

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission File Number: 1-12154

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

Delaware
(State or other jurisdiction of
incorporation or organization)

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

5000 Quorum Drive,
Suite 300
Dallas, Texas 75240
(Address of principal executive offices)

(214) 383-7900
(Registrant's telephone number, including area code)

No Change
(Former name, former address, and former fiscal year, if
changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
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Indicate the number of shares outstanding of each of the issuer's classes of common stock as of August 11, 1995:

Common Stock \$.01 par value 52,291,638 shares

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits.
- 3.1 - Restated Certificate of Incorporation [Incorporated by Reference to Exhibit 3.1 of the Registrant's Registration Statement on Form S-4, File No. 33-60103].
- 3.2 - Bylaws [Incorporated by Reference to Exhibit 3.2 of the Registrant's Registration Statement on Form S- 4, File No. 33-60103].
- 4.1 - Indenture dated September 25, 1992, between the Registrant and The First National Bank of Boston, as Trustee, with respect to the Registrant's 8 1/2% Convertible Subordinated Debentures Due 2002 [Incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form S-1, File No. 33-50918].
- 4.2 - Specimen Stock Certificate [Incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form S-3, File No. 33-76224].
- *4.3 - Agreement by Registrant to file agreements omitted pursuant to Regulation S-K, Item 601(b)(4)(iii)(A).
- 10.1 - 1990 Stock Option Plan [Incorporated by reference to Exhibit 10.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1990].
- 10.2 - 1993 Stock Incentive Plan [Incorporated by reference to Exhibit 4.4 of the Registrants Registration Statement on Form S-8, File No. 33-72436].
- 10.3 - Envirofil, Inc. 1993 Stock Incentive Plan [Incorporated by reference to Exhibit 10.3 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994].
- 10.4 - Asset Purchase Agreement dated August 12, 1993, between Chambers of Indiana, Inc. and USA Waste of Indiana, Inc. [Incorporated by reference to Exhibit 2.2 to Registrant's Current Report on Form 8-K dated September 30, 1993].
- 10.5 - Stock Purchase Agreement dated August 12, 1993, between Chambers Development Company, Inc. and USA Waste of Indiana, Inc. [Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K dated September 30, 1993].
- 10.6 - Agreement of Merger dated as of September 29, 1993, among USA Waste Services, Inc., USA Acquisition Co., Soil Remediation of Philadelphia, Inc. and Louis D. Paolino, Jr. [Incorporated by reference to Exhibit 2.3 to Registrant's Current Report on Form 8-K dated September 30, 1993].

- 10.7 - Agreement and Plan of Reorganization dated as of March 17, 1993, as amended on March 25, 1993, March 31, 1993, and August 20, 1993, between Envirofil, Inc. and Environmental Waste of America, Inc. [Incorporated by reference to Exhibit (c)(i) to Envirofil's Current Report on Form 8-K filed on November 16, 1993, as amended by a Current Report in Form 8-K/A filed on January 18, 1994].
- 10.8 - Stock Purchase Agreement dated March 15, 1993, between Environmental Waste of America, Inc. and Donald G. Lindgren, as amended and assigned to Envirofil, Inc. as of November 5, 1993. [Incorporated by reference to Exhibit (c)(i) to Envirofil's Current Report on Form 8-K filed on November 16, 1993, as amended by a Current Report in Form 8-K/A filed on January 18, 1994].
- 10.9 - Stock Purchase Agreement dated March 19, 1993, among Envirofil, Inc., Meadowbrook Carting Co., Inc., and certain shareholders of Meadowbrook Carting Co., Inc. [Incorporated by reference to Exhibit (c)(ii) to Envirofil's Current Report on Form 8-K filed February 28, 1994, as amended by Current Report on Form 8-K/A filed on May 11, 1994].
- 10.10- Stock Purchase Agreement dated March 19, 1993, among Envirofil, Inc., Mid-Jersey Disposal, Co., Inc., and certain shareholders of Mid-Jersey Disposal Co., Inc. [Incorporated by reference to Exhibit (c)(ii) to Envirofil's Current Report on Form 8-K filed February 28, 1994, as amended by Current Report on Form 8-K/A filed on May 11, 1994].
- 10.11- Stock Purchase Agreement dated March 19, 1993, among Envirofil, Inc., Quality Recycling Co, Inc., and certain shareholders of Quality Recycling Co., Inc. [Incorporated by reference to Exhibit (c)(iii) to Envirofil's Current Report on Form 8-K filed February 28, 1994, as amended by Current Report on Form 8-K/A filed on May 11, 1994].
- 10.12- Stock Purchase Agreement dated March 19, 1993, among Envirofil, Inc., Forcees, Inc., and certain shareholders of Forcees, Inc. [Incorporated by reference to Exhibit (c)(iv) to Envirofil's Current Report on Form 8-K filed February 28, 1994, as amended by Current Report on Form 8-K/A filed on May 11, 1994].
- 10.13- Amended and Restated Plan and Agreement of Reorganization dated March 29, 1994, among the Registrant, Envirofil Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of the Registrant, and Envirofil, Inc., a Delaware corporation [Incorporated by reference to Exhibit 2.1 to the Registrant's Statement on Form S-4 (File No. 33-77110)].

