

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 16, 1998

Waste Management, Inc. (Exact name of Registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-12154
(Commission
File Number)

73-1309529
(I.R.S. Employer
Identification No.)

1001 Fannin Street, Suite 4000
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

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

USA Waste Services, Inc.
(Former name or address, if changed since last report)

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Item 2. Acquisition or Disposition of Assets.

On July 16, 1998, pursuant to an Agreement and Plan of Merger, dated as of March 10, 1998 (the "Merger Agreement"), among Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Registrant"), Dome Merger Subsidiary, Inc., a Delaware corporation and wholly owned subsidiary of the Registrant ("Dome Merger Subsidiary"), and Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation ("Old Waste Management"), Dome Merger Subsidiary merged with and into Old Waste Management (the "Merger"). Old Waste Management was the surviving corporation in the Merger, and is now a wholly owned subsidiary of the Registrant ("Waste Management Holdings"). In the Merger, each outstanding share of common stock, par value \$1.00 per share, of Old Waste Management, other than shares held in Old Waste Management's treasury or owned by the Registrant or any wholly owned subsidiary of the Registrant or of Old Waste Management, was converted into the right to receive 0.725 of a share of common stock, par value \$0.01 per share, of the Registrant (the "Registrant Common Stock"). The Merger is expected to be accounted for as a pooling of interests.

In connection with the Merger, the name of Old Waste Management was changed to "Waste Management Holdings, Inc." and the name of the Registrant was changed to "Waste Management, Inc."

On July 15, 1998, the Registrant and Old Waste Management issued a joint press release announcing that they had reached an agreement in principle with the Antitrust Division of the Department of Justice in connection with the Merger, and that their respective stockholders had approved certain matters related to the Merger at special meetings held on July 15, 1998. On July 16, 1998, the Registrant issued a press release announcing the consummation of the Merger. A copy of each press release is attached as an exhibit hereto and is incorporated by reference herein.

Item 5. Other Events.

(a) On July 16, 1998, the Registrant, Waste Management Holdings and Harris Trust and Savings Bank, as Trustee, entered into a First Supplemental Indenture (the "Supplemental Indenture") with respect to the Indenture, dated as

of January 24, 1995, between Old Waste Management and NationsBank of Georgia, National Association, pursuant to which Old Waste Management issued Convertible Subordinated Notes due 2005 (the "Convertible Notes"). The Supplemental Indenture provides that the Convertible Notes will, upon conversion pursuant to their terms, be convertible into shares of Registrant Common Stock. A copy of the Supplemental Indenture is attached as an exhibit hereto and is incorporated by reference herein.

(b) On July 16, 1998, the Registrant and Waste Management Holdings executed guarantees whereby each will guarantee certain of the outstanding indebtedness of the other.

Copies of these guarantees are attached as exhibits hereto and are incorporated by reference herein.

Item 7. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The required financial statements of Old Waste Management will be filed by the Registrant by amendment within the prescribed time period.

(b) Pro forma financial information.

The required pro forma financial information will be filed by the Registrant by amendment within the prescribed time period.

(c) Exhibits.

See the Index to Exhibits attached hereto.

SIGNATURES

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

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

Date: July 16, 1998

/s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

EXHIBIT INDEX

Exhibit No. ---	Description -----
2	Agreement and Plan of Merger, dated as of March 10, 1998, among USA Waste Services, Inc., Dome Merger Subsidiary, Inc. and Waste Management, Inc. (incorporated by reference to Annex A to the Joint Proxy Statement/Prospectus included as part of the Registrant's Registration Statement on Form S-4 (File No. 333-56113) filed on June 5, 1998).
3.1	Certificate of Amendment of Restated Certificate of Incorporation of the Registrant, filed July 16, 1998.
3.2	Conformed copy of Restated Certificate of Incorporation of the Registrant, as amended as of July 16, 1998.
10.1	Supplemental Indenture, dated as of July 16, 1998, by and among the Registrant, Waste Management Holdings, Inc. and Harris Trust and Savings Bank.
10.2	Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the Liquid Yield Option Notes due 2010 (Zero Coupon Subordinated) of Waste Management Holdings.
10.3	Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the Liquid Yield Option Notes due 2012 (Zero Coupon Subordinated) of Waste Management Holdings.
10.4	Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the 8 3/4% Debentures due 2018 of Waste Management Holdings.
10.5	Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the Convertible Subordinated Notes due 2005 of Waste Management Holdings.
10.6	Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the 6 5/8% Notes due July 15, 2002, 6% Notes due November 2, 1998, 7% Notes due October 15, 2006, 7.10% Notes due August 1, 2026, 7 1/8% Notes due June 15, 2001, 6.7% Notes due

2001, 6 1/4% Notes due April 1, 1999, 6 1/4% Notes due October 15, 2000, 6.65% Notes due May 15, 2005, 7% Notes due May 15, 2005, 8 1/4% Notes due November 15, 1999, Step-Up Notes due April 30, 2004 and 6 3/8% Notes due December 1, 2003 of Waste Management Holdings.

