

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

(Date of Report) Date of earliest event reported: March 2, 2004

Waste Management, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-12154
(Commission File Number)

73-1309529
(IRS Employer Identification No.)

1001 Fannin, Suite 4000 Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Registrant's Telephone number, including area code: (713) 512-6200

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

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Item 5. Other Events

On March 2, 2004, Waste Management, Inc. (the “Company”) entered into an underwriting agreement for the public offering of \$350 million of its 5.00% Senior Notes due 2014 (the “Notes”). The Notes are to be issued under an Indenture dated as of September 10, 1997 between the Company and JPMorgan Chase Bank, as successor to The Chase Manhattan Bank, as Trustee. Closing of the issuance and sale of the Notes occurred on March 5, 2004. Further information is included in Exhibits 1, 4.1, 4.2 and 4.3.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits.

- 1 Underwriting Agreement dated March 2, 2004, among Waste Management, Inc., Waste Management Holdings, Inc., Barclays Capital Inc., Deutsche Bank Securities Inc., J. P. Morgan Securities Inc., ABN AMRO Incorporated, BNP Paribas Securities Corp., PNC Capital Markets, Inc., Scotia Capital (USA) Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC.
 - 4.1 Form of Book-Entry Note representing 5.00% Senior Notes due 2014
 - 4.2 Officers’ Certificate
 - 4.3 Guarantee Agreement dated March 5, 2004 by Waste Management Holdings, Inc. in favor of the holders of Waste Management, Inc.’s 5.00% Senior Notes due 2014.
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SIGNATURES

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

WASTE MANAGEMENT, INC.

Date: March 5, 2004

By: /s/ Cherie C. Rice
Cherie C. Rice
Vice President and Treasurer

Exhibit Index

| Exhibit Number | Description |
|---------------------------|---|
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| 4.1 | Form of Book-Entry Note representing 5.00% Senior Notes due 2014 |
| 4.2 | Officers' Certificate |
| 4.3 | Guarantee Agreement dated March 5, 2004 by Waste Management Holdings, Inc. in favor of the holders of Waste Management, Inc.'s 5.00% Senior Notes due 2014. |

Waste Management, Inc.

\$350,000,000

5.00% Senior Notes Due 2014

Underwriting Agreement

New York, New York

March 2, 2004

To the Representatives named
in Schedule I hereto of the
Underwriters named in
Schedule II hereto

Ladies and Gentlemen:

Waste Management, Inc., a corporation organized under the laws of Delaware (the "Company"), proposes to sell to the several underwriters named in Schedule II hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, the principal amount of its securities identified in Schedule I hereto (the "Notes"), to be issued under an indenture (the "Indenture") dated as of September 30, 1997, between the Company and JPMorgan Chase Bank, a New York banking corporation (as successor to The Chase Manhattan Bank and Texas Commerce Bank National Association), as trustee (the "Trustee"), and to be guaranteed on a senior unsecured basis (the "Guarantee") by Waste Management Holdings, Inc. ("Holdings") pursuant to a guarantee (the "Guarantee Agreement") in favor of the holders of the Notes to be dated as of the Closing Date (as defined in Section 3 hereof). The Notes and the Guarantees are sometimes referred to herein collectively as the "Securities." Any reference herein to the Registration Statement, the Basic Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3, which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Basic Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Basic Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. Certain terms used herein are defined in Section 17 hereof.

1. Representations and Warranties. Each of the Company and Holdings represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company meets the requirements for use of Form S-3 under the Act and has prepared and filed with the Commission a registration statement (the file number

of which is set forth in Schedule I hereto) on Form S-3, including a related basic prospectus, for registration under the Act of the offering and sale of the Securities. The Registration Statement has been declared effective under the Act. The Company may have filed one or more amendments thereto each of which has previously been furnished to you. The Company will next file with the Commission a final prospectus in accordance with Rules 415 and 424(b). The Registration Statement, at the Execution Time, meets the requirements set forth in Rule 415(a)(1)(x).

(b) At the Execution Time, the Registration Statement did, and when the Final Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date (as defined herein), the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act and the Trust Indenture Act and the respective rules thereunder; on the Effective Date the Registration Statement did not, and on the Closing Date the Registration Statement will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; on the Effective Date the Indenture did, and on the Closing Date the Indenture will, comply in all material respects with the applicable requirements of the Trust Indenture Act and the rules thereunder; and on the date of filing of the Final Prospectus pursuant to Rule 424(b) and on the Closing Date, the Registration Statement and the Final Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto).

(c) The Indenture has been duly authorized, executed and delivered by the Company and, assuming it was duly executed and delivered by the Trustee, is a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws now or hereafter in effect relating to or affecting rights and remedies of creditors, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and the Indenture has been duly qualified under the Trust Indenture Act and conforms to the description thereof in the Registration Statement and the Final Prospectus.

(d) The Notes have been duly authorized and, when executed by the Company and authenticated by the Trustee in accordance with the Indenture and delivered to you against payment therefor in accordance with the terms hereof, will have been validly issued and delivered, and will constitute valid and binding obligations of the Company

entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws now or hereafter in effect relating to or affecting rights and remedies of creditors, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and the Notes conform to the description thereof in the Registration Statement and the Final Prospectus.

(e) The Guarantee Agreement has been duly authorized and, when executed and delivered by Holdings against payment for the Notes in accordance with the terms thereof, will have been validly executed and delivered, and will constitute a valid and binding agreement of Holdings, enforceable against Holdings in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws now or hereafter in effect relating to or affecting rights and remedies of creditors, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity), and the Guarantee conforms to the description thereof in the Registration Statement and the Final Prospectus.

(f) The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Final Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify does not have a material adverse effect on the condition (financial or other), prospects, earnings, business or properties of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business (a "Material Adverse Effect").

(g) Holdings is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Final Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify does not have a Material Adverse Effect.

(h) Each of the Company's "significant subsidiaries" (as such term is defined in Regulation S-X under the Exchange Act) is included in the list of subsidiaries on Exhibit 21.1 of the Annual Report on Form 10-K for the year ended December 31, 2003 (the "Subsidiaries"), and each of the Subsidiaries has been duly organized, is validly existing and is in good standing in the jurisdiction of its incorporation, with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Final Prospectus; and each of the Subsidiaries is duly registered and qualified to conduct its business and is in good standing in each jurisdiction or place where the nature of its properties or the conduct of

its business requires such registration or qualification, except where the failure so to register or qualify does not, singly or in the aggregate, have a Material Adverse Effect.

(i) All of the issued and outstanding shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued and are owned, directly or indirectly, by the Company. All such shares are fully paid and nonassessable, and, except as disclosed in the Final Prospectus, are owned by the Company, directly or indirectly, free and clear of any security interest, mortgage, pledge, claim, lien, encumbrance or adverse interest of any nature (each, a "Lien"). Except as disclosed in the Final Prospectus, there are no outstanding subscriptions, rights, warrants, options, calls, convertible or exchangeable securities, commitments of sale, or Liens related to or entitling any person to purchase or otherwise to acquire any shares of the capital stock of, or other ownership interests in, any Subsidiary.

(j) This Agreement has been duly and validly authorized, executed and delivered by the Company and Holdings.

(k) Except as disclosed in the Final Prospectus, there is no action, suit or proceeding before or by any court or governmental agency or body or any arbitrator pending against the Company or any of its subsidiaries that is required to be disclosed in the Registration Statement or the Final Prospectus, or which could reasonably be expected to have a Material Adverse Effect, or materially and adversely affect the performance of the Company's obligations pursuant to this Agreement and, to the best of the Company's knowledge, no such proceedings are contemplated or threatened. No action has been taken with respect to the Company or any subsidiary, and no statute, rule or regulation or order has been enacted, adopted or issued by any governmental agency and no injunction, restraining order or other order of any court of competent jurisdiction has been issued with respect to the Company or any subsidiary that prevents the issuance of the Securities or suspends the effectiveness of the Registration Statement, prevents or suspends the use of the Final Prospectus or prevents or suspends the sale of the Securities in any of the jurisdictions that you may have specified pursuant to Section 5(e) hereof; and every request of the Commission, or any securities authority or agency of any jurisdiction, for additional information to be included in the Registration Statement or the Final Prospectus or otherwise has been complied with in all material respects.

