect to Permitted Receivables Transactions (other than of the Guarantor); provided that the aggregate amount of all such Indebtedness in this Section 9.1(d) shall not exceed 15% of Consolidated Tangible Assets at any time;

(e) Indebtedness of the Guarantor listed in Schedule 9.1(e) on the terms and conditions existing on July 16, 1998, provided that any extension, renewal or refinancing by the Guarantor of such Indebtedness is prohibited unless the amount of such extended, renewed or refinanced Indebtedness by the Guarantor is deducted from Indebtedness allowed under Section 9.1(d) above; and

(f) Indebtedness of the Borrower and certain of its Subsidiaries under the Revolving Credit Facility and the European Credit Facilities.

SECTION 9.2. RESTRICTIONS ON LIENS. The Borrower will not, and will cause its Subsidiaries not to, create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, charge, restriction or other security interest of any kind upon any property or assets of any character, whether now owned or hereafter acquired, or upon the income or profits therefrom; or transfer any of such property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; or acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; or suffer to exist for a period of more than 30 days after the same shall have been incurred any Indebtedness or claim or demand against it which if unpaid might by law or upon bankruptcy or insolvency, or otherwise, be given any priority whatsoever over its general creditors; or sell, assign, pledge or otherwise transfer any accounts, contract rights, general intangibles or chattel paper, with or without recourse, except as follows (the "Permitted Liens"):

(a) Liens existing on the Effective Date and listed on Schedule 9.2(a) hereto;

(b) Liens securing Indebtedness permitted by Section 9.1(b)(i) hereof; provided that the assets subject to such liens and security interests shall be limited to those contracts to which such guaranty, suretyship or indemnification obligations relate and the rights to payment thereunder;

(c) Liens securing Indebtedness permitted under Sections 9.1(d) and (e) (provided that Liens created pursuant to a Permitted Receivables Transaction are only on the receivables (and related contract rights, general intangibles, and chattel paper) so transferred and securing only the obligations with respect thereto);

(d) Liens to secure taxes, assessments and other government charges in respect of obligations not overdue;

(e) Deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(f) Liens in respect of judgments or awards which have been in force for less than the applicable period for taking an appeal so long as execution is not levied thereunder or in respect of which the Borrower (or any Subsidiary) shall at the time in good faith be prosecuting an appeal or proceedings for review and in respect of which a stay of execution shall have been obtained pending such appeal or review and in respect of which the Borrower maintains adequate reserves;

(g) Liens of carriers, warehousemen, mechanics and materialmen, and other like liens, in existence less than 120 days from the date of creation thereof in respect of obligations not overdue, provided that such liens may continue to exist for a period of more than 120 days if the validity or amount thereof shall currently be contested by the Borrower (or any Subsidiary) in good faith by appropriate proceedings and if the Borrower shall have set aside on its books adequate reserves with respect thereto as required by GAAP and provided further that the Borrower (or any Subsidiary) will pay any such claim forthwith upon commencement of proceedings to foreclose any such lien; and

(h) Encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's liens under leases to which the Borrower or any Subsidiary is a party, and other minor liens or encumbrances none of which in the opinion of the Borrower interferes materially with the use of the property affected in the ordinary conduct of the business of the Borrower or any of its Subsidiaries, which defects do not individually or in the aggregate have a material adverse effect on the business of the Borrower or any Subsidiary individually or of the Borrower and its Subsidiaries on a consolidated basis.

The Borrower and the Guarantor covenant and agree that if either of them or any of their Subsidiaries shall create or assume any lien upon any of their respective properties or assets, whether now owned or hereafter acquired, other than Permitted Liens (unless prior written consent shall have been obtained from the Banks), the Borrower and the Guarantor will make or cause to be made effective provision whereby the Obligations and the Guaranteed Obligations will be secured by such lien equally and ratably with any and all other Indebtedness thereby secured so long as such other Indebtedness shall be so secured; provided, that the covenants of the Borrower and the Guarantor contained in this sentence shall only be in effect for so long as the Borrower or the Guarantor shall be similarly obligated under any other Indebtedness; provided, further, that an Event of Default shall occur for so long as such other Indebtedness becomes secured notwithstanding any actions taken by the Borrower or the Guarantor to ratably secure the Obligations and the Guaranteed Obligations hereunder.

SECTION 9.3. RESTRICTIONS ON INVESTMENTS. Except to the extent provided in Section 9.4, neither the Borrower nor any Subsidiary may make or permit to exist or to remain outstanding any

Investment, unless both before and after giving effect thereto (i) the Borrower and its Subsidiaries are in compliance with the covenants set forth in Sections 8, 9 and 10 hereof; (ii) there does not exist a Default or Event of Default and no Default or Event of Default would be created by the making of such Investment; and (iii) the aggregate amount of all Investments (excluding Investments in (A) direct obligations of the United States of America or any agency thereof having maturities of less than one (1) year, (B) certificates of deposit having maturities of less than one (1) year, issued by commercial banks in the United States or Canada having capital and surplus of not less than $100,000,000, and (C) wholly owned Subsidiaries) does not exceed 10% of Consolidated Tangible Assets; provided, that the ability of the Borrower and its Subsidiaries to incur any Indebtedness in connection with any Investment permitted by this Section 9.3 shall be governed by Section 9.1.

SECTION 9.4. MERGERS, CONSOLIDATIONS, SALES.

(a) Neither the Borrower nor any Subsidiary shall be a party to any merger, consolidation or exchange of stock unless the Borrower shall be the surviving entity with respect to any such transaction to which the Borrower is a party and the Guarantor shall be the survivor of any merger with any other Subsidiary or a Subsidiary shall be the surviving entity (and continue to be a Subsidiary) with respect to any such transactions to which one or more Subsidiaries is a party (and the conditions set forth below are satisfied), or purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or any partnership, membership or joint venture or other interest in, any other Person except as otherwise provided in Section 9.3 or this Section 9.4. Notwithstanding the foregoing, the Borrower and its Subsidiaries may purchase or otherwise acquire all or substantially all of the assets or stock of any class of, or joint venture or other interest in, any Person if the following conditions have been met: (i) the proposed transaction will not otherwise create a Default or an Event of Default hereunder; (ii) the business to be acquired predominantly involves (A) the collection, transfer, hauling, disposal or recycling of solid waste (excluding hazardous waste as that term is defined in RCRA) or thermal soil remediation, or (B) other lines of businesses currently engaged in, including (1) on-site portable sanitation services, (2) industrial cleaning services, (3) chemical waste treatment, storage, disposal and related services, (4) on-site integrated hazardous waste management services, including hazardous waste identification, packaging, removal, and recycling services, (5) radioactive waste management services, (6) development and operation of waste-to-energy facilities and related services, (7) the treatment and management of biosolids, (8) design and installation of air pollution control systems and equipment, or (9) environmental and infrastructure consulting and related services, provided that revenues from operations with respect to items (3), (4) and (5) shall not exceed ten percent (10%) of consolidated revenues without the consent of the Majority Banks; (iii) the business to be acquired operates predominantly (A) in North America or (B) outside North America, provided, that the aggregate amount of such acquisitions under this clause (B) does not exceed fifteen percent (15%) of Consolidated Tangible Assets; and (iv) the board of directors and (if required by applicable law) the shareholders, or the equivalent thereof, of the business to be acquired has approved such acquisition. Notwithstanding anything herein to the contrary, the ability of the Borrower

and its Subsidiaries to incur any Indebtedness in connection with any transaction permitted pursuant to this Section 9.4 shall be governed by Section 9.1.

(b) Neither the Borrower nor any Subsidiary shall sell, transfer, convey or lease any assets or group of assets including the sale or transfer of any property owned by the Borrower or any Subsidiary in order then or thereafter to lease such property or lease other property which the Borrower or such Subsidiary intends to use for substantially the same purpose as the property being sold or transferred (except (1) transfers of real or personal property among Subsidiaries of the Borrower which are wholly owned by the Borrower, (2) Regulatory Dispositions, (3) Strategic Dispositions, (4) Allied Waste Transactions, and (5) so long as no Default or Event of Default has occurred and is continuing, or would result therefrom, sales of assets in the ordinary course of business in any calendar year with an aggregate value not greater than $50,000,000), or sell or assign, with or without recourse, any receivables (except accounts receivable (and contract rights, general intangibles or chattel paper related thereto) more than sixty (60) days past due sold or assigned in the ordinary course of collecting past due accounts, or pursuant to a Permitted Receivables Transaction).

(c) Commencing with the Effective Date, at any time when the aggregate Net Cash Proceeds from all Domestic Strategic Dispositions not previously applied or set aside for application under this Section 9.4(c) exceeds $25,000,000 in the aggregate, then all such Net Cash Proceeds (including the first $25,000,000) received by the Borrower or any Subsidiary from Domestic Strategic Dispositions shall be applied within five (5) Business Days to pay down the Existing Domestic Bank Debt on a pro rata basis as set forth in the following table (with concurrent permanent reduction in the lenders commitments to advance funds or provide credit hereunder and thereunder of not less than eighty percent (80%) of the amount of such pay down), with the remainder of such Net Cash Proceeds to be available for share repurchases (subject to Section 9.5 below), and for other general corporate purposes (including acquisitions):

	Cumulative Net Cash Proceeds	% Required to Repay Existing Domestic Bank Debt	% Available for Share Repurchase
Tier I	Greater than or equal to $0 and less than or equal to $1,500,000,000	100%	0%
Tier II	Greater than $1,500,000,000 and less than or equal to $2,500,000,000	50%	50%
Tier III	Greater than $2,500,000,000 and less than or equal to $5,000,000,000	0%	100%

provided that in the event that the Senior Public Debt Rating is rated less than BBB- by Standard & Poor's AND less than Baa3 by Moody's, Tier III shall be adjusted such that 20% of Net Cash Proceeds are required to repay Existing Domestic Bank Debt and 80% of Net Cash Proceeds will be available for share repurchases. The Borrower shall promptly provide a monthly report to the Administrative Agent in the form of Exhibit M hereto (the "Form of Net Cash Proceeds Certificate") of Net Cash Proceeds from all Domestic Strategic Dispositions for the month, and demonstrating compliance with the conditions set forth above.