- 10.7 Guarantee, dated as of July 16, 1998, made by the Registrant in favor of holders of the Step-Up Notes due October 1, 2002 and 7.65% Debentures due March 15, 2011 of Waste Management Holdings.
- 10.8 Guarantee, dated as of July 16, 1998, made by Waste Management Holdings in favor of holders of 4% Convertible Subordinated Notes due 2002 of the Registrant.
- 10.9 Guarantee, dated as of July 16, 1998, made by Waste Management Holdings in favor of holders of 7% Senior Notes due 2004, 7 1/8% Senior Notes due 2007, 6 1/2% Senior Notes due 2002, 7 1/8% Senior Notes due 2017, 7% Senior Notes due 2028 and 6 1/8% Mandatorily Tendered Senior Notes due 2011 of the Registrant.
- 10.10 Guarantee, dated as of July 16, 1998, made by Waste Management Holdings in favor of holders of 5% Convertible Subordinated Notes due 2006 of the Registrant.
- 10.11 Guarantee, dated as of July 16, 1998, made by Waste Management Holdings in favor of holders of 4 1/2% Convertible Subordinated Notes due 2001 of the Registrant.
- 99.1 Joint press release dated July 15, 1998 issued by the Registrant and Old Waste Management.
- 99.2 Press Release dated July 16, 1998 issued by the Registrant.

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
USA WASTE SERVICES, INC.

USA Waste Services, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

1. That the Board of Directors of the Corporation has approved resolutions recommending to the stockholders of the Corporation that the Corporation's Restated Certificate of Incorporation be amended in the following respects:

That Article First of the Corporation's Restated Certificate of Incorporation be deleted in its entirety, and the following be inserted in its place:

First: The name of the Corporation is "Waste Management, Inc.".

That the first sentence of Article Fourth of the Corporation's Restated Certificate of Incorporation be deleted in its entirety, and the following be inserted in its place:

Fourth: The total number of shares of capital stock which the Corporation shall have authority to issue is one billion, five hundred and ten million (1,510,000,000), divided into one billion, five hundred million (1,500,000,000) shares of Common Stock of the par value of one cent (\$0.01) per share and ten million (10,000,000) shares of Preferred Stock of the par value of one cent (\$0.01) per share.

2. That said resolutions were duly approved by the stockholders of the Corporation at the special meeting of the stockholders of the Corporation held on July 15, 1998, notice of which was given in accordance with the provisions of Section 222 of the General Corporation Law of the State of Delaware.

3. That such amendments to the Corporation's Restated Certificate of Incorporation have been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

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IN WITNESS WHEREOF, this Certificate of Amendment of the Corporation's Restated Certificate of Incorporation has been executed as of this 16th day of July, 1998.

USA WASTE SERVICES, INC.

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

ATTEST:

By: /s/ Bryan J. Blankfield

Name: Bryan J. Blankfield
Title: Assistant Secretary

RESTATED CERTIFICATE OF INCORPORATION
OF
WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)
(Conformed Copy - As Amended As Of July 16, 1998)

The original Certificate of Incorporation of WASTE MANAGEMENT, INC. (formerly known as USA Waste Services, Inc.) was filed with the Secretary of State of the State of Delaware on April 28, 1995. The original Certificate of Incorporation is hereby amended and restated pursuant to 8 Del. C. s.245 to read in its entirety as follows:

First: The name of the Corporation is "Waste Management, Inc."

Second: The registered office of the Corporation in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name and address of its registered agent is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware.

Third: The nature of the business, objects and purposes to be transacted, promoted or carried on by the Corporation is:

To engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

Fourth: The total number of shares of capital stock which the Corporation shall have authority to issue is one billion, five hundred and ten million (1,510,000,000), divided into one billion, five hundred million (1,500,000,000) shares of Common Stock of the par value of one cent (\$0.01) per share and ten million (10,000,000) shares of Preferred Stock of the par value of one cent (\$0.01) per share.

A. No holder of Common Stock or Preferred Stock of the Corporation shall have any pre-emptive, preferential, or other right to purchase or subscribe for any shares of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase of the authorized capital stock of the Corporation or of the number of its shares, or of any warrants, options, or bonds, certificates of indebtedness, debentures, or other securities convertible into or carrying options or warrants to purchase stock of the Corporation or of any stock of the Corporation purchased by it or its nominee or nominees or other securities held in the treasury of the Corporation, whether issued or sold for cash or other consideration or as a dividend or otherwise other than, with respect to Preferred Stock, such rights, if any, as the Board of Directors in its discretion from time to time may grant and at such price as the Board of Directors in its discretion may fix.

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B. The holders of Common Stock shall have the right to one vote per share on all questions to the exclusion of all other classes of stock, except as by law expressly provided, as otherwise herein expressly provided or as contained within a certificate of designation, with respect to the holders of any other class or classes of stock.

C. The Board of Directors is authorized, subject to limitations prescribed by law, by resolution or resolutions to provide for the issuance of shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(1) The number of shares constituting that series and the distinctive designation of that series;

(2) The dividend rights and dividend rate on the shares of

that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(3) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(4) Whether that series shall have conversion or exchange privileges, and, if so, the terms and conditions of such conversion or exchange including provision for adjustment of the conversion or exchange rate in such events as the Board of Directors shall determine;

(5) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in cash on redemption, which amount may vary under different conditions and at different redemption dates;

(6) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(7) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(8) Any other relative rights, preferences and limitations of that series; or

(9) Any or all of the foregoing terms.