(l) Except as disclosed in the Registration Statement or the Final Prospectus (or any amendment or supplement thereto), subsequent to the respective dates as of which such information is given in the Registration Statement and the Final Prospectus (or any amendment or supplement thereto), neither the Company nor any of its subsidiaries has incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, or entered into any transaction, not in the ordinary course of business, that is material to the Company and its subsidiaries taken as a whole, and there has not been any material adverse change, or any development involving or which may reasonably be expected to involve, a prospective material adverse change, in the condition (financial or other), prospects, earnings, business or properties of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business.

(m) Except as otherwise set forth in the Final Prospectus or such as would not have a Material Adverse Effect, each of the Company and its subsidiaries has good and marketable title to all property (real and personal) described in the Final Prospectus as being owned by it, free and clear of all Liens, except Liens for taxes not yet due and payable and Liens described in the Registration Statement or the Final Prospectus or in a document filed as an exhibit to the Registration Statement. All the property described in the Final Prospectus as being held under lease by each of the Company and its subsidiaries is held by it under valid, subsisting and enforceable leases, except as would not have a Material Adverse Effect.

(n) Neither the Company nor any Subsidiary is in violation or default of (i) any provision of its charter or bylaws, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, except in the case of clauses (ii) and (iii) where such violation or default would not have a Material Adverse Effect.

(o) Neither the Company nor Holdings has distributed and, prior to the later to occur of (i) the Closing Date and (ii) completion of the distribution of the Securities, neither will distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement, the Final Prospectus or other materials, if any, permitted by the Act.

(p) Except as would not have a Material Adverse Effect, each of the Company and its subsidiaries own or possess the right to use all patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights described in the Final Prospectus as being owned by them or any of them or necessary for the conduct of their respective businesses, and the Company is not aware of any claim to the contrary or any challenge by any other person to the rights of the Company and its subsidiaries with respect to the foregoing.

(q) Neither the Company nor any of its subsidiaries is a "holding company" or a "public utility," as such terms are defined in the 1935 Act.

(r) Neither the Company nor Holdings is and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Final Prospectus, neither will be an "investment company" as defined in the 1940 Act.

(s) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act and the Trust Indenture Act and such as may be required under the blue sky laws of any jurisdiction in

connection with the purchase and distribution of the Securities by the Underwriters in the manner contemplated herein and in the Final Prospectus.

(t) Neither the issue and sale of the Securities nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (i) the charter or by-laws of the Company or any of its subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its or their property is subject, except as would not have a Material Adverse Effect, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties.

(u) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in the Final Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(v) Arthur Andersen LLP, who certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Final Prospectus, at the time they certified such financial statements and delivered their report, were independent public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

(w) There were no material weaknesses in the Company's system of internal controls over accounting and financial reporting for the year ended December 31, 2001, other than those material weaknesses that were subsequently (1) improved to control deficiency status, (2) classified as a business improvement opportunity, or (3) otherwise resolved, in each case such that they no longer constituted an internal control issue with respect to the applicable period.

(x) Ernst & Young LLP, who has certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Final Prospectus, are independent public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

(y) Each of the Company and Holdings has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except

in any case in which the failure so to file would not have a Material Adverse Effect, and except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto)) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect, and except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(z) No labor problem or dispute with the employees of the Company or any of its subsidiaries exists or is threatened or imminent, nor is the Company aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, that could have a Material Adverse Effect, except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(aa) Except as would not have a Material Adverse Effect: the Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; all policies of insurance insuring the Company or any of its Subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its Subsidiaries are in compliance with the terms of such policies and instruments; there are no claims by the Company or any of its Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, except in each case as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto). Neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(bb) No Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company, except as described or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(cc) Except as would not have a Material Adverse Effect, the Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit, which, singly or in the aggregate, if the subject of an unfavorable

decision, ruling or finding, would have a Material Adverse Effect, except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(dd) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(ee) Neither the Company nor Holdings has taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company or Holdings to facilitate the sale or resale of the Securities.

(ff) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto). The environmental reserves described or incorporated by reference in the Final Prospectus reflect in accordance with generally accepted accounting principles the known liabilities and obligations of the Company and its subsidiaries under Environmental Laws.

(gg) In the ordinary course of its business, the Company periodically reviews the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, the Company has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a Material Adverse Effect, except as set forth or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto).

(hh) Except as would not have a Material Adverse Effect, each of the Company and its subsidiaries has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974 (“ERISA”) and the regulations and published interpretations thereunder with respect to each “plan” (as defined in Section 3(3) of ERISA and such regulations and published interpretations) in which employees of the Company and its subsidiaries are eligible to participate and each such plan is in compliance with the presently applicable provisions of ERISA and such regulations and published interpretations. Except as would not have a Material Adverse Effect, the Company and its subsidiaries have not incurred any unpaid liability to the Pension Benefit Guaranty Corporation (other than for the payment of premiums in the ordinary course) or to any such plan under Title IV of ERISA.

(ii) No holders of securities of the Company or Holdings have rights to the registration of such securities under the Registration Statement.

(jj) The principal executive officer and principal financial officer of the Company have made all certifications required by the Sarbanes-Oxley Act of 2002 or any related rules and regulations promulgated by the Commission, and the statements contained in any such certification are true and correct in all material respects.

(kk) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 under the Exchange Act), which (i) were designed to ensure that material information relating to the Company, including its consolidated subsidiaries, was made known to the principal executive officer and the principal financial officer of the Company by others within those entities, particularly during the period in which the Annual Report on Form 10-K for the year ended December 31, 2003 was being prepared; (ii) have been evaluated for effectiveness as of the end of the periods covered by the Company’s Annual Report on Form 10-K for the year ended December 31, 2003; and (iii) are effective to ensure that the Company is able to collect, process and disclose the information required to be disclosed in reports filed with the Commission within required time periods.

(ll) Based on the evaluation of its disclosure controls and procedures as of the end of the period covered by the Annual Report on Form 10-K for the year ended December 31, 2003, and other than as has been disclosed to the Company’s auditors and the audit committee of the board of directors of the Company, the Company is not aware of (i) any significant deficiency in the design or operation of internal controls which could adversely affect its ability to record, process, summarize and report financial data or any material weaknesses in internal controls; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company.

(mm) Since December 31, 2003, there have been no significant changes in internal controls or in other factors that could significantly affect the Company’s internal controls over financial reporting.

(nn) Other than Holdings, no subsidiary of the Company has guaranteed any outstanding senior indebtedness of the Company except for *de minimis* guarantees made in the ordinary course of business.

Any certificate signed by any officer of the Company or Holdings and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by the Company or Holdings, as the case may be, as to matters covered thereby, to each Underwriter.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price set forth in Schedule I hereto, the principal amount of the Securities set forth opposite such Underwriter's name in Schedule II hereto.

3. Delivery and Payment. Delivery of and payment for the Securities shall be made on the date and at the time specified in Schedule I hereto or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Final Prospectus.

5. Agreements. The Company agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment to the Registration Statement or supplement (including the Final Prospectus) to the Basic Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. Subject to the foregoing sentence, if the filing of the Final Prospectus is otherwise required under Rule 424(b), the Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (1) when the Final Prospectus, and any supplement thereto, shall have been filed with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (2) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (3) of any request by the

Commission or its staff for any amendment to the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Final Prospectus or for any additional information, (4) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (5) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, the Company promptly will (1) notify the Representatives of such event, (2) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or effect such compliance and (3) supply any supplemented Final Prospectus to you in such quantities as you may reasonably request.