- 10.14- Amended and Restated Agreement and Plan of Merger dated as of November 28, 1994, among the Registrant, Chambers Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of the Registrant, and Chambers Development Company, Inc., a Delaware corporation [Incorporated by reference to Exhibit 2.1 of the Registrant's Statement on Form S-4 (File No. 33-59259)].
- 10.15- Form of Employment Agreement between the Registrant and each of John E. Drury, Donald F. Moorehead, Jr., David Sutherland-Yoest, and Charles A. Wilcox [Incorporated by reference to Exhibit 10.18 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994].
- 10.16- Employment Agreement between the Registrant and Earl E. DeFrates [Incorporated by reference to Exhibit 10.19 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994].
- 10.17- Employment Agreement between the Registrant and Gregory T. Sangalis [Incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form S-4, File No. 33-59259].
- 10.18- Amendment to Amended and Restated Agreement and Plan of Merger dated June 27, 1995, among the Registrant, Chambers Acquisition Corporation, and Chambers Development Company, Inc. [Incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K dated June 30, 1995].
- 10.19- Revolving Credit and Term Loan Agreement dated as of June 30, 1995, among the Registrant, its subsidiaries, The First National Bank of Boston, Bank of America Illinois, J.P. Morgan Securities Inc., and Morgan Guaranty Trust Company of New York.
- * 10.20- Shareholders Agreement dated June 25, 1995, among USA Waste Services, Inc., Donald F. Moorehead, Jr., John E. Drury, John G. Rangos, Sr., John G. Rangos, Jr., Alexander W. Rangos, and John Rangos Development Corporation, inc.
- * 10.21- Consulting and Non-Compete Agreement dated June 25, 1995, between the Registrant and John G. Rangos, Sr.
- * 10.22- Employment Agreement dated June 25, 1995, between the Registrant and Alexander W. Rangos.

27.1 - Financial Data Schedule.

* Filed herewith.

(b) Reports of Form 8-K.

The Company filed a Current Report on Form 8-K dated June 30, 1995. Such Current Report reported on Item 1. Changes in Control of Registrant, Item 2. Acquisition or Disposition of Assets, and Item 7. Financial Statements and Exhibits. The financial statements filed included Supplemental Consolidated Financial Statements of the Company at December 31, 1994, and for the three years ended December 31, 1994, and Supplemental Condensed Consolidated Financial Statements at March 31, 1995, and for the three months ended March 31, 1995.

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 thereunto duly authorized.

USA WASTE SERVICES, INC.
Registrant

September 29, 1995

By: /s/ EARL E. DEFRATES

Earl E. DeFrates,
Executive Vice President
Chief Financial Officer

September 29, 1995

By: /s/ BRUCE E. SNYDER

Bruce E. Snyder,
Vice President - Controller,
Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
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27.1 - Financial Data Schedule.

* Filed herewith.

The Registrant agrees to furnish to the Commission upon request with a copy of the following agreements each of which has been omitted pursuant to the provisions of Regulation S-k, Item 601(b)(4)(iii)(A) and which defines the rights of holders of long-term debt of a subsidiary of the Registrant the amount of which does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis:

- (a) Agreement of Sale dated as of November 1, 1989, between Industrial Development Authority of the County of Charles City and Chambers Development of Virginia, Inc.; Guaranty Agreement dated as of November 1, 1989, by and among Chambers Development Company, Inc. and Sovran Bank, N.A., as Trustee.
- (b) First Supplemental Agreement of Sale Dated March 1, 1990, between Industrial Development Authority of the County of Charles City and Chambers Development of Virginia, Inc.
- (c) Loan Agreement dated November 1, 1991, between Industrial Development Authority of the County of Charles City and Chambers Development of Virginia, Inc.
- (d) Loan Agreement dated December 1, 1990, between South Carolina Jobs-Economic Development Authority and Chambers Oakridge Landfill, Inc.
- (e) Agreement of Sale dated as of December 1, 1991, between Industrial Development Authority of Amelia County, Virginia and Chambers Waste Systems of Virginia, Inc.
- (f) Loan Agreement dated March 1, 1992, between Okeechobee County, Florida and Chambers Waste Systems of Florida, Inc.
- (g) Indenture between Allegheny County Industrial Development Authority and Pittsburgh National Bank, as Trustee, and agreed to by John G. Rangos, Sr., Alexander W. Rangos and John G. Rangos, Jr., individuals trading as Synergy Associates, dated as of November 1, 1985; and Guaranty and Suretyship Agreement of William H. Martin, Inc., U.S. Services Corporation, Chambers of Georgia, Inc., Chambers of South Carolina, Inc., Carrier Engineering, Inc., Security Bureau, Inc., Sandman Waste Management, Inc., Chambers Development Company, Inc., John G. Rangos, Sr., John G. Rangos, Jr. and Alexander W. Rangos, dated as of November 1, 1985.

Shareholders Agreement

This Shareholders Agreement (the "Agreement") is entered into this 30th day of June, 1995, between USA Waste Services, Inc., a Delaware corporation (the "Company"); Donald F. Moorehead, Jr. and John E. Drury (Donald F. Moorehead, Jr., and John E. Drury are referred to collectively herein as the "Company Stockholders"); John G. Rangos, Jr. and Alexander W. Rangos (John G. Rangos, Sr., John G. Rangos, Jr. and Alexander W. Rangos are referred to collectively herein as the "Rangos Family Members") and John Rangos Development Corporation, Inc. (together with the Rangos Family Members, the "Rangos Shareholders").