D. Except where otherwise set forth in the resolution or resolutions adopted by the Board of Directors of the Corporation providing for the issue of any series of Preferred Stock created thereby, the number of shares comprising such series may be increased or decreased (but not below the number of shares then outstanding) from time to time by like action of the Board of Directors of the Corporation. Should the number of shares of any series be so decreased, the shares constituting such decrease shall resume the status which they had prior to adoption of the resolution originally fixing the number of shares of such series.

E. Shares of any series of Preferred Stock which have been redeemed (whether through the operation of a sinking fund or otherwise), purchased or otherwise acquired by the Corporation, or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or classes, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as a part of the series of which they were originally a part or may be reclassified or reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions or restrictions adopted by the Board of Directors of the Corporation providing for the issue of any series of Preferred Stock and to any filing required by law.

Fifth: The Corporation is to have perpetual existence.

Sixth: Elections of directors need not be by written ballot unless the bylaws of the Corporation shall so provide. Meetings of stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes of the State of Delaware) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation.

Seventh: No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of Delaware or any amendment thereto or successor provision thereto, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of Delaware hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended General Corporation Law of Delaware. Neither this Restated Certificate of Incorporation nor any amendment, alteration, or repeal of this Article, nor the adoption of any provision of the Restated Certificate of Incorporation inconsistent with this Article, shall adversely affect, eliminate, or reduce any right or protection of a director of the Corporation

hereunder with respect to any act, omission or matter occurring, or any action, suit, or claim that, but for this Article, would accrue or arise, prior to the time of such amendment, modification, repeal, or adoption of an inconsistent provision. All references in this Article to a "director" shall also be deemed to refer to such person or persons, if any, who pursuant to a provision of the Restated Certificate of Incorporation in accordance with subsection (a) of Section 141 of the Delaware General Corporation Law, exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by the Delaware General Corporation Law.

Eighth: This Corporation shall, to the maximum extent permitted from time to time under the law of the State of Delaware, indemnify and upon request shall advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was or has agreed to be a director or officer of this Corporation or any of its direct or indirect subsidiaries or while such a director or officer is or was serving at the request of this Corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorney's fees and expenses), judgments, fines, penalties and amounts paid in settlement incurred in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require this Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding, claim or counterclaim initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification rights arising under any bylaws, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established.

Ninth: (A) Except as otherwise provided in this Restated Certificate of Incorporation or the Bylaws of the Corporation relating to the rights of the holders of any class or series of Preferred Stock, voting separately by class or series, to elect additional directors under specified circumstances, the number of directors of the Corporation shall be as fixed from time to time by, or in the manner provided in, the bylaws of the Corporation. Unless approved by at least two-thirds of the incumbent directors, the number of directors which shall constitute the whole Board of Directors shall be no fewer than three and no more than nine.

(B) Commencing with the election of directors at the 1995 Annual Meeting of Stockholders, the directors, other than those who may be elected by the holders of any class or series of Preferred Stock voting separately by class or series, shall be classified, with respect to the time for which they severally hold office, into three classes, Class I, Class II and Class III, which shall be as nearly equal in number as possible, as shall be provided in the manner specified in the bylaws of the Corporation. Each initial director in Class I shall hold

office for a term expiring at the 1996 annual meeting of stockholders; each initial director of Class II shall hold office initially for a term expiring at the 1997 annual meeting of stockholders; and each initial director of Class III shall hold office for a term expiring at the 1998 annual meeting of stockholders. Notwithstanding the foregoing provision of this Article, each director shall serve until his successor is duly elected and qualified or until his earlier death, resignation or removal. At each annual meeting of stockholders following the 1995 annual meeting, the successors to the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors have been duly elected and qualified or until their earlier death, resignation or removal.

(C) Except as otherwise provided pursuant to the provisions of this Restated Certificate of Incorporation or the bylaws of the Corporation relating to the rights of the holders of any class or series of Preferred Stock, voting separately by class or series, to elect directors under specified circumstances, any director or directors may be removed from office at any time, with or without cause but only by the affirmative vote, at any annual meeting or special meeting (as the case may be) of the stockholders, of not less than two-thirds of the total number of votes of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, but only if notice of such proposal was contained in the notice of such meeting.

(D) In the event of any increase or decrease in the authorized number of directors, the newly created or eliminated directorships resulting from such increase or decrease shall be appointed or determined by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal as possible. No decrease in the authorized number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(E) Vacancies in the Board of Directors, however caused, and newly-created directorships shall be filled solely by a majority vote of the directors then in office, whether or not a quorum, and any director so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which the director has been chosen expires and when the director's successor is elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(F) Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filing of vacancies, and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article unless expressly provided by such terms.

(G) Notwithstanding any other provision of this Restated Certificate of Incorporation or the Bylaws the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Restated Certificate of Incorporation or the Bylaws of the Corporation), the affirmative vote, at any regular meeting or special meeting of the stockholders, of not less than two-thirds of the total number of votes of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or to adopt any provision inconsistent with the purpose or intent of, this Article, but only if notice of the proposed alteration or amendment was contained in the notice of such meeting.

Tenth: In furtherance of, and not in limitation of, the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the bylaws of the Corporation, or adopt new bylaws, without any action on the part of the stockholders; provided, however, that no such adoption, amendment or repeal shall be valid with respect to bylaw provisions which have been adopted, amended or repealed by the stockholders; and further provided, that bylaws adopted or amended by the Directors and any powers thereby conferred may be amended, altered or repealed by the stockholders.