(c) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its Subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Company will furnish to the Representatives and counsel for the Underwriters, without charge, signed or conformed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, as many copies of the Final Prospectus and any supplement thereto as the Representatives may reasonably request. The Company will pay the expenses of printing or other production of all documents relating to the offering.

(e) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate, will maintain such qualifications in effect so long as required for the distribution of the Securities and will pay any fee of the National Association of Securities Dealers, Inc., in connection with its review of the offering; *provided* that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to tax or service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(f) The Company will not, without the prior written consent of Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc., offer, sell, contract to sell, pledge, or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any debt securities (excluding commercial paper or bank borrowings) issued or guaranteed by the Company (other than the Securities) or publicly announce an intention to effect any such transaction, until the Business Day set forth on Schedule I hereto.

(g) Neither the Company nor Holdings will take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Securities shall be subject to the accuracy of the representations and warranties on the part of the Company and Holdings contained herein as of the Execution Time and the Closing Date, to the accuracy of the statements of the Company and Holdings made in any certificates pursuant to the provisions hereof, to the performance by the Company and Holdings of their obligations hereunder and to the following additional conditions:

(a) If the filing of the Final Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Final Prospectus, and any such supplement, will be filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have requested and caused Baker Botts L.L.P., counsel for the Company and Holdings, to have furnished to the Representatives their opinion, dated the Closing Date and addressed to the Representatives, to the effect that:

(i) each of the Company and Holdings is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, with corporate power and authority under such laws to own, lease and operate its properties and to conduct its business as described in the Final Prospectus and to execute and deliver and perform its obligations under this Agreement;

(ii) this Agreement has been duly authorized, executed and delivered by the Company and Holdings;

(iii) the Indenture has been duly authorized, executed and delivered by the Company and (assuming the due authorization, execution and delivery thereof by the Trustee) constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting enforcement of creditors' rights and remedies generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law);

(iv) the global certificate representing the Notes is in a form authorized by the Indenture, the Notes have been duly authorized by the Company and, assuming the global certificate representing the Notes has been authenticated by the Trustee in the manner provided for in the Indenture and delivered against payment of the consideration therefor specified in this Agreement, the Notes constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting enforcement of creditors' rights and remedies generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), and each registered holder thereof is entitled to the benefits of the Indenture;

(v) the Guarantee Agreement has been duly authorized, executed and delivered by Holdings and constitutes a valid and binding agreement of Holdings, enforceable against Holdings in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting enforcement of creditors' rights and remedies generally except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law);

(vi) the Indenture has been duly qualified under the Trust Indenture Act;

(vii) the Securities and the Indenture conform as to legal matters in all material respects to the descriptions thereof contained in the Final Prospectus;

(viii) the Registration Statement has been declared effective under the Act; any required filing of the Final Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act;

(ix) no authorization, approval, consent or license of any regulatory body or authority (other than under the Act, the Trust Indenture Act and the securities or Blue Sky laws of the various states) and no approval of the stockholders of the Company or Holdings is required for the valid authorization, issuance, sale and delivery of the Securities by the Company or Holdings, or for the performance of the Indenture;

(x) the execution and delivery of the Underwriting Agreement, the consummation of the transactions contemplated in the Underwriting Agreement and compliance with the terms of the Underwriting Agreement and the Indenture do not and will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the Company, Holdings or Wheelabrator Technologies Inc., or any indenture, mortgage or other agreement or instrument to which the Company or its subsidiaries is a party or by which they or any of their property is bound which is filed as an exhibit to the Registration Statement or to any of the documents incorporated by reference in the Final Prospectus, or any existing applicable laws, rule, regulation (excluding any state securities or state or federal anti-fraud law, rule or regulation);

(xi) neither the Company nor Holdings is an “investment company” or an entity “controlled” by an “investment company,” as such terms are defined in the 1940 Act; and

(xii) neither the Company nor any subsidiary is a “holding company” or a “public utility,” as such terms are defined in the 1935 Act.

Such counsel shall state that the Registration Statement and the Final Prospectus, excluding the documents incorporated by reference therein and the financial statements and related schedules and other financial data included therein or omitted therefrom and the Trustee’s Statement of Eligibility on Form T-1 (the “Form T-1”), as to which such counsel need not express a view, as of the dates they became effective or issue dates, as the case may be, appear on their face to be appropriately responsive in all material respects with the requirements of the Act.

In addition, such counsel shall state that they have participated in conferences with officers and other representatives of the Company, counsel employed by the Company, representatives of the independent public accountants of the Company, representatives of the Underwriters and counsel to the Underwriters at which the contents of the Registration Statement and the Final Prospectus were discussed and, although such counsel did not independently verify such information and is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Final Prospectus (other than as set forth in paragraph (vii) above), on the basis of the foregoing, no facts have come to such counsel’s attention that led such counsel to believe that the Registration Statement (other than the financial statements, the notes thereto and the auditors’ reports thereon and the related schedules and the other financial and accounting data included or incorporated by

reference therein, or omitted therefrom, and the exhibits thereto, as to which such counsel need not comment) as of the Effective Date and the Closing Date contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or that the Final Prospectus (other than the financial statements, the notes thereto and the auditors' reports thereon and the other financial and accounting data included or incorporated by reference therein, or omitted therefrom, as to which such counsel need not comment) as of its issue date or the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinions, such counsel may (A) state that the opinions are based on and limited to the contract law of the State of New York, the laws of the State of Texas, the General Corporation Law of Delaware and the Federal laws of the United States, and (B) rely, as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials. References to the Final Prospectus in this paragraph (b) include any supplements thereto at the Closing Date.

(c) Rick L. Wittenbraker, Senior Vice President, General Counsel and Assistant Corporate Secretary of the Company, shall have furnished to the Representatives his opinion, dated the Closing Date and addressed to the Representatives, to the effect that:

(i) each of the corporate Subsidiaries organized under United States law is a corporation duly incorporated and validly existing in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Final Prospectus, except as would not have a Material Adverse Effect; except as otherwise disclosed in the Registration Statement or set forth in the opinion, all of the issued and outstanding capital stock of each of the Subsidiaries is validly issued, fully paid and nonassessable and, to the best of such counsel's knowledge, all of such shares of stock owned by the Company are owned free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of the Subsidiaries was issued in violation of the preemptive or similar rights of any security holder thereof;

(ii) the documents incorporated by reference in the Final Prospectus (other than the financial statements, related schedules and other financial data included therein or omitted therefrom, as to which he need express no opinion, and except to the extent that any statement therein is modified or superseded in the Final Prospectus), as of the dates they became effective or were filed with the Commission, as the case may be, appear on their face to be appropriately responsive in all material respects to the requirements of the Exchange Act and the rules and regulations promulgated thereunder;

(iii) except as set forth in the Final Prospectus (or incorporated by reference therein), such counsel does not know of any action, suit, proceeding,

inquiry or investigation pending or threatened against the Company or any of its subsidiaries, or to which the property of the Company or any of its subsidiaries is subject, before or brought by any court or governmental agency or body, domestic or foreign, in which there is a reasonable probability of a Material Adverse Effect;

(iv) such counsel does not know of any statutes or regulations or any pending or threatened legal or governmental proceedings required to be described in the Final Prospectus which are not described as required, nor of any material contracts or documents of a character required to be described in the Registration Statement or Final Prospectus or to be filed or incorporated as exhibits to the Registration Statement which are not described and filed or incorporated as required;

(v) such counsel does not know of any holders of securities of the Company or Holdings that have rights to the registration of such securities under the Registration Statement; and

(vi) the execution and delivery of the Underwriting Agreement, the Notes, the Guarantee Agreement, and the execution and performance of the Indenture (the "Operative Agreements"), the consummation of the transactions contemplated in the Operative Agreements and compliance with the terms of the Operative Agreement do not and will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the Company or any of its Subsidiaries, or, to the knowledge of such counsel, any indenture, mortgage or other agreement or instrument to which the Company or its Subsidiaries is a party or by which they or any of their property is bound, or any existing applicable laws, rule, regulation (excluding any state securities or state or federal anti-fraud law, rule or regulation), or, to the knowledge of such counsel, any judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company or its Subsidiaries or any of their properties, that in any case would have a Material Adverse Effect.