(d) Net Cash Proceeds from any European Strategic Dispositions shall be used first to permanently pay down the European Credit Facilities (and concurrent permanent reduction of the commitments of the lenders to advance funds or provide credit thereunder by the amount of such pay down), with any surplus to be treated as if such surplus were Net Cash Proceeds from a Domestic Strategic Disposition in accordance with subsection (c) above. The Borrower shall promptly provide a monthly report to the Administrative Agent in the form of Exhibit M hereto of Net Cash Proceeds from all European Strategic Dispositions for the month, and demonstrating compliance with the conditions set forth above.

SECTION 9.5. RESTRICTED DISTRIBUTIONS AND REDEMPTIONS. Neither the Borrower nor any of its Subsidiaries will (a) declare or pay any Distributions, or (b) redeem, convert, retire or otherwise acquire shares of any class of its capital stock (other than in connection with a merger permitted by Section 9.4 hereof or conversion into another form of equity of any preferred shares of the Borrower existing as of the Effective Date pursuant to the terms thereof); provided that, so long as no Default or Event of Default exists or would be created hereunder, the Borrower and its Subsidiaries may (i) pay cash dividends and redeem stock in an aggregate amount not to exceed Net Cash Proceeds from Strategic Dispositions available for share repurchase in accordance with the table set forth above in Section 9.4(c), provided further that, giving effect to the proposed share repurchase on a proforma basis as if the transaction occurred as of the last day of the prior fiscal quarter, the Borrower (x) shall have cash equivalents plus Existing Domestic Bank Debt Availability of at least $1,000,000,000, (y) the ratio of Total Debt to EBITDA for the most recently ended period of four fiscal quarters shall not exceed 2.75:1 and (z) the European Credit Facilities shall have been paid in full; and (ii) pay common dividends in an amount not to exceed $25,000,000 per year. Notwithstanding the above, any Subsidiary may make Distributions to the Borrower and the Borrower agrees that neither the Borrower nor any Material Subsidiary will enter into any agreement restricting Distributions from such Material Subsidiary to the Borrower.

SECTION 9.6. EMPLOYEE BENEFIT PLANS. None of the Borrower, any of its Subsidiaries, or any ERISA Affiliate will:

(a) engage in any "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code which could result in a material liability for the Borrower on a consolidated basis; or

(b) permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in Section 302 of ERISA, whether or not such deficiency is or may be waived; or

(c) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower or the Guarantor pursuant to Section 302(f) or Section 4068 of ERISA; or

(d) permit or take any action which would result in the aggregate benefit liabilities (within the meaning of Section 4001 of ERISA), other than with respect to the Terminated Plans, of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities; or

(e) take any action referred to in paragraph (a), (b), (c) or (d) above that would violate any provisions of Applicable Canadian Pension Legislation.

The Borrower and its Subsidiaries will (i) promptly upon the request of any Bank or the Administrative Agent, furnish to the Banks a copy of the most recent actuarial statement required to be submitted under Section 103(d) of ERISA and Annual Report, Form 5500, with all required attachments, in respect of each Guaranteed Pension Plan and (ii) promptly upon receipt or dispatch, furnish to the Banks any notice, report or demand sent or received in respect of a Guaranteed Pension Plan under Sections 302, 4041, 4042, 4043, 4063, 4065, 4066 and 4068 of ERISA, or in respect of a Multiemployer Plan, under Sections 4041A, 4202, 4219, 4242 or 4245 of ERISA.

SECTION 10. FINANCIAL COVENANTS OF THE BORROWER. The Borrower agrees that, so long as any Obligation or Letter of Credit is outstanding or the Banks have any obligation to make Loans, or any Issuing Bank has any obligation to issue, extend or renew any Letter of Credit hereunder, or the Banks have any obligation to reimburse any Issuing Bank for drawings honored under any Letter of Credit, it shall, and shall cause its Subsidiaries to, comply with the following covenants:

SECTION 10.1. INTEREST COVERAGE RATIO. As of the end of any fiscal quarter of the Borrower, the Borrower will not permit the ratio of (a) EBIT for the four fiscal quarters then ending to (b) Consolidated Total Interest Expense for such period to be less than the applicable ratio set forth in the table below:

FISCAL QUARTERS ENDING:	RATIO:
December 31, 1999 - September 30, 2000	2.75:1.00
December 31, 2000 and thereafter	3.00:1.00

SECTION 10.2. TOTAL DEBT TO EBITDA. As of the end of any fiscal quarter of the Borrower, the Borrower will not permit the ratio of (a) Total Debt to (b) EBITDA for the four fiscal quarters then ending to exceed the applicable ratio set forth in the table below:

FISCAL QUARTERS ENDING:	RATIO:
December 31, 1999 - June 30, 2000	3.25:1.00
September 30, 2000 and thereafter	3.00:1.00

SECTION 10.3. MINIMUM NET WORTH. The Borrower will not permit Consolidated Net Worth at any time to be less than $3,500,000,000, plus 75% of cumulative positive Consolidated Net Income for each fiscal quarter, beginning with the fourth fiscal quarter of 1999, minus any share repurchases permitted pursuant to Section 9.5 hereof.

SECTION 11. CONDITIONS PRECEDENT.

SECTION 11.1. CONDITIONS TO EFFECTIVENESS. The effectiveness of this Agreement and the obligations of the Banks to make any Loans and of any Issuing Bank to issue Letters of Credit and of the Banks to participate in Letters of Credit and otherwise be bound by the terms of this Agreement shall be subject to the satisfaction of each of the following conditions precedent:

SECTION 11.1.1. CORPORATE ACTION. All corporate action necessary for the valid execution, delivery and performance by the Borrower and the Guarantor of the Loan Documents shall have been duly and effectively taken, and evidence thereof certified by authorized officers of the Borrower and the Guarantor and satisfactory to the Banks shall have been provided to the Banks.

SECTION 11.1.2. LOAN DOCUMENTS, ETC. Each of the Loan Documents and other documents listed on the closing agenda shall have been duly and properly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect in a form satisfactory to the Majority Banks.

SECTION 11.1.3. CERTIFIED COPIES OF CHARTER DOCUMENTS. The Banks shall have received from each of the Borrower and the Guarantor a certificate, certified by a duly authorized officer of such Person to be true and complete on the Effective Date, of (a) no changes (other than those attached thereto) to its charter or other incorporation documents since last delivered to the Administrative Agent, and (b) no changes to its by-laws (other than those attached thereto) since last delivered to the Administrative Agent.

SECTION 11.1.4. INCUMBENCY CERTIFICATE. The Banks shall have received an incumbency certificate, dated as of the Effective Date, signed by duly authorized officers of the Borrower and the Guarantor giving the name and bearing a specimen signature of each individual who shall be authorized: (a) to sign the Loan Documents on behalf of the Borrower and the Guarantor; (b) to make Syndicated Loan Requests and Letter of Credit

Requests; (c) to make Competitive Bid Quote Requests; and (d) to give notices and to take other action on the Borrower's or the Guarantor's behalf under the Loan Documents.

SECTION 11.1.5. CERTIFICATES OF INSURANCE. The Banks shall have received (i) a certificate of insurance from an independent insurance broker dated as of the Effective Date, or within 15 days prior thereto, identifying insurers, types of insurance, insurance limits, and policy terms, and otherwise describing the insurance obtained in accordance with the provisions of the Loan Documents and (ii) copies of all policies evidencing such insurance (or certificates therefor signed by the insurer or an agent authorized to bind the insurer).

SECTION 11.1.6. OPINION OF COUNSEL. The Banks shall have received a favorable legal opinion from outside counsel to the Borrower and the Guarantor addressed to the Banks, dated the Effective Date, in form and substance satisfactory to the Administrative Agent.

SECTION 11.1.7. SATISFACTORY FINANCIAL CONDITION. Other than as disclosed in the Disclosure Documents, no material adverse change, in the judgment of the Majority Banks, shall have occurred in the financial condition, results of operations, business, properties or prospects of the Borrower and its Subsidiaries, taken as a whole, since the Interim Balance Sheet Date.

SECTION 11.1.8. PAYMENT OF AMENDMENT FEES. For each Bank which executed and delivered its facsimile signature pages by 5:00 p.m. on December 15, 1999, the Borrower shall have paid the agreed upon amendment fee of 0.125% on each such Bank's Commitment to the Administrative Agent for the account of such Banks.

SECTION 11.1.9. AMENDMENTS TO EXISTING DEBT. The Administrative Agent shall have received evidence, in form and substance satisfactory to the Administrative Agent, that the Revolving Credit Facility is concurrently becoming effective in a form and substance satisfactory to the Administrative Agent, MGT and the Joint Lead Arrangers and Joint Book Managers, and no "Event of Default", "Default" (each as defined in such agreement) or prepayment event shall exist under such agreement and no liens shall be created under such agreement as a result of the transactions contemplated hereby.

SECTION 12. CONDITIONS TO ALL LOANS. The obligations of the Banks to make any Loan and the obligation of any Issuing Bank to issue, extend, or renew any Letter of Credit at the time of and subsequent to the Effective Date is subject to the following conditions precedent:

SECTION 12.1. REPRESENTATIONS TRUE. Each of the representations and warranties of the Borrower and the Guarantor (as applicable) contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true as of the date as of which they were made and shall also be true at and as of the time of the making of such Loan or the issuance, extension, or renewal of any Letter of Credit, as applicable, with the same effect as if made at and as of that time (except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and changes occurring in the ordinary course of business which singly or in the aggregate are not materially adverse to the business,

assets or financial condition of the Borrower and its Subsidiaries as a whole, and to the extent that such representations and warranties relate expressly and solely to an earlier date).

SECTION 12.2. PERFORMANCE; NO EVENT OF DEFAULT. The Borrower shall have performed and complied with all terms and conditions herein required to be performed or complied with by it prior to or at the time of the making of any Loan the issuance, extension or renewal of any Letter of Credit, and at the time of the making of any Loan or the issuance, renewal or extension of any Letter of Credit, there shall exist no Default or Event of Default or condition which would result in a Default or an Event of Default upon consummation of such Loan or issuance, extension, or renewal of any Letter of Credit, as applicable. Each request for a Loan, or for issuance, extension or renewal of a Letter of Credit shall constitute certification by the Borrower that the conditions specified in Sections 12.1 and 12.2 will be duly satisfied on the date of such Loan or Letter of Credit issuance, extension or renewal.