Eleventh: The Corporation reserves the right at any time, and from time to time, to amend, alter, change, or repeal any provision contained in this Restated Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences, and privileges of whatsoever nature conferred upon stockholders, directors, or any other persons whomsoever by and pursuant to this Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article; provided, however, that the Corporation shall not amend Article Ninth to be effective on a date other than a date on which directors are elected.

FIRST SUPPLEMENTAL INDENTURE

AMONG

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.),

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.,
formerly known as WMX Technologies, Inc.),

and

HARRIS TRUST AND SAVINGS BANK,
as successor to NationsBank of Georgia, National Association

Dated as of July 16, 1998

Supplemental to Indenture dated as of
January 24, 1995 between WMX Technologies, Inc.
and NationsBank of Georgia, National Association

FIRST SUPPLEMENTAL INDENTURE, dated as of July 16, 1998 (this
"Supplemental Indenture"), by and among Waste Management, Inc. (formerly known
as USA Waste Services, Inc.), a Delaware corporation ("New Waste Management"),
Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a
Delaware corporation (the "Company"), and Harris Trust and Savings Bank, a
banking corporation organized and existing under the laws of the State of
Illinois, as Trustee (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Company and the Trustee have heretofore entered
into an Indenture dated as of January 24, 1995 (the "Indenture") to provide for
the issuance of the Company's Convertible Subordinated Notes due 2005 (the
"Securities");

WHEREAS, as of July 16, 1998, Dome Merger Subsidiary, Inc., a
Delaware corporation and a wholly owned subsidiary of New Waste Management
("Merger Sub"), was merged with and into the Company (the "Merger"), as a result
of which the Company became a wholly owned subsidiary of New Waste Management;

WHEREAS, in the Merger, each outstanding share of common
stock, \$1.00 par value, of the Company was converted into the right to receive
0.725 of a share of common stock, \$0.01 par value, of New Waste Management ("New
Waste Management Shares"), and no fractional New Waste Management Shares will be
issued in connection with the Merger, but instead cash will be paid in lieu of
any resulting fractional share;

WHEREAS, the Merger is permitted pursuant to Section 5.1 of
the Indenture;

WHEREAS, New Waste Management and the Company have duly
determined to make, execute and deliver to the Trustee this Supplemental
Indenture in order to reflect the effectiveness of the Merger, as required by
the Indenture;

WHEREAS, pursuant to Section 11.14 of the Indenture, New Waste Management, as the issuer of securities deliverable upon conversion of the Securities, is required to execute and deliver to the Trustee this Supplemental Indenture;

WHEREAS, Section 9.1(2) of the Indenture provides that the Company and the Trustee may amend the Indenture without the consent of any holder of Securities to comply with Section 11.14 of the Indenture; and

WHEREAS, New Waste Management and the Company have duly authorized the execution and delivery of this Supplemental Indenture and all things necessary have been done to make this Supplemental Indenture a valid agreement of New Waste Management and the Company, in accordance with its terms.

NOW THEREFORE, for and in consideration of the premises, it is mutually covenanted and agreed, for the equal and proportionate benefit of all holders of Securities, without preference, priority or distinction, as follows:

ARTICLE I

Section 1.01. Conversion of Securities. (a) From and after the date hereof, the Holder of a Security may convert such Security in accordance with the terms of the Indenture into (i) the number of New Waste Management Shares which such Holder would have received immediately after the Merger if such Holder had converted the Security immediately before the effective time of the Merger, subject to adjustment as provided in paragraph (b) of this Section 1.01, and (ii) cash in lieu of fractional New Waste Management Shares, as provided in the Indenture.

(b) The Conversion Rate shall be as specified in Article XI of the Indenture, as adjusted in accordance with the provisions of Article XI of the Indenture prior to the Merger. For events occurring from and after the date hereof, the Conversion Rate shall be adjusted in a manner as nearly equivalent as may be practical to the adjustments provided for in Article XI of the Indenture.

ARTICLE II

Section 2.01. Trustee Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Company and New Waste Management, and the Trustee assumes no responsibility for their correctness.

Section 2.02. Effect of Headings. The Article and Section headings herein are for convenience only and shall not effect the construction hereof.

Section 2.03. Successors and Assigns. This Supplemental Indenture shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

Section 2.04. Separability Clause. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.05. Use of Capitalized Terms. The use of capitalized terms not otherwise defined in this Supplemental Indenture shall have the respective meanings ascribed to them in the Indenture.

Section 2.06. Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 2.07. Effect of Execution and Delivery Hereof. From and after the execution and delivery of this Supplemental Indenture, (a) the Indenture shall be deemed to be amended and modified as provided herein, (b) this Supplemental Indenture shall form a part of the Indenture, (c) except as modified and amended by this Supplemental Indenture, the Indenture shall continue in full force and effect, (d) the Securities shall continue to be governed by the Indenture, as modified and amended by this Supplemental Indenture, and (e) every Holder of Securities heretofore and hereafter authenticated and delivered under the Indenture shall be bound by this Supplemental Indenture.

Section 2.08. Execution of Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

* * *

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

WASTE MANAGEMENT, INC.
formerly known as USA Waste Services, Inc.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

Attest:

By: /s/ Bryan J. Blankfield

Name: Bryan J. Blankfield
Title: Assistant Secretary

WASTE MANAGEMENT HOLDINGS, INC.
formerly known as Waste Management, Inc.