(d) The Representatives shall have received from Vinson & Elkins L.L.P., counsel for the Underwriters, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Indenture, the Registration Statement, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(e) Each of the Company and Holdings shall have furnished to the Representatives a certificate, signed by the principal legal officer and the vice president and treasurer of the Company in the case of the Company, and signed by the vice president and treasurer of Holdings in the case of Holdings, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration

Statement, the Final Prospectus, any supplements to the Final Prospectus and this Agreement and that:

(i) in the case of Holdings, the representations and warranties of Holdings in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date;

(ii) in the case of the Company, the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(iii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iv) since the date of the most recent financial statements included or incorporated by reference in the Final Prospectus (exclusive of any amendment or supplement thereto), there has been no material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Final Prospectus (exclusive of any amendment or supplement thereto).

(f) The Company shall have requested and caused Ernst & Young LLP to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters (which may refer to letters previously delivered to one or more of the Representatives), dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder, and stating in effect, except as provided in Schedule I hereto, that:

(i) in their opinion the audited financial statements and financial statement schedules included or incorporated by reference in the Registration Statement and the Final Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related rules and regulations adopted by the Commission;

(ii) the information included or incorporated by reference in the Registration Statement and Final Prospectus in response to Regulation S-K, Item 301 (Selected Financial Data) and Item 503(d) (Ratio of Earnings to Fixed Charges) is in conformity with the applicable disclosure requirements of Regulation S-K; and

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company and its consolidated subsidiaries) set forth in the Registration Statement and the Final Prospectus and in Exhibit 12 to the Registration Statement, the information included or incorporated by reference in Items 1, 2, 6, 7 and 11 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, incorporated by reference in the Registration Statement and the Final Prospectus, and the information included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" agrees with the accounting records of the Company and its consolidated subsidiaries, excluding any questions of legal interpretation.

References to the Final Prospectus in this paragraph (f) of this Section 6 include any supplement thereto at the date of the letter.

(g) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any amendment or supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (f) of this Section 6 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business or properties of the Company and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Final Prospectus (exclusive of any amendment or supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any amendment or supplement thereto).

(h) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of the Company's debt securities by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(i) Prior to the Closing Date, the Company and Holdings shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

If any of the conditions specified in this Section 6 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled

at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Baker Botts L.L.P., counsel for the Company, at One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002, on the Closing Date.

7. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof (other than as a result of the occurrence of the circumstances in Section 10(ii) hereof) or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. on demand for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. Indemnification and Contribution. (a) Each of the Company and Holdings, jointly and severally, agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or in any amendment thereof, or in the Basic Prospectus or the Final Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that neither the Company nor Holdings will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein. This indemnity agreement will be in addition to any liability that the Company or Holdings may otherwise have.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company and Holdings, each of their respective directors, each of their respective officers who signs the Registration Statement, and each person who controls either the Company or Holdings within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company or Holdings to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the

documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. Each of the Company and Holdings acknowledges that the statements set forth in the last paragraph of the cover page regarding delivery of the Securities and, under the heading "Underwriting", (i) the list of Underwriters and their respective participation in the sale of the Securities, (ii) the sentences related to concessions and reallowances, (iii) the paragraph related to stabilization, syndicate covering transactions and penalty bids and (iv) the paragraph relating to internet distribution of the Securities in the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in the Final Prospectus.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); *provided, however*, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ a separate counsel (including a local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of an indemnified party. An indemnifying party shall not be liable under this Section 8 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of

which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party, which consent shall not be unreasonably withheld.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company, Holdings and the Underwriters severally agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively, "Losses") to which the Company, Holdings and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company and Holdings on the one hand and by the Underwriters on the other from the offering of the Securities; *provided, however*, that in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company, Holdings and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and Holdings on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company and Holdings shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by the Company, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Final Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company and Holdings on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, Holdings and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this paragraph (d) to contribute are several in proportion to their respective underwriting obligations and not joint. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company or Holdings within the meaning of either the Act or the Exchange Act, each officer of the Company or Holdings who shall have signed the Registration Statement and each director of the Company or Holdings shall have the same rights to contribution as the Company or Holdings, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the principal amount of Notes set forth opposite their names in Schedule II hereto bears to the aggregate principal amount of Notes set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; *provided, however*, that in the event that the aggregate principal amount of Notes which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate principal amount of Notes set forth in Schedule II hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter, the Company or Holdings. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any nondefaulting Underwriter for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such time (i) trading in the Company's Common Stock shall have been suspended by the Commission, (ii) trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange, (iii) a banking moratorium shall have been declared either by Federal, New York State or State of Texas authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States or (iv) there shall have occurred any material change in the financial markets or any outbreak or escalation of hostilities, insurrection or armed conflict, declaration by the United States of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Final Prospectus (exclusive of any amendment or supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company and Holdings or their respective officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, the Company or Holdings or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to: (1) Barclays Capital

Inc., 200 Park Avenue, New York, NY 10166, Attn: Transaction Management (fax no.: 212-412-7606) with a copy to General Counsel's Office (fax. no.: 212-412-1494) and (2) Deutsche Bank Securities Inc., 60 Wall Street, New York, New York 10005, Attn: Debt Capital Markets (fax: 212-797 -4564) and (3) J.P. Morgan Securities Inc., 270 Park Avenue, 8th Floor, New York, NY 10017 Attn: Syndicate desk (fax no.: 212-834-6525); or, if sent to the Company or Holdings, will be mailed, delivered or telefaxed to the Waste Management, Inc. General Counsel (fax no.: 713-209-9710) and confirmed to it at 1001 Fannin, Suite 4000, attention of the Legal Department.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

15. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

16. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

17. Definitions. The terms that follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Basic Prospectus" shall mean the prospectus referred to in paragraph 1(a) above contained in the Registration Statement at the Effective Date including any Preliminary Final Prospectus.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City or Houston, Texas.

"Commission" shall mean the Securities and Exchange Commission.

"Effective Date" shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or become effective.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Execution Time” shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

“Final Prospectus” shall mean the prospectus supplement relating to the Securities that was first filed pursuant to Rule 424(b) after the Execution Time, together with the Basic Prospectus.

“1935 Act” shall mean the Public Utility Holding Company Act of 1935, as amended.

“1940 Act” shall mean the Investment Company Act of 1940, as amended.

“Registration Statement” shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A.

“Rule 415,” “Rule 424,” “Rule 430A” and “Rule 462” refer to such rules under the Act.

“Rule 430A Information” shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

“Rule 462(b) Registration Statement” shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in Section 1(a) hereof.

“Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended and the rules and regulations of the Commission promulgated thereunder.

18. Consent to Representation. The Company and the Underwriters acknowledge that Vinson & Elkins L.L.P., which is acting as counsel to the Underwriters in connection with the offer and sale of the Securities, also acts as counsel from time to time to the Company and certain of its affiliates in connection with unrelated matters. The Company and the Underwriters consent to Vinson & Elkins L.L.P. so acting as counsel to the Underwriters.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, Holdings and the several Underwriters.