RECITALS

The Company, Chambers Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of the Company (the "Subsidiary"), and Chambers Development Company, Inc., a Delaware corporation ("Chambers"), have entered into an Agreement and Plan of Merger dated as of November 28, 1994 (the "Merger Agreement"), pursuant to which the Subsidiary is merging with and into Chambers, with Chambers remaining as the surviving corporation and a wholly- owned subsidiary of the Company (the "Merger").

The Company Stockholders are stockholders and directors of the Company.

Prior to the Effective Time (as defined in the Merger Agreement), the Rangos Shareholders have been stockholders and the Rangos Family Members have been officers and directors of Chambers.

After and as a result of the Merger, the Rangos Shareholders are expected to own, in the aggregate, approximately 21% of the issued and outstanding shares of common stock, par value \$.01 per share (the "Common Stock"), of the Company.

Pursuant to a Rangos Family Master Agreement dated as of the date of the Merger Agreement among the Rangos Family Members, the Company Stockholders and the Company (the "Master Agreement") and entered into as a condition to the Rangos Family Members agreeing to vote their shares of Chambers in favor of the Merger, the Company, the Company Stockholders and the Rangos Family Members agreed to enter into an agreement providing the Rangos Shareholders certain rights to name or participate in the naming of members to the Board of Directors of the Company, to name certain members to the Executive Committee of the Board of Directors of the Company, and to require certain matters to be approved by a two-thirds vote of the Board of Directors of the Company.

In consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the Company, the Company Stockholders and the Rangos Shareholders agree as follows:

The term (the "Term") of this Agreement shall commence at the Effective Time and continue until such time as the aggregate number of shares of Common Stock beneficially held by the Rangos Shareholders and their affiliates (as defined below) is less than five percent (5%) of the issued and outstanding shares of Common Stock. For the purpose of calculating the percentage of shares of Common Stock held by the Rangos Shareholders and their affiliates, all shares that the Rangos Shareholders may acquire upon the exercise or conversion of options, warrants, rights of conversion or other rights to acquire shares (whether or not exercisable at the time of such determination) shall be included in the number of shares held by the Rangos Shareholders and their affiliates and the number of shares issued and outstanding, but shares that may be acquired by other persons pursuant to such rights shall not be included in the number of shares issued and outstanding. For the purposes of this Agreement, an "affiliate" of a person includes (i) if such person is a natural person, such person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law, any trusts established solely for the benefit of any of the foregoing and (ii) any partnership, corporation, joint venture, association or other entity owned and controlled solely by the Rangos Shareholders and any persons included within the preceding clause(i).

SECTION 2

BOARD OF DIRECTORS.

(a) The Company, the Company Stockholders and the Rangos Shareholders agree that they shall use their best efforts to cause the Board of Directors of the Company immediately after the Effective Time to be increased from eight to nine members and, at all times during the Term of this Agreement, to cause the Board of Directors to consist of no more than nine members, except as otherwise may be required pursuant to governing instruments of securities issued by the Company.

(b) Immediately after the Effective Time, the Company and the Company Stockholders shall use their best efforts to cause John G. Rangos, Sr. and Alexander W. Rangos to be appointed as directors to fill the vacancies created as a result of increasing the size of the Board of Directors. During the Term of this Agreement, the Company and the Company Stockholders shall use their best efforts to cause the Board of Directors to include at all times two persons who are designated by the Rangos Shareholders. The initial designees of the Rangos Shareholders shall be John G. Rangos, Sr. and Alexander W. Rangos. If the designees of the Rangos Shareholders are other than John Rangos, Sr., John Rangos, Jr. or Alexander Rangos, such designees must be reasonably acceptable to the Company. The Company shall, no later than thirty days prior to the mailing of any proxy or information statement with respect to a stockholder meeting at which directors are to be elected, notify the Rangos Shareholders of the date of such mailing; the Rangos Shareholders shall notify the Company of the names of the persons they designate to serve on the Board of Directors of the Company pursuant to this Section no later than ten days prior to the date of such mailing; and the Company and the Company Stockholders shall use their best efforts to have such designees nominated for election as directors and elected as directors. The Rangos Shareholders shall notify the Company of the name of any person they designate to fill a vacancy on the Board of Directors resulting from the resignation or other removal of a person previously designated by the Rangos Shareholders no

later than thirty days after such vacancy is created, and the Company and the Company Stockholders shall use their best efforts to cause the Board of Directors to appoint such person as a director of the Company. For purposes of this Section, the Company may rely on a notice from John G. Rangos, Sr. as a notification from the Rangos Shareholders, or on a notice from such other person as is designated in a writing signed by all Rangos Shareholders.

(c) During the Term of this Agreement, the Company, the Company Stockholders and the Rangos Shareholders shall use their best efforts to cause the Board of Directors to include at all times (in addition to the two persons who are members pursuant to Section 2(b)) four persons who are approved by at least four members of the Executive Committee of the Board of Directors of the Company and none of whom is an officer or employee of the Company.