SECTION 12.3. NO LEGAL IMPEDIMENT. No change shall have occurred in any law or regulations thereunder or interpretations thereof which in the reasonable opinion of the Banks would make it illegal for the Banks to make Loans, for any Issuing Bank to issue, extend or renew, or the Banks to participate in, Letters of Credit hereunder.

SECTION 12.4. GOVERNMENTAL REGULATION. The Banks shall have received from the Borrower and its Subsidiaries such statements in substance and form reasonably satisfactory to the Banks as they shall require for the purpose of compliance with any applicable regulations of the Comptroller of the Currency or the Board of Governors of the Federal Reserve System or the Office of the Superintendent of Financial Institutions.

SECTION 12.5. PROCEEDINGS AND DOCUMENTS. All proceedings in connection with the transactions contemplated by this Agreement and all documents incident thereto shall have been delivered to the Banks as of the date of the making of any extension of credit in substance and in form satisfactory to the Banks, including without limitation a Syndicated Loan Request in the form attached hereto as Exhibit D or a Letter of Credit Request in the form of Exhibit E and the Banks shall have received all information and such counterpart originals or certified or other copies of such documents as the Banks may reasonably request.

SECTION 13. EVENTS OF DEFAULT; ACCELERATION; TERMINATION OF COMMITMENT.

SECTION 13.1. EVENTS OF DEFAULT AND ACCELERATION. If any of the following events ("Events of Default" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice and/or lapse of time, "Defaults") shall occur:

(a) if the Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) if the Borrower shall fail to pay any interest or fees or other amounts owing hereunder (other than those specified in subsection (a) above) within five (5) Business Days after the same shall become due and payable whether at the Revolving

Credit Maturity Date, Term Loan Maturity Date or any accelerated date of maturity or at any other date fixed for payment;

(c) if the Borrower shall fail to comply with any of the covenants contained in Sections 8, 9 and 10 hereof;

(d) if the Borrower shall fail to perform any term, covenant or agreement contained herein or in any of the other Loan Documents (other than those specified in subsections (a), (b), and (c) above) and such failure shall not be remedied within 30 days after written notice of such failure shall have been given to the Borrower by the Administrative Agent or any of the Banks;

(e) if any representation or warranty contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall prove to have been false in any material respect upon the date when made or repeated;

(f) if the Borrower or any of its Subsidiaries shall fail to pay when due, or within any applicable period of grace, any Indebtedness in an aggregate amount greater than $50,000,000, or fail to observe or perform any material term, covenant or agreement contained in any one or more agreements by which it is bound, evidencing or securing any Indebtedness in an aggregate amount greater than $50,000,000 for such period of time as would permit, or would have permitted (assuming the giving of appropriate notice if required), the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof or terminate its commitment with respect thereto;

(g) if the Borrower, the Guarantor or any Material Subsidiary makes an assignment for the benefit of creditors, or admits in writing its inability to pay or generally fails to pay its debts as they mature or become due, or petitions or applies for the appointment of a trustee or other custodian, liquidator or receiver of the Borrower, the Guarantor or any Material Subsidiary, or of any substantial part of the assets of the Borrower, the Guarantor or any Material Subsidiary or commences any case or other proceeding relating to the Borrower, the Guarantor or any Material Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or takes any action to authorize or in furtherance of any of the foregoing, or if any such petition or application is filed or any such case or other proceeding is commenced against the Borrower, the Guarantor or any Material Subsidiary or the Borrower, the Guarantor or any Material Subsidiary indicates its approval thereof, consent thereto or acquiescence therein;

(h) if a decree or order is entered appointing any such trustee, custodian, liquidator or receiver or adjudicating the Borrower or the Guarantor or any Material Subsidiary bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of the Borrower or the Guarantor or any Material Subsidiary in an involuntary case under federal bankruptcy laws of any jurisdiction as now or hereafter constituted, and such decree or order remains in effect for more than 30 days, whether or not consecutive;

(i) if there shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty days, whether or not consecutive, any final judgment against the Borrower or any Subsidiary which, with other outstanding final judgments against the Borrower and its Subsidiaries exceeds in the aggregate $25,000,000 after taking into account any undisputed insurance coverage;

(j) if, with respect to any Guaranteed Pension Plan (or any corresponding plan described in any Applicable Canadian Pension Legislation), an ERISA Reportable Event or similar event under Applicable Canadian Pension Legislation shall have occurred and the Banks shall have determined in their reasonable discretion that such event reasonably could be expected to result in liability of the Borrower or any Subsidiary to the PBGC or similar Canadian authorities or the Plan in an aggregate amount exceeding $25,000,000 and such event in the circumstances occurring reasonably could constitute grounds for the partial or complete termination of such Plan by the PBGC or similar Canadian authorities or for the appointment by the appropriate United States District Court or Canadian Court of a trustee to administer such Plan; or a trustee shall have been appointed by the appropriate United States District Court or Canadian Court to administer such Plan; or the PBGC or similar Canadian authorities shall have instituted proceedings to terminate such Plan;

(k) if any of the Loan Documents shall be cancelled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Banks, or any action at law, suit or in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower, the Guarantor, or any of their respective stockholders, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof; or

(l) if any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 25% or more of the outstanding shares of common voting stock of the Borrower; or during any period of twelve consecutive calendar months, individuals who were directors of the Borrower on the first day of such period shall cease to constitute a majority of the board of directors of the Borrower;

then, and in any such event, so long as the same may be continuing, the Administrative Agent may, and upon the request of the Majority Banks shall, by notice in writing to the Borrower, declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents and all Reimbursement Obligations to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration to the extent permitted by law or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided that in the event of any Event of Default specified in Section 13.1(g) or 13.1(h), all such amounts shall become immediately due and

payable automatically and without any requirement of notice from the Administrative Agent or any Bank. Upon demand by the Majority Banks after the occurrence of any Event of Default, the Borrower shall immediately provide to the Administrative Agent cash in an amount equal to the aggregate Maximum Drawing Amount to be held by the Administrative Agent as collateral security for the Reimbursement Obligations.

SECTION 13.2. TERMINATION OF COMMITMENTS. If any Event of Default pursuant to Sections 13.1(g) or 13.1(h) hereof shall occur, any unused portion of the Total Commitment hereunder shall forthwith terminate and the Banks and the Issuing Banks shall be relieved of all obligations to make Loans or to issue, extend or renew Letters of Credit hereunder; or if any other Event of Default shall occur, the Majority Banks may by notice to the Borrower terminate the unused portion of the Total Commitment hereunder, and, upon such notice being given, such unused portion of the Total Commitment hereunder shall terminate immediately and the Banks and the Issuing Banks shall be relieved of all further obligations to make Loans or to issue, extend or renew Letters of Credit hereunder. No termination of any portion of the Total Commitment hereunder shall relieve the Borrower of any of its existing Obligations to the Banks, the Issuing Banks or the Administrative Agent hereunder or elsewhere.

SECTION 13.3. REMEDIES. In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Banks shall have accelerated the maturity of the Loans and other Obligations pursuant to Section 13.1, each Bank, upon notice to the other Banks, if owed any amount with respect to the Loans or the Reimbursement Obligations, may proceed to protect and enforce its rights by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations to such Bank are evidenced, including, without limitation, as permitted by applicable law the obtaining of the ex parte appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any legal or equitable right of such Bank, any recovery being subject to the terms of Section 30 hereof. No remedy herein conferred upon any Bank or the Administrative Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

SECTION 14. SETOFF. Regardless of the adequacy of any collateral, during the continuance of an Event of Default, any deposits or other sums credited by or due from any Bank to the Borrower and any securities or other property of the Borrower in the possession of such Bank may be applied to or set off against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Borrower to the Banks or the Administrative Agent. Any amounts set off pursuant to this Section 14 shall be distributed ratably in accordance with Section 30 among all of the Banks by the Bank setting off such amounts. If any Bank fails to share such setoff ratably, the Administrative Agent shall have the right to withhold such Bank's share of the Borrower's payments until each of the Banks shall have, in the aggregate, received a pro rata repayment.

SECTION 15. EXPENSES. Whether or not the transactions contemplated herein shall be consummated, the Borrower hereby promises to reimburse the Administrative Agent for all reasonable out-of-pocket fees and disbursements (including all reasonable attorneys' fees) incurred or expended in connection with the syndication, preparation, filing or recording, or interpretation of this Agreement, the other Loan Documents, or any amendment, modification, approval, consent or waiver hereof or thereof. The Borrower further promises to reimburse the Administrative Agent and the Banks for all reasonable out-of-pocket fees and disbursements (including all reasonable legal fees and the allocable cost of in-house attorneys' fees) incurred or expended in connection with the enforcement of any Obligations or the satisfaction of any indebtedness of the Borrower hereunder or under any other Loan Document, or in connection with any litigation, proceeding or dispute hereunder in any way related to the credit hereunder. The Borrower also promises to pay the Administrative Agent all reasonable out-of-pocket fees and disbursements, incurred or expended in connection with the Competitive Bid Loan procedure under Section 4 hereof.

SECTION 16. THE AGENTS.

SECTION 16.1. APPOINTMENT, POWERS AND IMMUNITIES. Each Bank hereby irrevocably appoints and authorizes BKB to act as Administrative Agent, provided, however, the Administrative Agent is hereby authorized to serve only as administrative and documentation agent for the Banks and to exercise such powers as are reasonably incidental thereto and as are set forth in this Agreement and the other Loan Documents. The Administrative Agent hereby acknowledges that it does not have the authority to negotiate any agreement which would bind the Banks or agree to any amendment, waiver or modification of any of the Loan Documents or bind the Banks except as set forth in this Agreement or the Loan Documents. Except as provided in this Agreement, and in the other Loan Documents, the Administrative Agent shall take action or refrain from acting only upon instructions of the Banks. It is agreed that the duties, rights, privileges and immunities of the Issuing Banks, in their capacity as issuers of Letters of Credit hereunder, shall be identical to the duties, rights, privileges and immunities of the Administrative Agent as provided in this Section 16. The Administrative Agent shall not have any duties or responsibilities or any fiduciary relationship with any Bank except those expressly set forth in this Agreement and the other Loan Documents. Neither the Administrative Agent nor any of its affiliates shall be responsible to the Banks for any recitals, statements, representations or warranties made by the Borrower or any other Person whether contained herein or otherwise or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or for any failure by the Borrower or any other Person to perform its obligations hereunder or thereunder or in respect of the Notes. The Administrative Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent, the Agents and any of their directors, officers, employees or agents shall not be responsible for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct. The Administrative Agent in its separate capacity as a Bank shall have the same rights and powers hereunder as any other Bank. The Documentation Agent and the Syndication Agents shall not have any right, power, obligation, liability, responsibility or

duty under this Credit Agreement in such capacity, other than with respect to the Documentation Agent, those applicable to all Banks as Banks.