Very truly yours,

WASTE MANAGEMENT, INC.

By: /s/ Cherie C. Rice
Name: Cherie C. Rice
Title: Vice President & Treasurer

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ Amanda K. Maki
Name: Amanda K. Maki
Title: Assistant Secretary

The foregoing Agreement is hereby confirmed and accepted as of the date specified in Schedule I hereto.

BARCLAYS CAPITAL INC.
DEUTSCHE BANK SECURITIES INC.
J.P. MORGAN SECURITIES INC.

BY: BARCLAYS CAPITAL INC.

By /s/ Stephen Feinstein
Name: Stephen Feinstein
Title: Managing Director

BY: DEUTSCHE BANK SECURITIES INC.

By /s/ Raymond Scott Flieger
Name: Scott Flieger
Title: Managing Director

By /s/ Matthew J. Siracuse
Name: Matthew J. Siracuse
Title: Director/Debt Syndicate

BY: J.P. MORGAN SECURITIES INC.

By /s/ Carl Mehldau
Name: Carl Mehldau
Title: Vice President

For themselves and the other several Underwriters,
if any, named in Schedule II to the foregoing
Agreement.

SCHEDULE I

Underwriting Agreement dated: March 2, 2004

Registration Statement No.: 333-97697

Representative(s): Barclays Capital Inc.
Deutsche Bank Securities Inc.
J.P. Morgan Securities Inc.

Title, Purchase Price and Description of Securities:

Title: 5.00% Senior Notes Due 2014

Principal amount: \$350,000,000

Purchase price (include accrued
interest or amortization, if
any, from March 5, 2004): 98.974%

Sinking fund provisions: None

Redemption provisions: Make Whole Call + 15 bp

Other provisions: As provided in the Indenture

Closing Date, Time and Location: March 5, 2004 at 9:00 a.m. CST at the offices of Baker Botts L.L.P., One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002

Type of Offering: Non-delayed

Date referred to in Section 5(f) after which the Company may offer or sell debt securities issued or guaranteed by the Company without the consent of the Representative(s): April 2, 2004

Modification of items to be covered by the letter from Ernst & Young LLP delivered pursuant to Section 6(f) at the Execution Time: None

SCHEDULE II

| Underwriters | Principal Amount of Securities to be Purchased |
|--------------------------------|---|
| Barclays Capital Inc. | \$ 93,333,000 |
| Deutsche Bank Securities Inc. | \$ 93,333,000 |
| J.P. Morgan Securities Inc. | \$ 93,333,000 |
| ABN AMRO Incorporated | \$ 11,667,000 |
| BNP Paribas Securities Corp. | \$ 11,667,000 |
| PNC Capital Markets, Inc. | \$ 11,667,000 |
| Scotia Capital (USA) Inc. | \$ 11,667,000 |
| SunTrust Capital Markets, Inc. | \$ 11,667,000 |
| Wachovia Capital Markets, LLC. | \$ 11,666,000 |
| TOTAL | <u>\$350,000,000</u> |

BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

| | | |
|-------|-----------------------------|--------------------|
| RGN-1 | | Principal Amount |
| | WASTE MANAGEMENT, INC. | U.S. \$350,000,000 |
| | 5.00% SENIOR NOTES DUE 2014 | |
| | | CUSIP 94106LAR0 |

WASTE MANAGEMENT, INC., a Delaware corporation (the “Company,” which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of Three Hundred Fifty Million (\$350,000,000) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on March 15, 2014 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 5.00% payable on March 15 and September 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding March 1 or September 1, respectively, payable commencing September 15, 2004, with interest consisting of interest accrued from March 5, 2004.

Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of U.S. \$350,000,000 in principal amount designated as the 5.00% Senior Notes due 2014 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to JPMorgan Chase Bank as trustee (the "Trustee"), as successor to The Chase Manhattan Bank, and successor to Texas Commerce Bank National Association, as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: March 5, 2004

WASTE MANAGEMENT, INC.,
a Delaware corporation

By: _____
Cherie C. Rice
Vice President and Treasurer

Attest:

By: _____
Linda J. Smith
Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication: March 5, 2004

JPMORGAN CHASE BANK,
as Trustee

By: _____
Cary W. Gilliam
Vice President and Trust Officer

REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

5.00% SENIOR NOTES DUE 2014

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the "Debt Securities") of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities. The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 5.00% Senior Notes due 2014 of the Company, in initial aggregate principal amount of \$350,000,000 (the "Securities").

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 5.00% per annum.

The Company will pay interest semi-annually on March 15 and September 15 of each year (each an "Interest Payment Date"), commencing September 15, 2004. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from March 5, 2004. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 5.00% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts ("U.S. Legal Tender"). Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts

specified by the Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of the Trustee located at 4 New York Plaza Ground Floor Window, New York, New York, 10004 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. Paying Agent and Registrar.

Initially, JPMorgan Chase Bank will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. Indenture.

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers' Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on July 18, 2002 and January 30, 2004 (the "Resolutions"). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act and said Resolutions and Officers' Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$350,000,000.

5. Redemption.

The Securities will be redeemable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price (the "Make-Whole Price") equal to the greater of: (i) 100% of the principal amount of the Securities to be redeemed; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest (at the rate in effect on the date of calculation of the Redemption Price) on the Securities (exclusive of interest accrued to the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 15 basis points; plus, in either case, accrued interest to the Redemption Date.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed at least 30 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Make-Whole Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company

defaults in payment of the Make-Whole Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis or by any other method the Trustee deems fair and appropriate.

For purposes of determining the Make-Whole Price, the following definitions are applicable:

“Treasury Yield” means, with respect to any Redemption Date applicable to the Securities, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third Business Day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities 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 Securities.

“Independent Investment Banker” means any of Barclays Capital Inc., Deutsche Bank Securities Inc. or J.P. Morgan Securities Inc. (and their respective successors), or, if all of such firms are unwilling or unable to select the applicable Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the Trustee and reasonably acceptable to the Company.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the bid price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) at 4:00 p.m. on the third Business Day preceding such Redemption Date, as set forth on “Telerate Page 500” (or such other page as may replace Telerate Page 500), or (ii) if such page (or any successor page) is not displayed or does not contain such bid prices at such time (a) the average of the Reference Treasury Dealer Quotations obtained by the Trustee for such Redemption Date, after excluding the highest and lowest of all Reference Treasury Dealer Quotations obtained, or (b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations obtained by the Trustee.

“Reference Treasury Dealer” means (i) each of Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc., or their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the Company will substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date for the Securities, an average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue for the Securities (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., New York City time, on the third Business Day preceding such Redemption Date.

Except as set forth above, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in multiples of \$1,000 only.

Any such redemption will also comply with Article Eleven of the Indenture.

6. Denominations; Transfer; Exchange.

The Securities are issued in registered form, without coupons, in denominations of \$1,000 and integral multiples of \$1,000. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

7. Person Deemed Owners.

The registered Holder of a Security may be treated as the owner of it for all purposes.

8. Amendment; Supplement; Waiver.

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

9. Defaults and Remedies.

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities,

(B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, 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 under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

10. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates or any subsidiary of the Company's Affiliates, and may otherwise deal with the Company or its Affiliates as if it were not the Trustee.

11. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

12. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

13. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

14. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

15. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

16. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

SCHEDULE OF EXCHANGES OF DEFINITIVE SECURITY

The following exchanges of a part of this Book-Entry Security for definitive Securities have been made:

| Date of Exchange | Amount of decrease in Principal Amount of this Book-Entry Security | Amount of increase in Principal Amount of this Book-Entry Security | Principal Amount of this Book-Entry Security following such decrease (or increase) | Signature of authorized officer of Trustee or Security Custodian |
|------------------|--|--|--|--|
|------------------|--|--|--|--|

WASTE MANAGEMENT, INC.