(d) During the term of this Agreement, and subject to the provisions of clauses (b) and (c) of this Section 2, the Rangos Shareholders and the Company Stockholders agree to use their best efforts to cause (i) the election (and re-election during the term of this Agreement) of the individuals who constitute the initial Board of Directors immediately following the Effective Time (the "Initial Directors"), and (ii) the selection of and election of persons nominated (consistent with the provisions of Section 2(c) above) by a majority of the Initial Directors to fill any vacancies on the Board of Directors created by the resignation or removal of a designee of the Rangos Shareholders); provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election was approved consistent with the provisions of Section 2(c) above), by a vote of a majority of the Initial Directors shall be for purposes of this Section 2(d) considered as though such person were an Initial Director.

SECTION 3 EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY.

(a) The Company and the Company Stockholders agree that at all times during the Term of this Agreement they shall use their best efforts to establish and maintain an Executive Committee of the Board of Directors consisting of five (5) directors.

(b) The Company and the Company Stockholders agree that at all times during the Term of this Agreement they shall use their best efforts to cause the Executive Committee of the Board of Directors to include the two persons designated by the Rangos Shareholders pursuant to Section (b) of this Agreement.

SECTION 4 APPROVAL OF CERTAIN ACTIONS.

The Company and the Company Stockholders agree to use their best efforts to cause the Company to amend its by-laws to provide that the Company shall not, and shall not permit any of its subsidiaries to, take any of the following actions unless such action has been approved by the affirmative vote of at least two-thirds (2/3) of the members of the Board of Directors of the Company.

- (1) Approve or enter into any merger of the Company with or into another entity, or any merger of any other entity with or into the Company (other than a merger with a wholly-owned subsidiary of the Company) if such

entity has assets having a fair market value (as determined in good faith by the Board of Directors) of more than \$5,000,000;

- (2) Approve or enter into any transaction or series of related transactions involving the sale or other transfer of all or substantially all of the assets of the Company;
- (3) Approve the issuance of or issue any shares of, or rights to acquire shares of, the capital stock of the Company (other than pursuant to previously approved employee benefit plans or employee benefit plans consistent with customary practice in the industry);
- (4) Approve or enter into any transaction as a result of which the Company would acquire, directly or through a subsidiary of the Company, assets (whether by purchase, merger or consolidation) for more than \$5,000,000 in consideration (whether the consideration is in the form of cash, assets or securities) to be paid, transferred or issued by or on behalf of the Company or any subsidiary of the Company;
- (5) Approve or enter into any transaction as a result of which the Company or any subsidiary of the Company would dispose of assets having a fair market value (as determined in good faith by the Board of Directors) of more than \$1,000,000;
- (6) Approve any amendment to the Certificate of Incorporation or Bylaws of the Company;
- (7) Approve or enter into any transaction as a result of which the Company or any subsidiary of the Company would incur indebtedness for borrowed money in excess of \$5,000,000;
- (8) Approve or enter into any transaction in which the Company or any subsidiary of the Company would enter into a lease of real or personal property involving annual payments in excess of \$1,000,000; or
- (9) Approve or substantially modify annual operating and capital budgets of the Company.

The Company and the Company Stockholders shall use their best efforts to cause such by-law amendment to be in effect during the Term of this Agreement.

SECTION 5 NOTICE.

All notices called for under this Agreement must be in writing and will be deemed given if:

- (1) delivered personally;

- (2) delivered by facsimile transmission and receipt is acknowledged verbally or electronically;
- (3) telexed; or
- (4) mailed by registered or certified mail (return receipt requested), postage prepaid;

to the parties to this Agreement at the following addresses (or at such other address for a party as is specified by like notice; provided that notices of a change of address will be effective only upon receipt of the notice):

To the Company:

USA Waste Services, Inc.
 5000 Quorum Drive, Suite 300
 Dallas, Texas 75240

Attention: Earl E. DeFrates

To the Rangos Shareholders:

John G. Rangos, Jr.
 4918 Route 910
 Allison Park, Pennsylvania 15101

SECTION 6 SEVERABILITY.

If any provision of this Agreement is held invalid, such invalidity will not affect any other provision of the Agreement that can be given effect without the invalid provision, and to this end, the provisions of this Agreement are separable.

SECTION 7 ASSIGNMENT.

This Agreement will bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but the rights of the Rangos Shareholders may not be assigned to any person other than affiliates of the Rangos Shareholders.

SECTION 8 AMENDMENT.

This Agreement may be modified only by a written instrument duly executed by all parties to the Agreement and compliance with any provision or condition contained in this Agreement, or the obtaining of any consent provided for in this Agreement, may be waived only by written instrument duly executed by the party to be bound by such waiver.

The rights of the parties arising under this Agreement shall be construed and enforced under the laws of the State of Delaware without giving effect to any choice of law or conflict of law rules.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument.

For purposes of this Agreement, the term "best efforts" shall, (i) with respect to the Rangos Shareholders and the Company Stockholders, require such persons to take all lawful action in their capacities as members of the Board of Directors and with respect to the voting of the shares of Common Stock held by such persons, and (ii) with respect to the Rangos Shareholders, the Company Stockholders and the Company, require such person to refrain from taking any action which could reasonably be expected to frustrate the purposes intended to be accomplished by the best efforts obligations provided herein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth in the first paragraph of this Agreement.