SECTION 16.2. ACTIONS BY ADMINISTRATIVE AGENT. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement as reasonably deemed appropriate unless it shall first have received the consent of the Majority Banks (or, when expressly required hereby, all of the Banks), and shall be indemnified to its reasonable satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any of the Loan Documents in accordance with the instruction of the Majority Banks (or, when expressly required hereby or thereby, all of the Banks), and such instruction and any action taken or failure to act pursuant thereto shall be binding upon the Banks and all future holders of the Notes or any Letter of Credit Participation.

SECTION 16.3. INDEMNIFICATION. Without limiting the obligations of the Borrower hereunder or under any other Loan Document, the Banks agree to indemnify the Administrative Agent, its affiliates and its respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) ratably in accordance with their respective Commitment Percentages for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, that no Bank shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Administrative Agent (or any agent thereof) and provided further that no Bank shall be liable with respect to acts of Section 20 Subsidiaries of other Banks, IT BEING THE INTENT OF THE PARTIES HERETO THAT ALL SUCH INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR ORDINARY SOLE OR CONTRIBUTORY NEGLIGENCE.

SECTION 16.4. REIMBURSEMENT. Without limiting the provisions of Sections 6.1(a), 6.12, and 14, the Administrative Agent shall not be obliged to make available to any Person any sum which the Administrative Agent is expecting to receive for the account of that Person until the Administrative Agent has determined that it has received that sum. The Administrative Agent may, however, disburse funds prior to determining that the sums which the Administrative Agent expects to receive have been finally and unconditionally paid to the Administrative Agent, if the Administrative Agent wishes to do so. If and to the extent that the Administrative Agent does disburse funds and it later becomes apparent that the Administrative Agent did not then receive a payment in an amount equal to the sum paid out, then any Person to whom the Administrative Agent made the funds available shall, on demand from the Administrative Agent, refund to the Administrative Agent the sum paid to that Person. If, in the opinion of the Administrative Agent, the distribution of any amount received by it in such capacity hereunder or under the other Loan Documents might involve it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If

a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrative Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrative Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

SECTION 16.5. DOCUMENTS. The Administrative Agent will forward to each Bank, promptly after receipt thereof, a copy of each notice or other document furnished to the Administrative Agent for such Bank hereunder; provided, however, that, notwithstanding the foregoing, the Administrative Agent may furnish to the Banks a monthly summary with respect to Letters of Credit issued hereunder in lieu of copies of the related Letter of Credit Applications.

SECTION 16.6. NON-RELIANCE ON ADMINISTRATIVE AGENT AND OTHER BANKS. Each Bank represents that it has, independently and without reliance on the Administrative Agent, the Agents or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of the financial condition and affairs of the Borrower and the Guarantor and the decision to enter into this Agreement and the other Loan Documents and agrees that it will, independently and without reliance upon the Administrative Agent, the Agents or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own appraisals and decisions in taking or not taking action under this Agreement or any other Loan Document. Except as herein expressly provided to the contrary, the Administrative Agent shall not be required to keep informed as to the performance or observance by the Borrower and the Guarantor of this Agreement, the other Loan Documents or any other document referred to or provided for herein or therein or by any other Person of any other agreement or to make inquiry of, or to inspect the properties or books of, any Person. Except for notices, reports and other documents and information expressly required to be furnished to the Banks by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning any person which may come into the possession of the Administrative Agent or any of their affiliates. Each Bank shall have access to all documents relating to the Administrative Agent's performance of their duties hereunder at such Bank's request. Unless any Bank shall promptly object to any action taken by the Administrative Agent hereunder of which such Bank has actual knowledge (other than actions which require the prior consent of such Bank in accordance with the terms hereof or to which the provisions of Section 16.8 are applicable and other than actions which constitute gross negligence or willful misconduct by the Administrative Agent), such Bank shall be presumed to have approved the same.

SECTION 16.7. RESIGNATION OF ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving 60 days' prior written notice thereof to the Banks and the Borrower. Upon any such resignation, the Banks (other than the resigning Administrative Agent) shall have the right to appoint a successor Administrative Agent from among the Banks. If no successor to the Administrative Agent shall have been so appointed by the Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent from among the remaining Banks, which shall be a financial institution having a combined capital and surplus in excess of $1,000,000,000. Upon the

acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the retiring Administrative Agent's resignation, the provisions of this Agreement shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent. Any new Issuing Bank appointed pursuant to this Section 16.7 shall immediately issue new Letters of Credit in place of Letters of Credit previously issued or, if acceptable to the resigning Issuing Bank, issue letters of credit in favor of the resigning Issuing Bank as security for the outstanding Letters of Credit and shall in due course replace all Letters of Credit previously issued by the resigning Issuing Bank.

SECTION 16.8. ACTION BY THE BANKS, CONSENTS, AMENDMENTS, WAIVERS, ETC. Any action to be taken (including the giving of notice) may be taken, any consent or approval required or permitted by this Agreement or any other Loan Document to be given by the Banks may be given, any term of this Agreement, any other Loan Document or any other instrument, document or agreement related to this Agreement or the other Loan Documents or mentioned therein may be amended, and the performance or observance by the Borrower or any other Person of any of the terms thereof and any Default or Event of Default (as defined in any of the above-referenced documents or instruments) may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Majority Banks; provided, however, that no such consent or amendment which affects the rights, duties or liabilities of the Administrative Agent or any Issuing Bank shall be effective without the written consent of the Administrative Agent or such Issuing Bank, as the case may be. Notwithstanding the foregoing, no amendment, waiver or consent shall do any of the following unless in writing and signed by ALL of the Banks (a) increase the principal amount of the Total Commitment (or subject any Bank to any additional obligations), (b) reduce the principal of or interest on the Notes (including, without limitation, interest on overdue amounts) or any fees payable hereunder, (c) postpone any date fixed for any payment in respect of principal or interest (including, without limitation, interest on overdue amounts) on the Notes or any fee hereunder (except pursuant to Section 2.10); (d) change the definition of "Majority Banks" or number of Banks which shall be required for the Banks or any of them to take any action under the Loan Documents; (e) amend this Section 16.8; (f) change the Commitment Percentage of any Bank, except as permitted under Section 21 and Section 2.10 hereof, (g) change the Total Commitment Percentage of any Bank, or (h) release the Borrower or the Guarantor from its obligations hereunder (except as expressly set forth herein).

SECTION 17. INDEMNIFICATION. The Borrower agrees to indemnify and hold harmless the Banks, the Agents, the Issuing Banks, the Joint Lead Arrangers and Joint Book Managers and the Administrative Agent and their affiliates, as well as the Banks' and the Administrative Agent's and their affiliates' shareholders, directors, agents, officers, subsidiaries and affiliates, from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by an indemnified party by reason of or resulting from the transactions contemplated hereby, except any of the foregoing which result from the gross negligence or willful misconduct of any indemnified party. In any investigation,

enforcement matter, proceeding or litigation, or the preparation therefor, the Banks and the Administrative Agent shall be entitled to select their own counsel and, in addition to the foregoing indemnity, the Borrower agrees to pay promptly the reasonable fees and expenses of such counsel (including the non-duplicative allocated cost of internal counsel), and settlement costs. In the event of the commencement of any such proceeding or litigation against the Banks or Administrative Agent by third parties, the Borrower shall be entitled to participate in such proceeding or litigation with counsel of their choice at their expense, provided that such counsel shall be reasonably satisfactory to the Banks or Administrative Agent. The covenants of this Section 17 shall survive payment or satisfaction of payment of amounts owing with respect to any Note or any other Loan Document and satisfaction of all the Obligations hereunder, IT BEING THE INTENT OF THE PARTIES HERETO THAT ALL SUCH INDEMNIFIED PARTIES SHALL BE INDEMNIFIED FOR THEIR ORDINARY SOLE OR CONTRIBUTORY NEGLIGENCE.

SECTION 18. WITHHOLDING TAXES. The Borrower hereby agrees that:

(a) Any and all payments made by the Borrower hereunder shall be made free and clear of, and without deduction for, any and all present or future taxes, levies, fees, duties, imposts, deductions, charges or withholdings of any nature whatsoever, excluding, in the case of the Administrative Agent or the Banks or any holder of the Notes, (i) taxes imposed on, or measured by, its net income or profits, (ii) franchise taxes imposed on it, (iii) taxes imposed by any jurisdiction as a direct consequence of it, or any of its affiliates, having a present or former connection with such jurisdiction, including, without limitation, being organized, existing or qualified to do business, doing business or maintaining a permanent establishment or office in such jurisdiction, and (iv) taxes imposed by reason of its failure to comply with any applicable certification, identification, information, documentation or other reporting requirement (all such non-excluded taxes being hereinafter referred to as "Indemnifiable Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Indemnifiable Taxes pursuant to any applicable law, or governmental rule or regulation, then the Borrower will (i) direct to the relevant taxing authority the full amount required to be so withheld or deducted, (ii) forward to the Administrative Agent for delivery to the applicable Bank an official receipt or other documentation satisfactory to the Administrative Agent and the applicable Bank evidencing such payment to such taxing authority, and (iii) direct to the Administrative Agent for the account of the relevant Banks such additional amount or amounts as is necessary to ensure that the net amount actually received by each relevant Bank will equal the full amount such Bank would have received had no such withholding or deduction (including any Indemnifiable Taxes on such additional amounts) been required. Moreover, if any Indemnifiable Taxes are directly asserted against the Administrative Agent or any Bank with respect to any payment received by the Administrative Agent or such Bank by reason of the Borrower's failure to properly deduct and withhold such Indemnifiable Taxes from such payment, the Administrative Agent or such Bank may pay such Indemnifiable Taxes and the Borrower will promptly pay all such additional amounts (including any penalties, interest or reasonable expenses) as is necessary in order that the net amount received by such Person after the payment of

such Indemnifiable Taxes (including any Indemnifiable Taxes on such additional amount) shall equal the amount such Person would have received had not such Indemnifiable Taxes been asserted. Any such payment shall be made promptly after the receipt by the Borrower from the Administrative Agent or such Bank, as the case may be, of a written statement setting forth in reasonable detail the amount of the Indemnifiable Taxes and the basis of the claim.