**Officers' Certificate Delivered Pursuant to
Section 301 of the Indenture dated as of September 10, 1997**

The undersigned, the Vice President and Treasurer, and the Corporate Secretary of Waste Management, Inc. (the "Company"), hereby certify that:

1. This Certificate is delivered to JPMorgan Chase Bank, as successor to Texas Commerce Bank National Association and successor to The Chase Manhattan Bank, as trustee (the "Trustee"), pursuant to Sections 102 and 301 of the Indenture dated as of September 10, 1997 between the Company, formerly known as USA Waste Services, Inc., and the Trustee in connection with the Company Order dated March 5, 2004 (the "Order") for the authentication and delivery by the Trustee of \$350,000,000 aggregate principal amount of 5.00% Notes due 2014 ("Notes").
 2. The undersigned have read Sections 102, 103, 301 and 303 of the Indenture and the definitions in the Indenture relating thereto.
 3. The statements made herein are based either upon the personal knowledge of the persons making this Certificate or on information, data and reports furnished to such persons by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved.
 4. The undersigned have examined the Order, and they have examined the covenants, conditions and provisions of the Indenture relating thereto.
 5. In the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not all conditions provided for in the Indenture with respect to the Order have been complied with.
 6. All conditions precedent provided in the Indenture to the authentication by the Trustee of \$350,000,000 aggregate principal amount of Notes have been complied with, and such Debt Securities may be delivered in accordance with the Order as provided in the Indenture.
 7. The terms of the Notes (including the Form of Note) as set forth in Annex A to this Officers' Certificate have been approved by officers of the Company as duly authorized by resolutions of the Board of Directors of the Company as of July 18, 2002 and January 30, 2004 and such resolutions, copies of which are attached hereto as Annex B, are in full force and effect as of the date hereof.
-

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate as of March 5, 2004.

/s/ Cherie C. Rice
Cherie C. Rice
Vice President and Treasurer

/s/ Linda J. Smith
Linda J. Smith
Corporate Secretary

Terms of the Notes

Pursuant to authority granted by the Board of Directors of the Company on July 18, 2002 and January 30, 2004, the Company has approved the establishment, issuance, execution and delivery of a new series of Securities (as defined in the Indenture) to be issued under the Indenture dated as of September 10, 1997 (the "Indenture"), between the Company, formerly known as USA Waste Services, Inc., and JPMorgan Chase Bank, as successor to The Chase Manhattan Bank, and successor to Texas Commerce Bank, National Association, as trustee (the "Trustee"), the terms of which are set forth below. Capitalized terms used but not defined herein are used herein as defined in the Indenture.

- (1) The title of the series of Securities shall be "5.00% Senior Notes due 2014" (the "Notes").
 - (2) The Notes shall be general unsecured, senior obligations of the Company.
 - (3) The initial aggregate principal amount of the Notes that may be authenticated and delivered under the Indenture shall be \$350,000,000 (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 907 or 1107 of the Indenture); provided, however, that the authorized aggregate principal amount of such series may be increased before or after the issuance of any Notes of such series by a Board Resolution (or action pursuant to a Board Resolution) to such effect.
 - (4) The principal amount of each Note shall be payable on March 15, 2014.
 - (5) Each Note shall bear interest from March 5, 2004 at the fixed rate of 5.00% per annum; the Interest Payment Dates on which such interest shall be payable shall be March 15 and September 15, of each year, commencing September 15, 2004, until maturity unless such date falls on a day that is not a Business Day, in which case, such payment shall be made on the next day that is a Business Day. The Regular Record Date for the determination of Holders to whom interest is payable shall be March 1 or September 1, respectively, immediately preceding such date, as the case may be.
 - (6) The Notes are to be issued as Registered Securities only. Each Note is to be issued as a book-entry note ("Book-Entry Note") but in certain circumstances may be represented by Notes in definitive form. The Book-Entry Notes shall be issued, in whole or in part, in the form of one or more Notes in global form as contemplated by Section 203 of the Indenture. The Depository with respect to the Book-Entry Notes shall be The Depository Trust Company, New York, New York.
-

- (7) Payments of principal of, premium, if any, and interest due on the Notes representing Book-Entry Notes on any Interest Payment Date or at maturity will be made available to the Trustee by 11:00 a.m., New York City time, on such date, unless such date falls on a day which is not a Business Day, in which case such payments will be made available to the Trustee by 11:00 a.m., New York City time, on the next Business Day. As soon as possible thereafter, the Trustee will make such payments to the Depository.
 - (8) The Notes will be redeemable, at the option of the Company, at any time in whole, or from time to time in part, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest (at the rate in effect on the date of calculation of the Redemption Price) thereon (exclusive of interest accrued to the Redemption Date (as defined in the Note)) discounted to the Redemption Date on a semiannual basis (assuming a 360 day year consisting of twelve 30-day months) at the applicable Treasury Yield (as defined in the Notes) plus 15 basis points; plus, in either case, accrued interest to the Redemption Date.
 - (9) The Company shall have no obligation to redeem, purchase or repay the Notes pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof.
 - (10) The Notes will be subject to defeasance and discharge as contemplated by Section 1302 of the Indenture and to covenant defeasance under Section 1303 of the Indenture.
 - (11) The Notes shall be entitled to the benefit of the covenants contained in Sections 1008 and 1009 of the Indenture.
 - (12) The Trustee shall serve initially as Security Registrar for the Notes.
 - (13) The Notes shall be substantially in the form of Exhibit A hereto.
 - (14) The Notes will be fully and unconditionally guaranteed on a senior basis by the Company's wholly-owned subsidiary, Waste Management Holdings, Inc. ("Holdings") pursuant to a guarantee agreement dated March 5, 2004 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Notes until release thereof as set forth in Section 6 of the Guarantee.
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EXHIBIT A
TO
TERMS OF NOTES
(Form of Note)

Resolutions of Board of Directors

July 18, 2002 Resolution

WHEREAS, the Company has previously filed with the Securities and Exchange Commission (the "SEC") a universal shelf registration statement which registered the offer and sale by the Company of up to an aggregate of \$3 billion of senior and subordinated debt and common stock;

WHEREAS, the Company desires, and finds it in the best interest of the Company, to file a new universal shelf registration statement, and pursuant to Rule 429 under the Securities Act of 1933, as amended (the "Securities Act") carry forward the amount of securities remaining under the Company's current universal shelf registration statement on Form S-3 (Registration Statement No. 333-80063) to the new registration statement.

NOW THEREFORE, BE IT

RESOLVED, that the Company is hereby authorized to prepare and file with the SEC a "Universal Shelf" Registration Statement on Form S-3 (the "Shelf Registration Statement"), pursuant to the Securities Act and Rule 415 thereunder, which Shelf Registration Statement may cover, among other things, unsecured senior or subordinated debentures, notes or other evidences of indebtedness of the Company (collectively, the "Debt Securities") and shares of common stock, \$.01 par value, of the Company (the "Common Stock" and together with the Debt Securities, the "Securities"), which may be issued from time to time at the discretion of any of the proper officers (as established pursuant to these resolutions), to be offered from time to time by the Company, the initial offering prices of which Securities shall not exceed the amount of Securities remaining available for issuance under the Company's Registration Statement No. 333-80063 on the date of filing the Shelf Registration Statement with the SEC;

RESOLVED, FURTHER, that the proper officers be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and cause to be filed with the SEC any and all amendments (including, without limitation, post-effective amendments) or supplements to the Shelf Registration Statement and any prospectus included therein and any additional documents which any such officer may deem necessary or desirable with respect to the registration and offering of the Securities, including, without limitation, registration statements filed pursuant to Rule 462 of the Securities Act relating to up to such additional amount of Securities as may be provided for in such Rule 462 (such additional registration statements shall be deemed to be a part of the Shelf Registration Statement for purposes of these resolutions), and such amendments, supplements, registration statements and documents to be in such form as the officer executing the same may approve, as conclusively evidenced by his execution thereof;