USA Waste Services, Inc.

By: Earl E. DeFrates

Earl E. DeFrates
Executive Vice President

John G. Rangos, Sr.

John G. Rangos, Sr.

John G. Rangos, Jr.

John G. Rangos, Jr.

Alexander W. Rangos

Alexander W. Rangos

John Rangos Development Corporation,
Inc.

By: John G. Rangos, Jr.

Donald F. Moorehead, Jr.

Donald F. Moorehead, Jr.

John E. Drury

John E. Drury

CONSULTING AND NON-COMPETE AGREEMENT

This Agreement is entered into this 30th day of June, 1995, between USA Waste Services, Inc., a Delaware corporation (the "Company"), and John G. Rangos, Sr. ("Rangos").

RECITALS

Rangos and certain members of his family are stockholders, officers and directors of Chambers Development Company, Inc., a Delaware corporation ("Chambers").

The company, Chambers Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of the Company (the "Subsidiary"), and Chambers have entered into an Agreement and Plan of Merger dated the 28th day of November, 1994 (the "Merger Agreement"), pursuant to which the Subsidiary will merge with and into Chambers, with Chambers remaining as the surviving corporation and a wholly owned subsidiary of the Company (the "Merger").

From and after the Effective Time (as defined in the Merger Agreement), Rangos will terminate his employment with Chambers, and the Company desires to retain Rangos thereafter as a consultant with respect to the business of the Company on the terms set forth in this Agreement.

Rangos is willing to provide certain consulting services to the Company on the terms set forth in this Agreement.

The Company desires to secure the promise of Rangos not to compete with the Company and its Affiliates (as defined below) in the waste collection, management, transfer, recycling and disposal business on the terms set forth in this Agreement.

Rangos is willing to refrain from such competition with the Company and its Affiliates on the terms set forth in this Agreement.

In consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the Company and Rangos agree as follows:

SECTION 1 CONSULTATION.

Commencing at the Effective Time and continuing for a period of five years thereafter, the Company will engage Rangos as consultant for waste collection, management, transfer, recycling and disposal matters only. The duties of Rangos will be as follows: to be available upon reasonable advance notice to advise the Company on matters affecting its waste collection, management, and disposal business; and to advise the Company of any and all waste business acquisition opportunities as to which Rangos or any of his Affiliates shall become aware.

As used in this Agreement, (i) an "Affiliate" of Rangos shall mean and include any partnership, joint venture, corporation, trust, or unincorporated organization directly or indirectly controlling, controlled by, or under common control with Rangos, and (ii) an "Affiliate" of the Company shall mean any corporation, partnership, joint venture, trust or unincorporated organization directly or indirectly controlling, controlled by, or under common control with the Company.

SECTION 2 COVENANT NOT TO COMPETE.

(a) Rangos recognizes that in each of the highly competitive businesses in which the Company is engaged, personal contact is of primary importance in securing new customers and in retaining the accounts and goodwill of present customers and protecting the business of the Company. Rangos, therefore, agrees that at all times during the period commencing at the Effective Time and continuing for a period of five years thereafter, Rangos will not:

- (1) within the United States of America or within any country where the Company conducts business that is material to the Company, as owner, principal, agent, partner, employee, director, consultant, distributor, dealer, contractor, broker or trustee or through the agency of any corporation, partnership, association or agent or agency, engage directly or indirectly, in any business of (i) rubbish, garbage, paper, textile wastes, chemical or hazardous wastes, liquid and other waste collection, interim storage, transfer, handling, recovery, processing, treatment, recycling, marketing or disposal, (ii) engineering or design, construction, or operation of any plant, facility or other structure having as its primary purpose the mass- burning of solid or liquid waste with or without any intended efforts to recover from such wastes, energy, steam, ash, fly ash or other constituents of the waste stream, regardless of whether such constituents have any value, or (iii) any other material business engaged in by the Company or its Affiliates;
- (2) be the owner of more than 1% of the outstanding capital stock of any corporation whose securities are listed on any national securities exchange or quoted in any automated inter- dealer quotation system and that is engaged in any of the businesses described in paragraph above; or
- (3) be an officer, director or employee of any corporation (other than the Company or a subsidiary of the Company), or a member or employee of any partnership, or an owner, investor, stockholder (except as permitted by Section 2(a)(2) above), lender, agent, consultant, distributor, dealer, contractor, broker or employee of any other business which conducts a business described in paragraph above.

(b) Rangos agrees that during the term of this Agreement, he will not directly or indirectly (i) induce any customers of the Company or any of its Affiliates to patronize any similar business which competes with any material business of the Company; (ii) canvass, solicit or accept any similar business which competes with any material business of the Company or any of its Affiliates; (iii) directly or indirectly request or advise any customers of the Company or any of its Affiliates to withdraw, curtail or cancel such customer's business with the Company; or (iv) directly or indirectly disclose to any other person, firm or corporation the names or addresses of any of the customers of the Company or any of its Affiliates. Rangos further agrees that he shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Company, its management, or any of its Affiliates.