(b) The Borrower shall pay any present or future stamp or documentary taxes or any other excise or any other similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document ("Other Taxes").

(c) The Borrower hereby indemnifies and holds harmless the Administrative Agent and each Bank for the full amount of Indemnifiable Taxes or Other Taxes (including, without limitation, any Indemnifiable Taxes or Other Taxes imposed on amounts payable under this Section 18) paid by the Administrative Agent or such Bank, as the case may be, and any liability (including penalties, interest and reasonable expenses) arising therefrom or with respect thereto, by reason of the Borrower's failure to properly deduct and withhold Indemnifiable Taxes pursuant to paragraph (a) above or to properly pay Other Taxes pursuant to paragraph (b) above. Any indemnification payment from the Borrower under the preceding sentence shall be made promptly after receipt by the Borrower from the Administrative Agent or Bank of a written statement setting forth in reasonable detail the amount of such Indemnifiable Taxes or such Other Taxes, as the case may be, and the basis of the claim.

(d) If the Borrower pays any amount under this Section 18 to the Administrative Agent or any Bank and such payee knowingly receives a refund of any taxes with respect to which such amount was paid, the Administrative Agent or such Bank, as the case may be, shall pay to the Borrower the amount of such refund promptly following the receipt thereof by such payee.

(e) In the event any taxing authority notifies the Borrower or the Guarantor that any of them has improperly failed to deduct or withhold any taxes (other than Indemnifiable Taxes) from a payment made hereunder to the Administrative Agent or any Bank, the Borrower shall timely and fully pay such taxes to such taxing authority.

(f) The Administrative Agent or the Banks shall, upon the request of the Borrower, take reasonable measures to avoid or mitigate the amount of Indemnifiable Taxes required to be deducted or withheld from any payment made hereunder if such measures can be taken without such Person in its sole judgment suffering any legal, regulatory or economic disadvantage.

(g) Without prejudice to the survival of any other agreement of the parties hereunder, the agreements and obligations of the Borrower contained in this Section 18 shall survive the payment in full of the Obligations.

SECTION 19. TREATMENT OF CERTAIN CONFIDENTIAL INFORMATION.

SECTION 19.1. SHARING OF INFORMATION WITH SECTION 20 SUBSIDIARY. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries, in connection with this Agreement or otherwise, by a Section 20 Subsidiary. The Borrower, for itself and each of its Subsidiaries, hereby authorizes (a) such Section 20 Subsidiary to share with the Administrative Agent and each Bank any information delivered to such Section 20 Subsidiary by the Borrower or any of its Subsidiaries, and (b) the Administrative Agent and each Bank to share with such Section 20 Subsidiary any information delivered to the Administrative Agent or such Bank by the Borrower or any of its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Bank to enter into this Agreement; it being understood, in each case, that any such Section 20 Subsidiary receiving such information shall be bound by the confidentiality provisions of this Agreement. Such authorization shall survive the payment and satisfaction in full of all of Obligations.

SECTION 19.2. CONFIDENTIALITY. Each of the Banks and the Administrative Agent agrees, on behalf of itself and each of its affiliates, directors, officers, employees and representatives, to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any non-public information supplied to it by the Borrower or any of its Subsidiaries pursuant to this Agreement that is identified by such Person as being confidential at the time the same is delivered to the Banks or the Administrative Agent, provided that nothing herein shall limit the disclosure of any such information (a) after such information shall have become public other than through a violation of this Section 19, (b) to the extent required by statute, rule, regulation or judicial process, (c) to counsel for any of the Banks or the Administrative Agent, (d) to bank examiners or any other regulatory authority having jurisdiction over any Bank or the Administrative Agent, or to auditors or accountants, (e) to the Administrative Agent, any Bank or any Section 20 Subsidiary, (f) in connection with any litigation to which any one or more of the Banks, the Administrative Agent or any Section 20 Subsidiary is a party, or in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (g) to a Subsidiary or affiliate of such Bank as provided in Section 19.1 or (h) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant agrees to be bound by the provisions of Section 21.

SECTION 19.3. PRIOR NOTIFICATION. Unless specifically prohibited by applicable law or court order, each of the Banks and the Administrative Agent shall, prior to disclosure thereof, notify the Borrower of any request for disclosure of any such non-public information by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of such Bank by such governmental agency) or pursuant to legal process.

SECTION 19.4. OTHER. In no event shall any Bank or the Administrative Agent be obligated or required to return any materials furnished to it or any Section 20 Subsidiary by the Borrower or any of its Subsidiaries. The obligations of each Bank under this Section 19 shall supersede and replace the obligations of such Bank under any confidentiality letter in respect of this financing signed and delivered by such Bank to the Borrower prior to the date hereof and shall be binding upon

any assignee of, or purchaser of any participation in, any interest in any of the Loans or Reimbursement Obligations from any Bank.

SECTION 20. SURVIVAL OF COVENANTS, ETC. Unless otherwise stated herein, all covenants, agreements, representations and warranties made herein, in the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrower or the Guarantor pursuant hereto shall be deemed to have been relied upon by the Banks, the Issuing Banks and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by them, and shall survive the making by the Banks of the Loans and the issuance, extension or renewal of any Letters of Credit by any Issuing Bank, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement, any Obligation, any Letter of Credit or any Note remains outstanding and unpaid or any Bank has any obligation to make any Loans or any Issuing Bank has any obligation to issue, extend, or renew any Letters of Credit hereunder. All statements contained in any certificate or other paper delivered by or on behalf of the Borrower pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower hereunder.

SECTION 21. ASSIGNMENT AND PARTICIPATION. It is understood and agreed that each Bank shall have the right to assign at any time all or a portion of its Commitment Percentage and interests in the risk relating to the Loans, outstanding Letters of Credit and its Commitment hereunder in an amount equal to or greater than $5,000,000 (or, if a Bank's Commitment is less than $5,000,000, in a minimum amount equal to such Bank's Commitment, provided that prior to any Commitment reductions pursuant to Section 2.3, such Bank's Commitment was at least $10,000,000) to additional banks or other financial institutions with the prior written approval of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, which approvals shall not be unreasonably withheld. Any Bank may at any time, and from time to time, assign to any branch, lending office, or affiliate or such Bank all or any part of its rights and obligations under the Loan Documents by notice to the Administrative Agent and the Borrower. It is further agreed that each bank or other financial institution which executes and delivers to the Administrative Agent and the Borrower hereunder an Assignment and Acceptance substantially in the form of Exhibit G hereto (an "Assignment and Acceptance") together with an assignment fee in the amount of $3,500 payable by the assigning Bank to the Administrative Agent, shall, on the date specified in such Assignment and Acceptance, become a party to this Agreement and the other Loan Documents for all purposes of this Agreement and the other Loan Documents, and its portion of the Commitment, the Loans and Letters of Credit shall be as set forth in such Assignment and Acceptance. The Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents. Upon the execution and delivery of such Assignment and Acceptance, (a) the Borrower shall issue to the assignee bank or other financial institution Notes in the amount of such bank's or other financial institution's Commitment dated the date of the assignment or such other date as may be specified by the Administrative Agent, and otherwise completed in substantially the form of Exhibits A or B, and to the extent any assigning Bank has retained a portion of its obligations hereunder, a replacement Syndicated Note, to the assigning Bank reflecting its assignment; (b) to the extent applicable, the Borrower shall issue a Competitive Bid Note in substantially the form of Exhibit C (and a replacement

Competitive Bid Note) or the Administrative Agent shall make appropriate entries on the Competitive Bid Loan Accounts to reflect such assignment of Competitive Bid Loan(s); (c) the Administrative Agent shall distribute to the Borrower, the Banks and such bank or financial institution a revised Schedule 1 reflecting such changes; and (d) this Agreement shall be deemed to be appropriately amended to reflect (i) the status of the bank or financial institution as a party hereto and (ii) the status and rights of the Banks hereunder.

Each Bank shall also have the right to grant participations to one or more banks or other financial institutions in its Commitment, the Loans and outstanding Letters of Credit. The documents evidencing any such participation shall limit such participating bank's or financial institution's voting rights with respect to this Agreement to the matters set forth in Section 16.8 which require the approval of all Banks.

Notwithstanding the foregoing, no assignment or participation shall operate to increase the Total Commitment hereunder or otherwise alter the substantive terms of this Agreement, and no Bank which retains a Commitment hereunder shall have a Commitment of less than $10,000,000, as such amount may be reduced upon reductions in the Total Commitment pursuant to Section 2.3 hereof.

Anything contained in this Section 21 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

The Borrower agrees that in addition to disclosures made in accordance with standard and customary banking practices any Bank may disclose information obtained by such Bank pursuant to this Agreement to assignees or participants and potential assignees or participants hereunder; provided that such assignees or participants or potential assignees or participants shall agree to be bound by Section 19 hereof.

SECTION 22. PARTIES IN INTEREST. All the terms of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto and thereto; provided, that the Borrower shall not assign or transfer its rights or obligations hereunder or thereunder without the prior written consent of each of the Banks.

SECTION 23. NOTICES, ETC. Except as otherwise expressly provided in this Agreement, all notices and other communications made or required to be given pursuant to this Agreement or the other Loan Documents shall be in writing and shall be delivered in hand, mailed by United States first class mail, postage prepaid, or sent by telegraph, telex or facsimile and confirmed by letter, addressed as follows:

(a) if to the Borrower or the Guarantor, at 1001 Fannin Street, Suite 4000, Houston, Texas 77002, Attention: Ronald H. Jones, facsimile number (713) 209-9710; or

(b) if to BKB or the Administrative Agent at BankBoston, N.A., 100 Federal Street, Boston, Massachusetts 02110, Attention: Arthur J. Oberheim, Director, facsimile number (617) 434-2160; or

(c) if to any Bank, at the last address provided to the Administrative Agent;

or such other address for notice as shall have last been furnished in writing to the Person giving the notice.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (a) if delivered by hand to a responsible officer of the party to which it is directed, at the time of the receipt thereof by such officer, (b) if sent by registered or certified first-class mail, postage prepaid, five Business Days after the posting thereof, and (c) if sent by telex, facsimile, or cable, at the time of the dispatch thereof, if in normal business hours in the country of receipt, or otherwise at the opening of business on the following Business Day.