RESOLVED, FURTHER, that David P. Steiner be, and he hereby is, designated and appointed the agent for service of process on the Company under the Securities Act in connection with the Shelf Registration Statement and any and all amendments (including, without limitation, post-effective amendments and registration statements filed pursuant to Rule 462 of the Securities Act) and supplements thereto, with all the powers incident to such appointment;

RESOLVED, FURTHER, that the proper officers be and hereby are authorized and directed in the name and on behalf of the Company to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of all or part of the Securities to be registered under the Securities Act, for offer and sale under the securities or Blue Sky laws of the states of the United States of America, and in connection therewith, to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions, consents to service of process, or appointments of governmental officials for the purpose of receiving and accepting service of process on the laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem the same to be in the best interest of the Company;

RESOLVED, FURTHER, that the form of any additional resolutions required in connection with the appropriate qualification or registration of the Securities for offer and sale under such securities or Blue Sky laws, be and hereby is approved and adopted, provided the appropriate officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board with the same force and effect as if set out verbatim herein;

RESOLVED, FURTHER, that any of the proper officers, together with the other officers or employees the proper officers may designate, either orally or in writing, be, and each of them hereby is, authorized to approve at any time and from time to time, one or more forms of underwriting agreement (and related terms agreement) and agency agreement (and related purchase agreement) and any other agreement or agreements any of such persons may deem necessary or appropriate in connection with the arrangements for the purchase of any of the Securities, and that such persons be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such agreement or agreements in substantially the form approved by any of them, with such changes therein as the person executing the same may approve, as conclusively evidenced by the execution and delivery thereof, it being understood that, in the case of any terms agreement or purchase agreement referred to above, it shall not be necessary for any of the proper officers to approve any individual agreement pursuant to which Securities are to be sold if the form thereof has previously been approved as provided in this resolution;

RESOLVED, FURTHER, that any of the proper officers be, and each of them hereby is, authorized, at any time and from time to time, on behalf of the Company, (i) to

determine, within any limits that may be set by the Board of Directors, the number of shares of Common Stock, preferred stock or other equity securities to be offered and sold by the Company pursuant to the Shelf Registration Statement, including any shares underlying convertible Debt Securities, (ii) to authorize the reserve and issuance of such shares and (iii) to take any and all action and to do or cause to be done any and all things which may appear to any of the proper officers to be necessary or advisable in order to authorize, offer, issue, and sell such shares of Common Stock, pursuant to the Shelf Registration Statement and the applicable purchase agreement, which action could be taken or which things could be done by the Board of Directors of the Company;

RESOLVED, FURTHER, that any of the proper officers may, at any time and from time to time, on behalf of the Company, authorize the issuance of one or more series of Securities under the Company's indentures, within any limits that may be set by the Board of Directors, and in connection therewith establish, or, if all of the Securities of such series may not be originally issued at one time, to the extent deemed appropriate, prescribe the manner of determining, within any limitations established by any of the proper officers and subject in either case to the limitations set forth in these resolutions, all of the terms of such Securities;

RESOLVED, FURTHER, that, in connection with any such series of Securities (but without limiting the authority hereinafter in these resolutions conferred with respect to the issuance of Securities of a series which may not all be originally issued at one time), any of the proper officers is authorized at any time or from time to time to determine the price or prices to be received by the Company in any offering or sale of Securities of such series, any public offering price or prices thereof, any discounts to be allowed or commissions to be paid to any agent, dealer or underwriter and any other terms of offering or sale of Securities of such series and to sell Securities of such series in accordance with any applicable purchase agreement or other agreement(s);

RESOLVED, FURTHER, that, in connection with the issuance of Securities of any series which may not be originally issued at one time (except as may be inconsistent with any action taken by any of the proper officers, as hereinabove provided, in connection with such series), any of the proper officers may delegate any of its authority pursuant to these resolutions to any officer of the Company, including authority to fix the terms of such Securities;

RESOLVED, FURTHER, that, in connection with any such series of Securities, any of the proper officers is authorized to approve any amendment, modification or supplement to the Company's indentures and that any proper officer be, and each of them hereby is, authorized to execute and deliver, in the name and on behalf of the Company, any such amendment, modification or supplement, substantially in the form approved by any proper officer;

RESOLVED, FURTHER, that the proper officers, together with any other officer or employee as any proper officer may designate, either orally or in writing, be, and each of them hereby is, authorized, in the name and on behalf of the Company, to execute and

deliver such other agreements (including indemnity agreements), documents, certificates, orders, requests and instruments as may be contemplated by the Company's indentures or required by the trustee thereunder, the security registrar or any other agent of the Company under such indentures in connection therewith or as may be necessary or appropriate in connection with the issuance and sale of Securities thereunder;

RESOLVED, FURTHER, that the proper officers be, and each of them hereby is, authorized, subject to and in accordance with the Company's indentures and any action taken by any of the proper officers in connection therewith, from time to time to appoint or designate on behalf of the Company one or more security registrars, paying agents and transfer agents for each series of Securities, to rescind on behalf of the Company any such appointment or designation and to approve on behalf of the Company any change in the location of any office through which any such security registrar, paying agent or transfer agent acts, and in connection therewith to take such action and to make, execute and deliver, or cause to be made, executed and delivered, such agreements, instruments and other documents as any such officer may deem necessary or appropriate;

RESOLVED, FURTHER, that the proper officers be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to such securities exchange or exchanges as the officers acting shall deem necessary or appropriate for the listing thereof of any of the Securities (including any Common Stock or preferred stock underlying any convertible Securities) and in connection therewith to appoint one or more listing agents and to prepare, or cause to be prepared, execute and file, or cause to be filed, an application or applications for such listing and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer may deem necessary or desirable; that such officers, or such other person as any such officer may designate in writing, be, and each of them hereby is, authorized to appear before any official or officials or before any body of any such exchange, with authority to make such changes in such applications, amendments, certificates, documents, letters and other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing agreements, fee agreements and indemnity agreements relating to the use of facsimile signatures as they, or any one of them, may deem necessary or appropriate in order to comply with the requirements of any such exchange or to effect such listing;

RESOLVED, FURTHER, that the proper officers be, and each of them hereby is, authorized, in the name and on behalf of the Company, to make application to the SEC for registration of any series of the Securities under Section 12 or other applicable section of the Securities Exchange Act of 1934, and to prepare or cause to be prepared, and to execute and file, or cause to be filed, with the SEC and any securities exchange an application or applications for such registration and any and all amendments thereto and any additional certificates, documents, letters and other instruments which any such officer may deem necessary or desirable;

RESOLVED, FURTHER, that the officers of the Company be, and each of them hereby is, authorized to take, or cause to be taken, any and all action which any such

officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions or in order to perform, or cause to be performed, the obligations of the Company under the Securities and any Shelf Indenture, purchase agreement, Shelf Registration Statement or other agreement referred to herein, and, in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Company as each such officer may deem necessary or appropriate;

RESOLVED, FURTHER, that for purposes of these resolutions, the term “proper officer” shall mean any or all of the Chief Executive Officer, any Executive Vice President, the Chief Financial Officer, the Senior Vice President, General Counsel and Secretary, the Vice President and Controller and the Vice President and Treasurer of the Company;

RESOLVED, FURTHER, that the form of any additional resolutions required in connection with the foregoing resolutions be and hereby is approved and adopted, provided the proper officers of the Company, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary or any Assistant Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall, upon execution, be deemed to have been adopted by this Board with the same force and effect as if set out verbatim herein; and

RESOLVED, FURTHER, that any officer of the Company is hereby authorized and directed to make, provide, execute, and deliver any and all statements, applications, certificates, representations, payments, notices, receipts, and other instruments and documents and take any and all other actions which in the opinion of such officer is or may be necessary or appropriate in connection with or to consummate any of the matters covered by the foregoing resolutions.