(c) If the provisions of this Section 2 are violated, in whole or in part, the Company shall be entitled, upon application to any court of proper jurisdiction, to a temporary restraining order or preliminary injunction (without the necessity of posting any bond with respect thereto) to restrain and enjoin Rangos from such violations without prejudice to any other remedies the Company may have at law or in equity. Further, in the event that the provisions of this Section 2 should ever be deemed to exceed the time, geographic or occupational limitations permitted by the applicable laws. The provisions of this Section 2(c) shall survive the termination of this Agreement. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it from such breach or threatened breach, including the recovery of damages from Rangos.

SECTION 3 CONFIDENTIAL INFORMATION-INTELLECTUAL PROPERTY.

(a) Rangos recognizes and acknowledges that he has and will continue to have access to various confidential or proprietary information concerning the Company or any of its Affiliates of a special and unique value which may include, without limitation, (i) books and records relating to customers, operation, finance, accounting, sales, personnel and management, (ii) policies and matters relating particularly to operations such as customer lists, customer service requirements, costs of providing service and equipment, operating costs and pricing matters, and (iii) various trade or business secrets, including business opportunities, marketing or business diversification plans, business development and bidding techniques, methods and processes, know-how, financial data and the like (collectively, the "Protected Information").

(b) Rangos agrees, therefore, that he will not at any time during the term of this Agreement, knowingly make any independent use of, or knowingly disclose to any other person or organization (except as expressly authorized by the Company in writing), any of the Protected Information.

(c) In the event of a breach or threatened breach by Rangos of the provisions of this Section 3, Rangos agrees that Company shall be entitled to a temporary restraining order

or a preliminary injunction (without the necessity of the Company posting any bond in connection therewith) restraining Rangos from using or disclosing, in whole or part, such Protected Information. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it from such breach or threatened breach, including the recovery of damages from Rangos.

SECTION 4 CONSULTING AND NON-COMPETITION PAYMENTS.

(a) Terms. In consideration for the agreement of Rangos set forth in Sections 1 and 2 of this Agreement, and subject to the terms and conditions of this Section 4, the Company shall pay, or cause to be paid, to Rangos payments of \$450,000 per annum (the "Annual Rate") to be paid in equal monthly installments (the "Monthly Payments"), which Annual Rate shall be increased for each year during the term of the Agreement, commencing one year following the Effective Time, by ten percent of the Annual Rate during the year then ended. The first Monthly Payment shall be made the first day of the month following the Effective Time (the "Payment Date") and be equal to an amount obtained by multiplying one-twelfth of the Annual Rate by a fraction, the numerator of which shall be the number of days in the month following the date of the Effective Time and the denominator of which shall be 30.

(b) Assignment. Subject to Section 4(c), Rangos' obligations and rights pursuant to this Section 4 shall not be assigned or transferred in any way, including without limitation by operation of law, without the written consent of the Company.

(c) Disability. In the event because of physical or mental illness or personal injury Rangos shall be unable to perform his duties hereunder, the Company shall continue to pay to Rangos the payments provided for pursuant to this Section 4.

SECTION 5 OTHER BENEFITS.

(a) During the term of this Agreement, upon the presentment of an itemized accounting of such expenses, the Company shall reimburse Rangos in an amount not to exceed \$150,000.00 annually for expenses incurred by him in (i) obtaining office space in the Pittsburgh, Pennsylvania metropolitan area, (ii) obtaining secretarial services and (iii) obtaining security services.

(b) Rangos is authorized to incur reasonable business expenses in connection with providing consulting services pursuant to this Agreement, including expenses for meals, hotel and air travel, telephone, automobile and similar items. The Company shall promptly reimburse Rangos for such expenses upon the presentment of an itemized accounting of such expenses.

(c) Rangos shall be entitled to participate in the Company's group life, medical and dental insurance plans and any stock option or stock ownership plans applicable to directors or consultants.

SECTION 6 NOTICE.

(a) All notices called for under this Agreement must be in writing and will be deemed given if:

- (1) delivered personally;
- (2) delivered by facsimile transmission and receipt is acknowledged verbally or electronically;
- (3) telexed; or
- (4) mailed by registered or certified mail (return receipt requested), postage prepaid;

to the parties at the following addresses (or at such other address for a party as is specified by like notice; provided that notices of a change of address will be effective only upon receipt of the notice);

To the Company:

USA Waste Services, Inc.
5000 Quorum Drive, Suite 300
Dallas, Texas 75240

Attention: Earl DeFrates

To Rangos:

One Trimont Lane, 2200A
Pittsburgh, Pennsylvania 15211

SECTION 7 MISCELLANEOUS.

(a) In case any one or more of the provisions of this Agreement shall, for any reason, be held or found by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect (i) such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and (ii) this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein (except that this subsection (ii) shall not prohibit any modification allowed under Section 2 hereof). Failure to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement.

(b) No provisions of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be agreed to in writing and signed by Rangos and by a person duly authorized by the Board of Directors of the Company.

(c) No right to or interest in any compensation or reimbursement payable hereunder shall be assignable or divisible by Rangos; provided, however, that this provision shall not preclude Rangos from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude his executor or administrator from assigning any right hereunder to the person or persons entitled thereto.