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

Attest:

By: /s/ Bryan J. Blankfield

Name: Bryan J. Blankfield
Title: Assistant Secretary

HARRIS TRUST AND SAVINGS BANK,
AS TRUSTEE

By: /s/ J. Bartolini

Name: J. Bartolini
Title: Vice President

Attest:

By: /s/ C. Potter

Name: C. Potter
Title: Assistant Secretary

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.),
as successor to Chemical Waste Management, Inc.

LIQUID YIELD OPTION(TM) NOTES DUE 2010
(Zero Coupon - Subordinated)

(TM)Trademark of Merrill Lynch & Co., Inc.

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the Liquid Yield Option(TM) Notes due 2010 (Zero Coupon - Subordinated) (the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer"), as successor to Chemical Waste Management, Inc. ("CWM").

W I T N E S S E T H:

SECTION 1. Guarantee. 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, dated as of August 1, 1990, between CWM and Harris Trust and Savings Bank, as trustee (the "Trustee"), as amended by the First Supplemental Indenture dated as of January 24, 1995 by and among CWM, the Issuer, as successor to CWM, and the Trustee (as amended, modified or otherwise supplemented from time to time, the "Indenture").

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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996,

between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and Bankers Trust Company and (iii) the Indenture, dated as of March 1, 1996, between Sanifill, Inc. ("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005 (the "Guarantor's Subordinated Guarantees") and (b) pari passu with the Guarantor's Subordinated Guarantees and the Guarantor's 5% Convertible Subordinated Notes due 2006, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named

therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

LIQUID YIELD OPTION(TM) NOTES DUE 2012
(Zero Coupon - Subordinated)

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the Liquid Yield Option(TM) Notes due 2012 (Zero Coupon - Subordinated) (the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

SECTION 1. Guarantee. 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 November 1, 1988, between the Issuer and Harris Trust and Savings Bank, as trustee (the "Trustee").

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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in each

of (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996, between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and Bankers Trust Company and (iii) the Indenture, dated as of March 1,

1996, between Sanifill, Inc. ("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2010 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005 (the "Guarantor's Subordinated Guarantees") and (b) pari passu with the Guarantor's Subordinated Guarantees and the Guarantor's 5% Convertible Subordinated Notes due 2006, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

8 3/4% Debentures due 2018

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the 8 3/4% Debentures 2018 (the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

SECTION 1. Guarantee. 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 April 15, 1988, between the Issuer and NCNB National Bank of Florida, as trustee (the "Trustee").

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 "Senior Indebtedness" (as such term is defined in each of (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996, between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and Bankers Trust Company and (iii) the Indenture, dated as of March 1, 1996, between Sanifill, Inc.

("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor to the same extent as the Guarantor's guarantees of the Issuer's 6 5/8% Notes due July 14, 2002, 6% Notes due November 2, 1998, 7% Notes due October 15, 2006, 7.10% Notes due August 1, 2026, 7 1/8% Notes due June 15, 2001, 6.7% Notes due 2001, 6 1/4% Notes due April 1, 1999, 6 1/4% Notes due October 15, 2000, 6.65% Notes due May 15, 2005, 7% Notes due May 15, 2005, 8 1/4% Notes due November 15, 1999, Step-Up Notes due April 30, 2004, 6 3/8% Notes due December 1, 2003, Step-Up Notes due October 1, 2002 and 7.65% Debentures due March 15, 2011 and (b) senior in right of payment to the Guarantor's 5% Convertible Subordinated Notes due 2026, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002 and to the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2010 (Zero Coupon -- Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the

Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

Convertible Subordinated Notes due 2005

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the Convertible Subordinated Notes due 2005 (the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

SECTION 1. Guarantee. 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, dated as of January 24, 1995, between the Issuer and NationsBank of Georgia, National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of July 16, 1998, among the Guarantor, the Issuer and Harris Trust and Savings Bank, as trustee (the "Trustee") (as amended, modified or otherwise supplemented from time to time, the "Indenture").

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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996, between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented

by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and Bankers Trust Company and (iii) the Indenture, dated as of March 1, 1996, between Sanifill, Inc. ("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Liquid Yield Option Notes due 2010 (the "Guarantor's Subordinated Guarantees") and (b) *pari passu* with the Guarantor's Subordinated Guarantees and the Guarantor's 5% Convertible Subordinated Notes due 2006, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee

of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the debt securities listed on Schedule A attached hereto (the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

SECTION 1. Guarantee. 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 June 1, 1993, between Issuer and The Fuji Bank and Trust Company, as trustee (the "Trustee").

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 "Senior Indebtedness" (as such term is defined in each of (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996, between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and Bankers Trust Company and (iii) the Indenture, dated as of March 1, 1996,

between Sanifill, Inc.