SECTION 24. MISCELLANEOUS. The rights and remedies herein expressed are cumulative and not exclusive of any other rights which the Banks, the Issuing Banks or the Administrative Agent would otherwise have. The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

SECTION 25. CONSENTS, ETC. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in this Section 25, subject to the provisions of Section 16.8. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement to be given by the Banks may be given, and any term of this Agreement or of any other instrument related hereto or mentioned herein may be amended, and the performance or observance by the Borrower of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Borrower and the Majority Banks. To the extent permitted by law, no course of dealing or delay or omission on the part of any of the Banks, the Issuing Banks or the Administrative Agent in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

SECTION 26. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE

PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, THE BORROWER AND THE GUARANTOR HEREBY WAIVE ANY RIGHT EITHER OF THEM MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWER AND THE GUARANTOR EACH (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY BANK, ANY ISSUING BANK, THE ADMINISTRATIVE AGENT OR ANY AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH BANK, SUCH ISSUING BANK, THE ADMINISTRATIVE AGENT OR SUCH AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT THE ADMINISTRATIVE AGENT, THE BANKS, AND THE ISSUING BANKS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BECAUSE OF, AMONG OTHER THINGS, THE BORROWER'S AND THE GUARANTOR'S WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

SECTION 27. GOVERNING LAW; SUBMISSION TO JURISDICTION. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK. THE BORROWER AND THE GUARANTOR CONSENT AND AGREE THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER IN ACCORDANCE WITH LAW AT THE ADDRESS SPECIFIED IN SECTION 23. THE BORROWER AND THE GUARANTOR HEREBY WAIVE ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

SECTION 28. SEVERABILITY. The provisions of this Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

SECTION 29. GUARANTY.

SECTION 29.1. GUARANTY. For value received and hereby acknowledged and as an inducement to the Banks and the Issuing Banks to make the Loans available to the Borrower, and issue, extend or renew Letters of Credit for the account of the Borrower, the Guarantor hereby unconditionally and irrevocably guarantees (a) the full punctual payment when due, whether at stated maturity,

by acceleration or otherwise, of all Obligations of the Borrower now or hereafter existing whether for principal, interest, fees, expenses or otherwise, and (b) the strict performance and observance by the Borrower of all agreements, warranties and covenants applicable to the Borrower in the Loan Documents and (c) the obligations of the Borrower under the Loan Documents (such Obligations collectively being hereafter referred to as the "Guaranteed Obligations").

SECTION 29.2. GUARANTY ABSOLUTE. The Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms hereof, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Bank, any Issuing Bank or the Administrative Agent with respect thereto. The liability of the Guarantor under the guaranty granted under this Agreement with regard to the Guaranteed Obligations shall be absolute and unconditional irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, all or any of its Guaranteed Obligations or any other amendment or waiver of or any consent to departure from this Agreement or any other Loan Document (with regard to such Guaranteed Obligations);

(b) any release or amendment or waiver of or consent to departure from any other guaranty for all or any of its Guaranteed Obligations;

(c) any change in ownership of the Borrower;

(d) any acceptance of any partial payment(s) from the Borrower or the Guarantor; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower in respect of its Obligations under any Loan Document.

The guaranty under this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by the Banks, the Issuing Banks or the Administrative Agent upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

SECTION 29.3. EFFECTIVENESS; ENFORCEMENT. The guaranty under this Agreement shall be effective and shall be deemed to be made with respect to each Loan and each Letter of Credit as of the time it is made, issued or extended, or becomes a Letter of Credit under this Agreement, as applicable. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect any liability of the Borrower, and no defect in or insufficiency or want of powers of the Borrower or irregular or improperly recorded exercise thereof, shall impair, affect, be a defense to or claim against such guaranty. The guaranty under this Agreement is a continuing guaranty and shall (a) survive any termination of this Agreement, and (b) remain in full force and effect until payment in full of, and performance of, all Guaranteed Obligations and

all other amounts payable under this Agreement. The guaranty under this Agreement is made for the benefit of the Administrative Agent, the Issuing Banks and the Banks and their successors and assigns, and may be enforced from time to time as often as occasion therefor may arise and without requirement on the part of the Administrative Agent, the Issuing Banks or the Banks first to exercise any rights against the Borrower, or to resort to any other source or means of obtaining payment of any of the said obligations or to elect any other remedy.

SECTION 29.4. WAIVER. Except as otherwise specifically provided in any of the Loan Documents, the Guarantor hereby waives promptness, diligence, protest, notice of protest, all suretyship defenses, notice of acceptance and any other notice with respect to any of its Guaranteed Obligations and the guaranty under this Agreement and any requirement that the Banks, the Issuing Banks or the Administrative Agent protect, secure, perfect any security interest or lien or any property subject thereto or exhaust any right or take any action against the Borrower or any other Person. The Guarantor also irrevocably waives, to the fullest extent permitted by law, all defenses which at any time may be available to it in respect of its Guaranteed Obligations by virtue of any statute of limitations, valuation, stay, moratorium law or other similar law now or hereafter in effect.

SECTION 29.5. EXPENSES. The Guarantor hereby promises to reimburse (a) the Administrative Agent for all reasonable out-of-pocket fees and disbursements (including all reasonable attorneys' fees), incurred or expended in connection with the preparation, filing or recording, or interpretation of the guaranty under this Agreement, the other Loan Documents to which the Guarantor is a party, or any amendment, modification, approval, consent or waiver hereof or thereof, and (b) the Administrative Agent, the Issuing Banks and the Banks and their respective affiliates for all reasonable out-of-pocket fees and disbursements (including reasonable attorneys' fees), incurred or expended in connection with the enforcement of its Guaranteed Obligations (whether or not legal proceedings are instituted). The Guarantor will pay any taxes (including any interest and penalties in respect thereof) other than the Banks' taxes based on overall income or profits, payable on or with respect to the transactions contemplated by the guaranty under this Agreement, the Guarantor hereby agreeing jointly and severally to indemnify each Bank with respect thereto.

SECTION 29.6. CONCERNING JOINT AND SEVERAL LIABILITY OF THE GUARANTOR.

(a) The Guarantor hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the Borrower, with respect to the payment and performance of all of its Guaranteed Obligations (including, without limitation, any Guaranteed Obligations arising under this Section 29), it being the intention of the parties hereto that all such Guaranteed Obligations shall be the joint and several Guaranteed Obligations of the Guarantor and the Borrower without preferences or distinction among them.

(b) If and to the extent that the Borrower shall fail to make any payment with respect to any of its Obligations as and when due or to perform any of its Guaranteed Obligations in accordance with the terms thereof, then in each such event the applicable Guarantor will make such payment with respect to, or perform, such Guaranteed Obligation.

(c) The Guaranteed Obligations of the Guarantor under the provisions of this Section 29 constitute full recourse obligations of the Guarantor enforceable against the Guarantor to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstance whatsoever.

(d) Except as otherwise expressly provided in this Agreement, the Guarantor hereby waives notice of acceptance of its joint and several liability, notice of any Loans made, or Letters of Credit issued under this Agreement, notice of any action at any time taken or omitted by the Administrative Agent, the Issuing Banks or the Banks under or in respect of any of the Guaranteed Obligations, and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement. The Guarantor hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Guaranteed Obligations, the acceptance of any payment of any of the Guaranteed Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Administrative Agent, the Issuing Banks or the Banks at any time or times in respect of any Default or Event of Default by the Borrower or the Guarantor in the performance or satisfaction of any term, covenant, condition or provision of this Agreement or any other Loan Document, any and all other indulgences whatsoever by the Administrative Agent, the Issuing Banks or the Banks in respect of any of the Guaranteed Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Guaranteed Obligations or the addition, substitution or release, in whole or in part, of the Borrower or the Guarantor. Without limiting the generality of the foregoing, the Guarantor assents to any other action or delay in acting or failure to act on the part of the Banks, the Issuing Banks or the Administrative Agent with respect to the failure by the Borrower or the Guarantor to comply with its respective Obligations or Guaranteed Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 29, afford grounds for terminating, discharging or relieving the Guarantor, in whole or in part, from any of the Guaranteed Obligations under this Section 29, it being the intention of the Guarantor that, so long as any of the Guaranteed Obligations hereunder remain unsatisfied, the Guaranteed Obligations of the Guarantor under this Section 29 shall not be discharged except by performance and then only to the extent of such performance. The Guaranteed Obligations of the Guarantor under this Section 29 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to the Borrower or the Guarantor or the Banks, the Issuing Banks or the Administrative Agent. The joint and several liability of the Guarantor hereunder shall continue in full force and effect notwithstanding any absorption, merger, consolidation, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of the Borrower or the Guarantor, the Banks, the Issuing Banks or the Administrative Agent.

(e) The Guarantor shall be liable under this Section 29 only for the maximum amount of such liabilities that can be incurred under applicable law without rendering this Section 29 voidable under applicable law relating to fraudulent conveyance and fraudulent

transfer, and not for any greater amount. Accordingly, if any obligation under any provision under this Section 29 shall be declared to be invalid or unenforceable in any respect or to any extent, it is the stated intention and agreement of the Guarantor, the Administrative Agent, the Issuing Banks and the Banks that any balance of the obligation created by such provision and all other obligations of the Guarantor under this Section 29 to the Banks, the Issuing Banks or the Administrative Agent shall remain valid and enforceable, and that all sums not in excess of those permitted under applicable law shall remain fully collectible by the Banks, the Issuing Banks and the Administrative Agent from the Borrower or the Guarantor, as the case may be.