(d) The headings of sections and subsections hereof are included solely for convenience and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(e) This Agreement shall be construed in accordance with and governed for all purposes by the laws of the State of Texas.

(f) This Agreement may not be assigned, partitioned, subdivided, pledged, or hypothecated in whole or in part without the express prior written consent of Rangos and the Company. This Agreement shall not be terminated either by the voluntary or involuntary dissolution or the winding up of the affairs of the Company, or by any merger or consolidation wherein the Company is not surviving corporation, or by any transfer of all or substantially all of the Company's assets on a consolidated basis. In the event of any such merger, consolidation or transfer of assets, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the surviving corporation or the corporation to which such assets shall be transferred.

(g) If any amounts which are required or determined to be paid or payable or reimbursed or reimbursable to Rangos under this Agreement (or any other plan, agreement, policy or arrangement with the Company) are not so paid promptly at the times provided herein or therein, such amounts shall accrue interest compounded daily at the annual percentage rate which is three percentage points (4%) above the interest rate which is announced by Citibank, N.A., New York, New York, from time to time, as its Base Rate (or prime lending rate), from the date such amounts were required or determined to have been paid or payable or reimbursed or reimbursable to Rangos until such amounts and any interest accrued thereon are finally paid; provided, however, that in no event shall the amount of interest contracted for, charged or received hereunder exceed the maximum non-usurious amount of interest allowed by applicable law.

(h) If at any time during the term of this Agreement or afterwards there should arise any dispute as to the validity, interpretation or application of any term or condition of this Agreement, the company agrees to pay Rangos' reasonable attorneys' fees (including expenses of investigation) incurred by Rangos in connection with any such dispute or litigation provided

that Rangos shall be the prevailing party. The provisions of this subparagraph (h) shall survive the expiration or termination of this Agreement.

(i) The term of this Agreement shall commence on the date hereof and continue until the fifth (5th) anniversary of the date hereof.

SECTION 8 CHANGE IN CONTROL.

(a) OPERATION OF SECTION 8. This Section 8 shall be effective, but not operative, immediately upon execution of this Agreement by the parties hereto and shall remain in effect during the term of this Agreement, but shall not be operative unless and until there has been a Change in Control, as defined in subparagraph (b) hereof. Upon such a Change in Control, this Section 8 shall become operative immediately.

(b) DEFINITION. "Change in Control" shall mean a change in control of the Company that shall be deemed to have occurred if and when, with or without the approval of the Board of Directors of the Company incumbent prior to the occurrence,

- (1) more than 50% of the Company's outstanding securities entitled to vote in elections of directors shall be acquired by any person (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) other than by any person which includes Rangos, or
- (2) as the result of a tender offer, merger, consolidation, sale of assets or contested election, or any combination of such transactions, the persons who were directors of the Company immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company.

(c) RANGOS' RIGHTS UPON CHANGE IN CONTROL. I, during the term of this Agreement, a Change in Control (as defined in subsection (b) above) occurs, Rangos may, in his sole discretion, within twelve (12) months after the date of the Change in Control, give notice to the Secretary of the Company that he intends to elect to exercise his rights under Section 8 (the "Notice of Intention"). The right to give such Notice of Intention to elect to receive the payment provided for in subparagraph (d) of this Section 8 shall continue for twelve (12) months from the date of the Change in Control. Within thirty (30) days after the Company's receipt of the Notice of Intention, the Company shall provide written notice to Rangos setting forth the Company's computation of the amount that would be payable pursuant to Section 8(d), accompanied by the written opinion of the Company's independent certified public accountants confirming the Company's computation. If Rangos takes exception to the Company's computation of such amount, Rangos may (but shall not be prejudiced in his right to later contest the amount actually paid by failure to do so) give a further written notice to the Company setting forth in reasonable detail Rangos' exceptions to the Company's computation, accompanied by the

written opinion of Rangos' tax advisor confirming the basis for such exceptions. Exercise by Rangos of his rights pursuant to this Section 8 shall only be made by giving further notice to the Secretary of the Company (the "Notice of Exercise") within sixty (60) days after the Company provides the computation of the amount payable as provided above.

(d) PAYMENT UPON CHANGE IN CONTROL.

(1) If Rangos gives the Notice of Exercise described in Section 8(c) to the Company, the Company shall pay Rangos a lump sum amount equal to all payments that the Company would be required to make to Rangos during the then remaining term of this Agreement pursuant to Sections 4 and 5 hereof. The Company shall, within five (5) business days after the date of the Notice of Exercise, deliver to Rangos its cashier's check in the amount payable pursuant to this Section 8(d)(1), and payment of such amount shall terminate Rangos' rights to receive any and all other payments, rights or benefits arising pursuant to this Agreement.

(2) Such lump sum payment shall be in addition to and shall not be offset or reduced by (x) any other amounts that have accrued or have otherwise become payable to Rangos or his beneficiaries, but have not been paid by the Company at the time Rangos gives the Notice of Exercise pursuant to this Section 8, and (y) any indemnification payments that may have accrued but not been paid or that may thereafter become payable to Rangos pursuant to the provisions of the Company's Certificate of Incorporation, By-laws or similar policy, plan or agreement relating to the indemnification of directors or officers of the Company under certain circumstances.