("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's 8 3/4% Debentures due 2018, Step-Up Notes due October 1, 2002 and 7.65% Debentures due March 15, 2011 (the "Guarantor's Senior Guarantees") and (b) senior in right of payment to the Guarantor's 5% Convertible Subordinated Notes due 2026, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002 and to the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2010 (Zero Coupon -- Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee

of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

SCHEDULE A

6 5/8% Notes due July 15, 2002
6% Notes due November 2, 1998
7% Notes due October 15, 2006
7.10% Notes due August 1, 2026
7 1/8% Notes due June 15, 2001
6.7% Notes due 2001
6 1/4% Notes due April 1, 1999
6 1/4% Notes due October 15, 2000
6.65% Notes due May 15, 2005
7% Notes due May 15, 2005
8 1/4% Notes due November 15, 1999
Step-Up Notes due April 30, 2004
6 3/8% Notes due December 1, 2003

GUARANTEE

BY WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

Step-Up Notes due October 1, 2002
7.65% Debentures due March 15, 2011

GUARANTEE, dated as of July 16, 1998, made by Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the Step-up Notes due October 1, 2002 and the 7.65% Debentures due March 15, 2011 (collectively, the "Debt Securities") of Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

SECTION 1. Guarantee. 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 August 1, 1989, amended as of December 1, 1990, between the Issuer and The Fuji Bank and Trust Company, as trustee (the "Trustee").

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 "Senior Indebtedness" (as such term is defined in each of (i) the Indenture, dated as of February 1, 1997, between the Guarantor and Texas Commerce Bank National Association, (ii) the Indenture, dated as of June 5, 1996, between United Waste Systems, Inc. ("United") and Bankers Trust Company, as supplemented by the First Supplemental Indenture, dated as of August 26, 1997, among the Guarantor, United and

Bankers Trust Company and (iii) the Indenture, dated as of March 1, 1996, between Sanifill, Inc. ("Sanifill") and Texas Commerce Bank National Association, as supplemented by the First Supplemental Indenture, dated as of September 3, 1996, among Sanifill, the Guarantor and Texas Commerce Bank National Association) of the Guarantor to the same extent as the Guarantor's guarantees of the Issuer's 8 3/4% Debentures due 2018, 6 5/8% Notes due July 14, 2002, 6% Notes due November 2, 1998, 7% Notes due October 15, 2006, 7.10% Notes due August 1, 2026, 1/8% Notes due June 15, 2001, 6.7% Notes due 2001, 6 1/4% Notes due April 1, 1999, 6 1/4% Notes due October 15, 2000, 6.65% Notes due May 15, 2005, 7% Notes due May 15, 2005, 8 1/4% Notes due November 15, 1999, Step-Up Notes due April 30, 2004 and 6 3/8% Notes due December 1, 2003 and (b) senior in right of payment to the Guarantor's 5% Convertible Subordinated Notes due 2026, 4 1/2% Convertible Subordinated Notes due 2001 and 4% Convertible Subordinated Debentures due 2002 and to the Guarantor's guarantees of the Issuer's Liquid Yield Option Notes due 2010 (Zero Coupon -- Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder and (2) the Banks under the

Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Guarantor, the Issuer (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Issuer thereunder, (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.

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, INC.

By: /s/ Earl E. DeFrates

Name: Earl E. DeFrates
Title: Executive Vice President and
Chief Financial Officer

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

4% Convertible Subordinated Debentures Due 2002

GUARANTEE, dated as of July 16, 1998, made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the 4% Convertible Subordinated Debentures Due 2002 (the "Debt Securities") of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

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 February 1, 1997, between the Issuer and Texas Commerce Bank National Association, 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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in the Indenture, dated as of January 24, 1995, between the Guarantor and NationsBank of Georgia, National Association, as supplemented by the First Supplemental Indenture, dated as of July 16, 1998, among the Guarantor, the Issuer and Harris Trust and Savings Bank, as trustee), "Senior Debt" (as such term is defined in the Indenture, dated as of November 1, 1988, between the Guarantor and Harris Trust and Savings Bank), and "Senior Indebtedness" (as such term is defined in the Indenture, dated as of August 1, 1990, between Chemical Waste Management, Inc. ("CWM") and Harris Trust and Savings Bank, as supplemented by the First Supplemental Indenture, dated as of January 24, 1995, among CWM, the Guarantor, as successor to CWM, and Harris Trust and Savings Bank) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's 5% Convertible Subordinated Notes due 2006 and 4 1/2% Convertible Subordinated Notes due 2001 (the "Guarantor's Subordinated Guarantees") and (b) pari passu with the Guarantor's Subordinated Guarantees and the Guarantor's Liquid Yield Option Notes due 2010 (Zero Coupon - - Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon - -Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) 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 Guaranty; Transfer of Interest. This Guaranty 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guaranty of the Guarantor thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guaranty of the Guarantor thereunder, (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 Guaranty 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 Guaranty at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities.

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.
(formerly known as Waste Management, Inc.)

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

7% Senior Notes Due 2004
7 1/8% Senior Notes Due 2007
6 1/2% Senior Notes Due 2002
7 1/8% Senior Notes Due 2017
7% Senior Notes Due 2028
6 1/8% Mandatorily Tendered Senior Notes Due 2011

GUARANTEE, dated as of July 16, 1998, made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the 7% Senior Notes Due 2004, the 7 1/8% Senior Notes Due 2007, the 6 1/2% Senior Notes Due 2002, the 7 1/8% Senior Notes Due 2017, the 7% Senior Notes due 2028 and the 6 1/8% Mandatorily Tendered Senior Notes Due 2011 (collectively, the "Debt Securities") of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Issuer").