January 30, 2004 Resolution

WHEREAS, by unanimous written consent dated July 18, 2002, the Board of Directors approved the offering and sale by the Company from time to time of up to an aggregate of approximately \$1.8 billion of senior and subordinated debt and common and preferred stock (the “Shelf Offering”), together with all other actions necessary to effect the Shelf Offering, including the filing of a Universal Shelf Registration Statement on Form S-3 (the “Universal Shelf”); and

WHEREAS, at this time, the Company desires to issue up to \$350 million of debt securities off of the Universal Shelf and so advise the Board;

NOW, THEREFORE, BE IT RESOLVED, the Board confirms that the Chief Executive Officer, the Chief Financial Officer, the Treasurer, and the Secretary of the Company (the “Authorized Officers”)

be, and each of them hereby is, authorized, for and on behalf of the Company, to issue up to \$350 million of debt securities, in such form and upon such terms and conditions as the Authorized Officers deem appropriate; and

RESOLVED FURTHER, that the Authorized Officers of the Company be, and each of them hereby is, authorized and empowered, for and on behalf of the Company, to take or cause to be taken any and all such actions and to enter into, execute and deliver any and all such acknowledgments, agreements, certificates, contracts, indentures, instruments, notices, statements, powers of attorney and other documents, or to effect any filings, registrations, qualifications or applications with any and all appropriate regulatory authorities, including the Securities and Exchange Commission, any applicable state securities commission or agency, the New York Stock Exchange and any credit rating agency, as may be required or as any such Authorized Officer may deem necessary, advisable or appropriate to effectuate and carry out the transactions contemplated by, and the purposes and intent of, the foregoing resolution; all such actions to be performed in such manner and all such acknowledgments, agreements, certificates, contracts, indentures, instruments, notices, statements, powers of attorney and documents to be executed and delivered in such form as the officer performing or executing the same shall approve, such officer's performance or execution and delivery thereof to be conclusive evidence of such approval and the approval thereof by this Board of Directors; and

RESOLVED FURTHER, that the form of any additional resolutions required in connection with the borrowings of funds described above be, and hereby is, approved and adopted, provided the Authorized Officers, on the advice of counsel, consider the adoption thereof necessary or advisable, in which case the Secretary of the Company is hereby directed to insert as an appendix hereto a copy of such resolutions, which shall thereupon be deemed to have been adopted by this Board of Directors with the same force and effect as if set out verbatim herein; and

RESOLVED FURTHER, that the Secretary and any Assistant Secretary of the Company be, and each of them hereby is, authorized and empowered, for and on behalf of the Company, to certify and attest any documents that such Secretary or any such Assistant Secretary may deem necessary, advisable or appropriate to consummate the transactions contemplated by the documents heretofore authorized and approved, provided that such attestation shall not be required for the due authorization, execution and delivery or validity of the particular document; and

RESOLVED FURTHER, that the authority granted to the Authorized Officers of the Company under the foregoing resolutions shall

be deemed to include, in the case of each such resolution the authority to perform such further acts and deeds for and on behalf of the Company as may be necessary, advisable or appropriate, in the judgment of any such officer, to carry out the transactions contemplated thereby, and all acts and deeds previously performed by any of the officers or counsel to the Company prior to the date hereof that are within the authority conferred by the foregoing resolutions be, and each of them hereby is, approved, ratified and confirmed in all respects as the authorized acts and deeds of the Company.

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.
in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.

\$350,000,000
5.00% Senior Notes due 2014

GUARANTEE, dated as of March 5, 2004, made by Waste Management Holdings, Inc., a Delaware corporation (the "Guarantor"), in favor of the holders of the \$350 million 5.00% Senior Notes due 2014 (the "Debt Securities") of Waste Management, Inc., a Delaware corporation (the "Issuer").

WITNESSETH:

SECTION 1. Guarantee. (a) The Guarantor hereby unconditionally guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the principal of, premium, if any, and interest on the Debt Securities (the "Obligations"), according to the terms of the Debt Securities and as more fully described in the Indenture (as amended, modified or otherwise supplemented from time to time, the "Indenture"), dated as of September 10, 1997, between the Issuer, as successor to USA Waste Services, Inc., and JPMorgan Chase Bank, as successor to Texas Commerce Bank National Association and successor to The Chase Manhattan Bank, as trustee (the "Trustee").

(b) It is the intention of the Guarantor that this Guarantee not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to this Guarantee. To effectuate the foregoing intention, the Obligations of the Guarantor under this Guarantee shall be limited to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor (other than guarantees of the Guarantor in respect of subordinated debt) that are relevant under such laws, result in the Obligations of the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance. For purposes hereof, "Bankruptcy Law" means Title 11, U.S. Code, or any similar Federal or state law for the relief of debtors.

SECTION 2. Guarantee Absolute. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of holders of the Debt Securities with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

- (i) any lack of validity or enforceability of the Indenture or any other agreement or instrument relating thereto;
- (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from the Indenture;
- (iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Obligations; or
- (iv) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Issuer or a guarantor.

SECTION 3. Subordination. The Guarantor covenants and agrees that its obligation to make payments of the Obligations hereunder constitutes an unsecured obligation of the Guarantor ranking (a) *pari passu* with all existing and future senior indebtedness of the Guarantor and (b) senior in right of payment to all existing and future subordinated indebtedness of the Guarantor.

SECTION 4. Waiver; Subrogation (a) To the extent permitted by applicable law, the Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding filed first against the Issuer, protest or notice with respect to the Debt Securities or the indebtedness evidenced thereby and all demands whatsoever.

(b) The Guarantor shall be subrogated to all rights of the Trustee or the holders of any Debt Securities against the Issuer in respect of any amounts paid to the Trustee or such holder by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation until all Obligations shall have been paid in full.

SECTION 5. No Waiver, Remedies. No failure on the part of any holder of the Debt Securities to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6. Continuing Guarantee; Transfer of Interest. This Guarantee is a continuing guaranty and shall (i) remain in full force and effect until the earliest to occur of (A) the date, if any, on which the Guarantor shall consolidate with or merge into the Issuer or any successor thereto, (B) the date, if any, on which the Issuer or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release of the guarantee by the Guarantor by (1) the banks under the Revolving Credit Agreement dated June 29, 2001, by and among the Issuer, the Guarantor (as guarantor), Fleet National Bank, as administrative agent, Bank of America, N.A. and J. P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and joint book managers, (or under any amendment thereto or any replacement or new principal credit facility of the Issuer) and (2) the banks under the Revolving Credit Agreement dated June 27, 2002, by and among the Issuer, the Guarantor (as guarantor), Fleet National Bank, as administrative agent, Bank of America, N.A. and JPMorgan Chase Bank, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and joint book managers, (or under any amendment thereto or any replacement or new principal credit facility of the Issuer), (ii) be binding upon the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by any holder of Debt Securities, the Trustee, and by their respective successors, transferees, and assigns.

SECTION 7. Reinstatement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by any holder of the Debt Securities or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made.

SECTION 8. Amendment. The Guarantor may amend this Guarantee at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities; provided, however, that if such amendment adversely affects the rights of the Trustee or any holder of the Debt Securities, the prior written consent of the Trustee shall be required.

SECTION 9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PROVISIONS THEREOF RELATING TO CONFLICT OF LAWS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

WASTE MANAGEMENT HOLDINGS, INC.

By: /s/ Ronald H. Jones

Ronald H. Jones

Vice President and Treasurer