(f) The provisions of this Section 29 are made for the benefit of the Administrative Agent, the Issuing Banks and the Banks and their successors and assigns, and may be enforced in good faith by them from time to time against the Guarantor as often as occasion therefor may arise and without requirement on the part of the Administrative Agent, the Issuing Banks or the Banks first to marshal any of their claims or to exercise any of their rights against the Borrower or the Guarantor or to exhaust any remedies available to them against the Borrower or the Guarantor or to resort to any other source or means of obtaining payment of any of the obligations hereunder or to elect any other remedy. The provisions of this Section 29 shall remain in effect until all of the Guaranteed Obligations shall have been paid in full or otherwise fully satisfied and the Commitments have expired and all outstanding Letters of Credit have expired, matured or otherwise been terminated. If at any time, any payment, or any part thereof, made in respect of any of the Guaranteed Obligations, is rescinded or must otherwise be restored or returned by the Banks, the Issuing Banks or the Administrative Agent upon the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or otherwise, the provisions of this Section 29 will forthwith be reinstated in effect, as though such payment had not been made.

SECTION 29.7. WAIVER. Until the final payment and performance in full of all of the Obligations, the Guarantor shall not exercise and the Guarantor hereby waives any rights the Guarantor may have against the Borrower arising as a result of payment by the Guarantor hereunder, by way of subrogation, reimbursement, restitution, contribution or otherwise, and will not prove any claim in competition with the Administrative Agent, the Issuing Banks or any Bank in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; the Guarantor will not claim any setoff, recoupment or counterclaim against the Borrower in respect of any liability of the Borrower to the Guarantor; and the Guarantor waives any benefit of and any right to participate in any collateral security which may be held by the Administrative Agent, the Issuing Banks or any Bank.

SECTION 29.8. SUBROGATION; SUBORDINATION. The payment of any amounts due with respect to any indebtedness of the Borrower for money borrowed or credit received now or hereafter owed to the Guarantor is hereby subordinated to the prior payment in full of all of the Obligations. The Guarantor agrees that, after the occurrence of any default in the payment or performance of any of the Obligations, the Guarantor will not demand, sue for or otherwise attempt to collect any such indebtedness of the Borrower to the Guarantor until all of the Obligations shall have been paid in full. If, notwithstanding the foregoing sentence, the Guarantor shall collect, enforce

or receive any amounts in respect of such indebtedness while any Obligations are still outstanding, such amounts shall be collected, enforced and received by the Guarantor as trustee for the Banks, the Issuing Banks and the Administrative Agent and be paid over to the Administrative Agent at Default, for the benefit of the Banks, the Issuing Banks, and the Administrative Agent on account of the Obligations without affecting in any manner the liability of the Guarantor under the other provisions hereof.

SECTION 30. PARI PASSU TREATMENT.

(a) Notwithstanding anything to the contrary set forth herein, each payment or prepayment of principal and interest received after the occurrence of an Event of Default hereunder shall be distributed pari passu among the Banks, in accordance with the aggregate outstanding principal amount of the Obligations owing to each Bank divided by the aggregate outstanding principal amount of all Obligations.

(b) Following the occurrence and during the continuance of any Event of Default, each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower (pursuant to Section 14 or otherwise), including a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, obtain payment (voluntary or involuntary) in respect of the Notes, Loans, Reimbursement Obligations and other Obligations held by it (other than pursuant to Section 6.4, Section 6.5 or Section 6.7) as a result of which the unpaid principal portion of the Notes and the Obligations held by it shall be proportionately less than the unpaid principal portion of the Notes and Obligations held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in the Notes and Obligations held by such other Bank, so that the aggregate unpaid principal amount of the Notes, Obligations and participations in Notes and Obligations held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of the Notes and Obligations then outstanding as the principal amount of the Notes and other Obligations held by it prior to such exercise of banker's lien, setoff or counterclaim was to the principal amount of all Notes and other Obligations outstanding prior to such exercise of banker's lien, setoff or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 30 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Person holding such a participation in the Notes and the Obligations deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Person as fully as if such Person had made a Loan directly to the Borrower in the amount of such participation.

SECTION 31. TRANSITIONAL ARRANGEMENTS. Upon the Effective Date (a) this Agreement shall supersede the Prior Loan Agreement in its entirety, and (b) the parties acknowledge and agree that the Pricing Table set forth herein shall be applied retroactively to

October 29, 1999 to the Loans and Letters of Credit outstanding under the Prior Loan Agreement; and the Borrower hereby agrees to pay on December 15, 1999 (i) any facility fees due under the Prior Loan Agreement, (ii) any incremental amounts due as the result of such retroactive increase to the extent not paid on or before the Effective Date, and (iii) any other amounts due under the Prior Loan Agreement.

SECTION 32. FINAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

THE BORROWER:

WASTE MANAGEMENT, INC.

By: ------------------------------

Name:

Title:

THE GUARANTOR:

WASTE MANAGEMENT HOLDINGS, INC.

By:

Name:
Title:

By:

Name:
Title:

THE BANKS AND AGENTS:

BANKBOSTON, N.A., individually and as
Administrative Agent

By:

Name:
Title:

BANK OF AMERICA, N.A.

By:

Name:
Title:

CHASE BANK OF TEXAS, N.A.

By:

Name:
Title:

DEUTSCHE BANK AG, NEW YORK BRANCH, individually
and as Documentation Agent

By:

Name:
Title:

By:

Name:
Title:

ABN AMRO BANK N.V.

By:

Name:
Title:

By:

Name:
Title:

ALLFIRST BANK

By:

Name:
Title:

BANCA DI ROMA

By:

Name:
Title:

BANCA MONTE DEI PASCHI DI SIENA S.P.A.

By:

Name:
Title:

By:

Name:
Title:

BANK HAPOALIM

By:

Name:
Title:

BANK OF MONTREAL

By:

Name:
Title:

THE BANK OF NEW YORK

By:

Name:
Title:

THE BANK OF NOVA SCOTIA

By:

Name:
Title:

BANK ONE, TEXAS, N.A.

By:

Name:
Title:

BANQUE NATIONALE DE PARIS

By:

Name:
Title:

CARIPLO-CASSA DI RISPARMIO DELLE PROVINCIE
LOMBARDE SPA

By:

Name:
Title:

By:

Name:
Title:

CITIBANK, N.A.

By:

Name:
Title:

COMERICA BANK

By:

Name:
Title:

COMMERZBANK AG, NEW YORK AND GRAND CAYMAN
BRANCHES

By:

Name:
Title:

By:

Name:
Title:

CREDIT LYONNAIS NEW YORK BRANCH

By:

Name:
Title:

CREDIT SUISSE FIRST BOSTON

By:

Name:
Title:

By:

Name:
Title:

DLJ CAPITAL FUNDING, INC.

By:

Name:
Title:

FIRST UNION NATIONAL BANK

By:

Name:
Title:

FLEET BANK, N.A.

By:

Name:
Title:

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY

By:

Name:
Title:

KBC BANK N.V.

By:

Name:
Title:

By:

Name:
Title:

MELLON BANK, N.A.

By:

Name:
Title:

MICHIGAN NATIONAL BANK

By:

Name:
Title:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:

Name:
Title:

NORDDEUTSCHE LANDESBANK GIROZENTRALE,
NEW YORK BRANCH

By:

Name:
Title:

By:

Name:
Title:

PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

ROYAL BANK OF CANADA

By:

Name:
Title:

SUNTRUST BANK, ATLANTA

By:

Name:
Title:

By:

Name:
Title:

TORONTO DOMINION (TEXAS), INC.

By:

Name:
Title:

UNICREDITO ITALIANO, S.P.A.

By:

Name:
Title:

WACHOVIA BANK, N.A.

By:

Name:
Title:

WESTDEUTSCHE LANDESBANK GIROZENTRALE,
NEW YORK BRANCH

By:

Name:
Title:

By:

Name:
Title:

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report on Waste Management, Inc.'s consolidated financial statements for the year ended December 31, 1998 dated February 25, 1999 (except with respect to the matters discussed in Notes 20 and 21 as to which the date is September 16, 1999) included in Waste Management, Inc.'s Current Report on Form 8-K dated September 16, 1999 in this Registration Statement on Form S-4 and related Prospectus of Waste Management, Inc. and to all references to our Firm included in or incorporated by reference in this Registration Statement.

During the quarter ended September 30, 1999, the Company conducted a review of its accounting records, systems, processes and controls. Based on that review, the Company, after consultation with us, has concluded that its internal controls for the preparation of interim financial information did not provide us an adequate basis to complete reviews of the quarterly data for the quarters in the nine-month period ended September 30, 1999. We have advised the Company that our report on the December 31, 1999 financial statements will include the following paragraph:

> "The selected quarterly financial data included in the Company's financial statements contain information that we did not audit, and accordingly, we do not express an opinion on that data. We attempted, but were unable, to review that quarterly data for the interim periods within 1999 in accordance with standards established by the American Institute of Certified Public Accountants because we believe that the Company's internal controls for the preparation of interim financial information did not provide an adequate basis to enable us to complete such a review."

/s/ ARTHUR ANDERSEN LLP

Houston, Texas

December 17, 1999

EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Amendment No. 1 to the Registration Statement on Form S-4 relating to the exchange of $1.15 billion of Senior Notes of Waste Management, Inc., of our report dated March 16, 1998 relating to the consolidated financial statements of USA Waste Services, Inc. as of December 31, 1997, and for the years ended December 31, 1997 and 1996, which appears in the Waste Management, Inc. Annual Report on Form 10-K for the year ended December 31, 1998 and Current Report on Form 8-K dated September 16, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
December 17, 1999

EXHIBIT 25.1

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) ____

CHASE BANK OF TEXAS, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

74-0800980
(I.R.S. Employer Identification Number)

712 MAIN STREET, HOUSTON, TEXAS	77002
(Address of principal executive offices)	(Zip code)

LEE BOOCKER, 712 MAIN STREET, 26TH FLOOR
HOUSTON, TEXAS 77002 (713) 216-2448
(Name, address and telephone number of agent for service)

WASTE MANAGEMENT, INC.
(Exact name of obligor as specified in its charter)

DELAWARE	73-1309529
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1001 FANNIN STREET, SUITE 4000, HOUSTON, TEXAS	77002
(Address of principal executive offices)	(Zip code)

EXCHANGE NOTES
(Title of indenture securities)

ITEM 1. GENERAL INFORMATION.

FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE:

(a) NAME AND ADDRESS OF EACH EXAMINING OR SUPERVISING AUTHORITY TO WHICH IT IS SUBJECT.

Comptroller of the Currency, Washington, D.C.
Federal Deposit Insurance Corporation, Washington, D.C.
Board of Governors of the Federal Reserve System, Washington, D.C.

(b) WHETHER IT IS AUTHORIZED TO EXERCISE CORPORATE TRUST POWERS.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

IF THE OBLIGOR IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

The obligor is not an affiliate of the trustee. (See Note on Page 7.)

ITEM 3. VOTING SECURITIES OF THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF VOTING SECURITIES OF THE TRUSTEE.

COL. A TITLE OF CLASS	COL. B AMOUNT OUTSTANDING

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 4. TRUSTEESHIPS UNDER OTHER INDENTURES.

IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY OTHER SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, FURNISH THE FOLLOWING INFORMATION:

(a) TITLE OF THE SECURITIES OUTSTANDING UNDER EACH SUCH OTHER INDENTURE.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 4. (CONTINUED)

(b) A BRIEF STATEMENT OF THE FACTS RELIED UPON AS A BASIS FOR THE CLAIM THAT NO CONFLICTING INTEREST WITHIN THE MEANING OF SECTION 310(b)(1) OF THE ACT ARISES AS A RESULT OF THE TRUSTEESHIP UNDER ANY SUCH OTHER INDENTURE, INCLUDING A STATEMENT AS TO HOW THE INDENTURE SECURITIES WILL RANK AS COMPARED WITH THE SECURITIES ISSUED UNDER SUCH OTHER INDENTURE.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 5. INTERLOCKING DIRECTORATES AND SIMILAR RELATIONSHIPS WITH OBLIGOR OR UNDERWRITERS.

IF THE TRUSTEE OR ANY OF THE DIRECTORS OR EXECUTIVE OFFICER OF THE TRUSTEE IS A DIRECTOR, OFFICER, PARTNER, EMPLOYEE, APPOINTEE, OR REPRESENTATIVE OF THE OBLIGOR OR OF ANY UNDERWRITER FOR THE OBLIGOR, IDENTIFY EACH SUCH PERSON HAVING ANY SUCH CONNECTION AND STATE THE NATURE OF EACH SUCH CONNECTION.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 6. VOTING SECURITIES OF THE TRUSTEE OWNED BY THE OBLIGOR OR ITS OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY THE OBLIGOR AND EACH DIRECTOR, PARTNER AND EXECUTIVE OFFICER OF THE OBLIGOR.

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 7. VOTING SECURITIES OF THE TRUSTEE OWNED BY UNDERWRITERS OR THEIR OFFICIALS.

FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF THE TRUSTEE OWNED BENEFICIALLY BY EACH UNDERWRITER FOR THE OBLIGOR AND EACH DIRECTOR, PARTNER AND EXECUTIVE OFFICER OF EACH SUCH UNDERWRITER.

COL. A	COL. B	COL. C	COL. D
NAME OF OWNER	TITLE OF CLASS	AMOUNT OWNED BENEFICIALLY	PERCENTAGE OF VOTING SECURITIES REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 8. SECURITIES OF THE OBLIGOR OWNED OR HELD BY THE TRUSTEE.

FURNISH THE FOLLOWING INFORMATION AS TO THE SECURITIES OF THE OBLIGOR OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY THE TRUSTEE.

COL. A	COL. B	COL. C	COL. D
TITLE OF CLASS	WHETHER THE SECURITIES ARE VOTING OR NONVOTING SECURITIES	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 9. SECURITIES OF UNDERWRITERS OWNED OR HELD BY THE TRUSTEE.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF AN UNDERWRITER FOR THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OF SUCH UNDERWRITER ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE.

COL. A NAME OF ISSUER AND TITLE OF CLASS	COL. B AMOUNT OUTSTANDING	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 10. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF VOTING SECURITIES OF CERTAIN AFFILIATES OR SECURITY HOLDERS OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT VOTING SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE (1) OWNS 10% OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR OR (2) IS AN AFFILIATE, OTHER THAN A SUBSIDIARY, OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO THE VOTING SECURITIES OF SUCH PERSON.

COL. A NAME OF ISSUER AND TITLE OF CLASS	COL. B AMOUNT OUTSTANDING	COL. C AMOUNT OWNED BENEFICIALLY OR HELD AS SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	COL. D PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 11. OWNERSHIP OR HOLDINGS BY THE TRUSTEE OF ANY SECURITIES OF A PERSON OWNING 50% OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR.

IF THE TRUSTEE OWNS BENEFICIALLY OR HOLDS AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT ANY SECURITIES OF A PERSON WHO, TO THE KNOWLEDGE OF THE TRUSTEE, OWNS 50% OR MORE OF THE VOTING SECURITIES OF THE OBLIGOR, FURNISH THE FOLLOWING INFORMATION AS TO EACH CLASS OF SECURITIES OR SUCH PERSON ANY OF WHICH ARE SO OWNED OR HELD BY THE TRUSTEE.

COL. A	COL. B	COL. C	COL. D
NAME OF ISSUER AND TITLE OF CLASS	AMOUNT OUTSTANDING	AMOUNT OWNED BENEFICIALLY OR HELD AS COLLATERAL SECURITY FOR OBLIGATIONS IN DEFAULT BY TRUSTEE	PERCENT OF CLASS REPRESENTED BY AMOUNT GIVEN IN COL. C

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 12. INDEBTEDNESS OF THE OBLIGOR TO THE TRUSTEE.

EXCEPT AS NOTED IN THE INSTRUCTIONS, IF THE OBLIGOR IS INDEBTED TO THE TRUSTEE, FURNISH THE FOLLOWING INFORMATION:

COL. A	COL. B	COL. C
NATURE OF INDEBTEDNESS	AMOUNT OUTSTANDING	DATE DUE

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 13. DEFAULTS BY THE OBLIGOR.

(a) STATE WHETHER THERE IS OR HAS BEEN A DEFAULT WITH RESPECT TO THE SECURITIES UNDER THIS INDENTURE. EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

There is not, nor has there been, a default with respect to the securities under this indenture. (See Note on Page 7.)

ITEM 13. (CONTINUED)

(b) IF THE TRUSTEE IS A TRUSTEE UNDER ANOTHER INDENTURE UNDER WHICH ANY SECURITIES, OR CERTIFICATES OF INTEREST OR PARTICIPATION IN ANY OTHER SECURITIES, OF THE OBLIGOR ARE OUTSTANDING, OR IS TRUSTEE FOR MORE THAN ONE OUTSTANDING SERIES OF SECURITIES UNDER THE INDENTURE, STATE WHETHER THERE HAS BEEN A DEFAULT UNDER ANY SUCH INDENTURE OR SERIES, IDENTIFY THE INDENTURE OR SERIES AFFECTED, AND EXPLAIN THE NATURE OF ANY SUCH DEFAULT.

There has not been a default under any such indenture or series. (See Note on Page 7.)

ITEM 14. AFFILIATIONS WITH THE UNDERWRITERS.

IF ANY UNDERWRITER IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

Not applicable by virtue of Form T-1 General Instruction B and response to Item 13.

ITEM 15. FOREIGN TRUSTEE.

IDENTIFY THE ORDER OR RULE PURSUANT TO WHICH THE FOREIGN TRUSTEE IS AUTHORIZED TO ACT AS SOLE TRUSTEE UNDER INDENTURES QUALIFIED OR TO BE QUALIFIED UNDER THE ACT.

Not applicable.

ITEM 16. LIST OF EXHIBITS.

LIST BELOW ALL EXHIBITS FILED AS PART OF THIS STATEMENT OF ELIGIBILITY.

o 1. A copy of the articles of association of the trustee now in effect.

2. A copy of the certificate of authority of the trustee to commence business.

* 3. A copy of the certificate of authorization of the trustee to exercise corporate trust powers issued by the Board of Governors of the Federal Reserve System under date of January 21, 1948.

+ 4. A copy of the existing bylaws of the trustee.

5. Not applicable.

6. The consent of the United States institutional trustees required by Section 321(b) of the Act.

[ ] 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

NOTE REGARDING INCORPORATED EXHIBITS

Effective January 20, 1998, the name of the Trustee was changed from Texas Commerce Bank National Association to Chase Bank of Texas, National Association. Certain of the exhibits incorporated herein by reference, with the exception of Exhibit 7, were filed under the former name of the Trustee.

o Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-3 File No. 33-56195.

Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-3 File No. 33-42814.

* Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-11 File No. 33-25132.

+ Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-3 File No. 33-65055.

[ ] Incorporated by reference to exhibit bearing the same designation and previously filed with the Securities and Exchange Commission as exhibits to the Form S-4 File No. 333-77263.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the trustee of all facts on which to base responsive answers to Items 2 and 13, the answers to said Items are based on incomplete information. Such Items may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

PURSUANT TO THE REQUIREMENTS OF THE TRUST INDENTURE ACT OF 1939 THE TRUSTEE, CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, FORMERLY KNOWN AS TEXAS COMMERCE BANK NATIONAL ASSOCIATION, A NATIONAL BANKING ASSOCIATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA, HAS DULY CAUSED THIS STATEMENT OF ELIGIBILITY TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO AUTHORIZED, ALL IN THE CITY OF HOUSTON, AND STATE OF TEXAS, ON THE 16TH DAY OF DECEMBER, 1999.

CHASE BANK OF TEXAS, NATIONAL
ASSOCIATION, AS TRUSTEE

By: /s/ LYNDA GUNTHER

Lynda Gunther
Assistant Vice President and Trust Officer

EXHIBIT 6

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

The undersigned is trustee under a Senior Indenture dated as of September 10, 1997, between USA Waste Services, Inc., a Delaware corporation, now known as Waste Management, Inc. (the "Company"), and Texas Commerce Bank National Association, now known as Chase Bank of Texas, National Association, as Trustee, entered into in connection with the issuance of the Company's Exchange Notes.

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned hereby consents that reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

CHASE BANK OF TEXAS, NATIONAL
ASSOCIATION, as Trustee

By: /s/ LYNDA GUNTHER

Lynda Gunther
Assistant Vice President and Trust Officer