W I T N E S S E T H:

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 Senior Indenture (as amended, modified or otherwise supplemented from time to time, the "Indenture"), dated as of September 10, 1997, between the Issuer and Texas Commerce Bank National Association, 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 "Senior Indebtedness" (as such term is defined in the Indenture, dated as of January 24, 1995, between the Guarantor and NationsBank of Georgia, National Association, as supplemented by the First Supplemental Indenture, dated as of July 16, 1998, among the Guarantor, the Issuer and Harris Trust and Savings Bank, as trustee), "Senior Debt" (as such term is defined in the Indenture, dated as of November 1, 1988, between the Guarantor and Harris Trust and Savings Bank), and "Senior Indebtedness" (as such term is defined in the Indenture, dated as of August 1, 1990, between Chemical Waste Management, Inc. ("CWM") and Harris Trust and Savings Bank, as supplemented by the First Supplemental Indenture, dated as of January 24, 1995, among CWM, the Guarantor, as successor to CWM, and Harris Trust and Savings Bank) of the Guarantor and (b) senior in right of payment to the Guarantor's Liquid Yield Option Notes due 2010 (Zero Coupon -- Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon -- Subordinated) and Convertible Subordinated Notes due 2005 and to the Guarantor's guarantees of the Issuer's 5% Convertible Subordinated Notes due 2006 and 4 1/2% Convertible Subordinated Notes due 2001.

SECTION 4. Waiver; Subrogation. (a) 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 Guaranty; Transfer of Interest. This Guaranty 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 by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guaranty of the Guarantor thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guaranty of the Guarantor thereunder, (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 Guaranty 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 Guaranty at any time for any purpose without the consent of the Trustee or any holder of the Debt Securities.

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.
(formerly known as Waste Management, Inc.)

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

5% Convertible Subordinated Debentures Due 2006

GUARANTEE, dated as of July 16, 1998, made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the 5% Convertible Subordinated Debentures Due 2006 (the "Debt Securities") of Sanifill, Inc. ("Sanifill"), a Delaware corporation and a wholly owned subsidiary of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Co-Obligor").

W I T N E S S E T H:

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 dated as of March 1, 1996 between Sanifill and Texas Commerce Bank National Association, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture dated as of September 3, 1996 by and among Sanifill, the Co-Obligor and the Trustee (as amended, modified or otherwise supplemented from time to time, the "Indenture").

(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 Co-Obligor, 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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in the Indenture, dated as of January 24, 1995, between the Guarantor and NationsBank of Georgia, National Association, as supplemented by the First Supplemental Indenture, dated as of July 16, 1998, among the Guarantor, the Issuer and Harris Trust and Savings Bank, as trustee), "Senior Debt" (as such term is defined in the Indenture, dated as of November 1, 1988, between the Guarantor and Harris Trust and Savings Bank), and "Senior Indebtedness" (as such term is defined in the Indenture, dated as of August 1, 1990, between Chemical Waste Management, Inc. ("CWM") and Harris Trust and Savings Bank, as supplemented by the First Supplemental Indenture, dated as of January 24, 1995, among CWM, the Guarantor, as successor to CWM, and Harris Trust and Savings Bank) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's 4% Convertible Subordinated Debentures due 2002 and 4 1/2% Convertible Subordinated Notes due 2001 (the "Guarantor's Subordinated Guarantees") and (b) pari passu with the Guarantor's Subordinated Guarantees and the Guarantor's Liquid Yield Option Notes due 2010 (Zero Coupon - - Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon - -Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Co-Obligor, any right to require a proceeding filed first against the Co-Obligor, 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 Co-Obligor or any successor thereto, (B) the date, if any, on which the Co-Obligor or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (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 Co-Obligor 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.

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.
(formerly known as Waste Management, Inc.)

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

GUARANTEE

BY WASTE MANAGEMENT HOLDINGS, INC.
(formerly known as Waste Management, Inc.)

in Favor of the Holders
of Certain Debt Securities of

WASTE MANAGEMENT, INC.
(formerly known as USA Waste Services, Inc.)

4 1/2% Convertible Subordinated Notes Due 2001

GUARANTEE, dated as of July 16, 1998, made by Waste Management Holdings, Inc. (formerly known as Waste Management, Inc.), a Delaware corporation (the "Guarantor"), in favor of the holders of the 4 1/2% Convertible Subordinated Notes Due 2001 (the "Debt Securities") of United Waste Systems, Inc. ("United"), a Delaware corporation and a wholly owned subsidiary of Waste Management, Inc. (formerly known as USA Waste Services, Inc.), a Delaware corporation (the "Co-Obligor").

W I T N E S S E T H:

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, dated as of June 5, 1996, between United and Bankers Trust Company, as trustee (the "Trustee"), as supplemented and amended by the First Supplemental Indenture, dated as of August 26, 1997, by and among United, the Co-Obligor and the Trustee (as amended, modified or otherwise supplemented from time to time, the "Indenture").

(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 Co-Obligor, 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) subordinate and junior in right of payment to all "Senior Indebtedness" (as such term is defined in the Indenture, dated as of January 24, 1995, between the Guarantor and NationsBank of Georgia, National Association, as supplemented by the First Supplemental Indenture, dated as of July 16, 1998, among the Guarantor, the Issuer and Harris Trust and Savings Bank, as trustee), "Senior Debt" (as such term is defined in the Indenture, dated as of November 1, 1988, between the Guarantor and Harris Trust and Savings Bank), and "Senior Indebtedness" (as such term is defined in the Indenture, dated as of August 1, 1990, between Chemical Waste Management, Inc. ("CWM") and Harris Trust and Savings Bank, as supplemented by the First Supplemental Indenture, dated as of January 24, 1995, among CWM, the Guarantor, as successor to CWM, and Harris Trust and Savings Bank) of the Guarantor (collectively, the "Guarantor's Senior Debt") to the same extent as the Guarantor's guarantees of the Issuer's 5% Convertible Subordinated Notes due 2006 and 4% Convertible Subordinated Debentures due 2002 (the "Guarantor's Subordinated Guarantees") and (b) pari passu with the Guarantor's Subordinated Guarantees and the Guarantor's Liquid Yield Option Notes due 2010 (Zero Coupon - - Subordinated), Liquid Yield Option Notes due 2012 (Zero Coupon - -Subordinated) and Convertible Subordinated Notes due 2005.

SECTION 4. Waiver; Subrogation. (a) The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Co-Obligor, any right to require a proceeding filed first against the Co-Obligor, 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 Co-Obligor or any successor thereto, (B) the date, if any, on which the Co-Obligor or any successor thereto shall consolidate with or merge into the Guarantor, (C) payment in full of the Obligations and (D) the release by (1) the Banks under the Loan Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor) and the Banks, the Administrative Agent, the Documentation Agent and the Syndication Agents named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder and (2) the Banks under the Second Amended and Restated Revolving Credit Agreement, dated as of July 16, 1998, by and among the Issuer, the Guarantor (as guarantor), Bank of America National Trust and Savings Association, Morgan Guaranty Trust Company of New York and each of the Banks named therein (or under any replacement or new principal credit facility of the Issuer) of the guarantee of the Guarantor thereunder, (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 Co-Obligor 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.

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.
(formerly known as Waste Management, Inc.)

By: /s/ Gregory T. Sangalis

Name: Gregory T. Sangalis
Title: Vice President and Secretary

For USA Waste Services, Inc.:
Lew Nevins
(713) 512-6228

For Waste Management, Inc.
Analysts: Cherie Rice
(630) 210-1850
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(630) 572-8898

AGREEMENT REACHED WITH DEPARTMENT OF JUSTICE AND VARIOUS
STATES IN USA WASTE SERVICES-WASTE MANAGEMENT MERGER

- o Shareholders of Both Companies Approve Merger
- o Closing of Merger Planned for July 16, 1998

Houston, Texas and Oak Brook, Illinois, July 15, 1998 -- USA Waste Services, Inc. and Waste Management, Inc. today announced that the companies have reached an agreement in principle with the Antitrust Division of the Department of Justice and 13 states. Under the terms of the agreement, the companies are cleared to close the merger and will divest of certain waste disposal, transfer and commercial collection assets with annual revenues currently totalling approximately \$275 million.

The agreement affects landfills owned by the companies in 15 areas, including Akron/Canton and Columbus, Ohio; Denver; Detroit, Flint, Midland and Northeast, Mich.; Houston; Los Angeles; Louisville; Miami; Milwaukee; Philadelphia; Pittsburgh; and Portland, Oregon. Transfer station assets will be divested in 10 areas, including Akron/Canton, Cleveland and Columbus, Ohio; Baltimore; Detroit; Houston; Louisville; Miami; New York City; and Philadelphia. Also affected are commercial waste hauling businesses in Akron, Cleveland and Columbus, Ohio; Allentown, Pa.; Denver; Detroit; Houston; Louisville; Pittsburgh; Portland, Oregon; Tucson; and Gainesville, Florida.

"Our agreement with the Department of Justice and state antitrust officials moves us a step closer toward the creation of the premier company in the waste services industry," said John E. Drury, who will be the Chief Executive Officer of the new Waste Management, Inc. upon completion of the merger. "We have taken the steps necessary to successfully launch the new company on the completion of our transaction. The new Waste Management will be sharply focused on delivering superior service, having the lowest costs in our industry and increasing shareholder value."

The companies expect the Department of Justice and various states to file the settlement with the U.S. District Court for the Northern District of Ohio on July 16, 1998. The proposed consent decree is subject to a 60-day public comment period.

USA Waste Services and Waste Management each conducted special meetings of stockholders earlier today at which stockholders approved the proposed merger. The closing of the merger is expected to occur on July 16, 1998.

The last trading day for the common shares of both USA Waste Services and Waste Management will be July 16, 1998. Common shares of the new Waste Management, Inc. will begin trading on July 17 on the New York Stock Exchange under the ticker symbol WMI.

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For Further Information:

Lew Nevins
(713) 512-6228

Cherie Rice
(713) 512-6548

USA WASTE SERVICES AND WASTE MANAGEMENT COMPLETE MERGER

HOUSTON, TEXAS (July 16, 1998) -- USA Waste Services, Inc. and Waste Management, Inc. announced that their proposed merger transaction was completed today. USA Waste has changed its name to "Waste Management, Inc." and Waste Management has changed its name to "Waste Management Holdings, Inc."

The last trading day for the common shares of both USA Waste Services and Waste Management will be today, July 16, 1998. Common shares of the new Waste Management, Inc. will begin trading on July 17, 1998 on the New York Stock Exchange under the ticker symbol "WMI".