(e) RELIEF FROM OBLIGATIONS. If Rangos gives the Notice of Exercise described in Section 8(c) to the Company, Rangos shall in addition to being entitled to receive the lump sum payment provided for in Section 8(d), be relieved of his obligations under Sections 1 and 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth in the first paragraph of this Agreement.

USA Waste Services, Inc.

By: Earl E. DeFrates

Earl E. DeFrates
Executive Vice President

John G. Rangos, Sr.

John G. Rangos, Sr.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of June , 1995, by and between USA WASTE SERVICES, INC., an Oklahoma corporation (the "Company"), and ALEXANDER W. RANGOS ("Employee").

R E C I T A L S:

The Company recognizes that the efforts of its officers and key management employees have contributed and will continue to contribute to the growth and success of the Company.

The Company believes that, in the Company's best interest, it is essential that its officers and key management employees, including the Employee, be retained and that the Company be in a position to rely on their ongoing dedication and commitment to render services to the Company.

The Company wishes to take steps to assure that the Company will continue to have the Employee's services available to the Company by entering into an agreement with the Employee concerning his employment by the Company.

In consideration of the foregoing, the mutual provisions contained herein, and for other good and valuable consideration, the parties agree with each other as follows:

1. EMPLOYMENT

A. The Company hereby employs the Employee and the Employee hereby accepts employment as the Company's Executive Vice President for Landfill Development on the terms and conditions hereinafter set forth. The Employee shall perform such duties, and have such powers, authority, functions and responsibilities for the Company and corporations affiliated with the Company as are commensurate with such position, and have such additional duties, powers, authority, functions and responsibilities as may be assigned to him by the Company's Chief Executive Officer and the Board of Directors (and not a committee thereof) which are not (except with the Employee's consent) inconsistent with or which interfere with or detract from those commensurate with such position.

B. The Employee shall not, during the term of his employment under this Agreement, be engaged in any other activities if such activities interfere materially with the Employee's duties, authority and responsibilities for the Company, except for those other activities as shall hereafter be carried on with the Company's consent. Notwithstanding the foregoing, the Employee shall be entitled to carry on the activities of making and managing his personal investments provided such investments or other activities do not violate in any material respect the terms of Sections 6, 7 or 8 hereof.

2. TERM

A. Subject only to the provision of either Section 3(D) or Section 4 hereof, the term of the Employee's employment under this Agreement shall be for a continually renewing term of five (5) years without any further action by either the Company or the Employee, it being the intention of the parties that there shall be continuously a term of five (5) years duration of the Employee's Employment under this Agreement until an event has occurred as described in, or one of the parties shall have made an election pursuant to, the provisions of either Section 3(D) or Section 4 of this Agreement; provided, however, that if no such event has occurred or election has been made, such term shall terminate on the date the Employee becomes age 65.

3. COMPENSATION

For all services rendered by the Employee while on active status under this Agreement, the Company agrees to compensate the Employee for each compensation year (January 1 through December 31) during the term hereof, as follows:

A. Base Salary. A base salary shall be payable to the Employee by the Company as a guaranteed annual amount under this Agreement equal initially to \$275,000.00 for each compensation year (as the same may be adjusted as provided herein, the "Base Salary"), which shall be payable in the intervals consistent with the Company's normal payroll schedules (but in no event less than semi-monthly). The Base Salary shall be subject to being increased (but not decreased or adjusted other than as provided in Section 4 of this Agreement) in the sole discretion of the Compensation Committee of the Board of Directors of the Company (hereinafter referred to as the "Compensation Committee") but only in such form and to such extent as the Compensation Committee may from time to time approve. The official action of the Compensation Committee increasing the Base Salary payable to the Employee shall modify the amount of Base Salary stated in this Section 3(A).

B. Other Compensation. The Employee shall be entitled to participate in any incentive or supplemental compensation plan or arrangement instituted by the Company and covering its principal executive officers and to receive additional compensation from the Company in such form and to such extent, if any, as the Compensation Committee may in its sole discretion from time to time specify and determine with respect to the Company's principal executive officers generally; provided, however, in the event the Employee shall go on part-time status for any reason, the Employee shall nevertheless be entitled to be paid pro rata incentive or supplemental compensation for the fiscal year ending in the compensation year in which the Employee goes on part-time status, for the number of calendar months during such fiscal year that Employee shall have been on active status, at the same time, on the same basis and to the same extent as any of the Company's principal executive officers on active status are selected by the Compensation Committee to receive any incentive or supplemental compensation award for such fiscal year. The phrase "principal executive officer" as used in this Agreement shall mean the chief executive officer of the Company and other senior corporate officers of the Company

who are from time to time designated as principal executive officers by the Compensation Committee.

C. Tax Indemnity. Should any of the payments of Base Salary, other incentive or supplemental compensation, benefits, allowances, awards, payments, reimbursements or other perquisites (including the payments provided for under this Section 3(C)), singly, in any combination or in the aggregate, that are provided for hereunder to be paid to or for the benefit of the Employee (including, without limitation, the payment provided for in Section 3(D) hereof) or under any other plan, agreement or arrangement between the Employee and the Company, be determined or alleged to be subject to an excise or similar purpose tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor or other comparable federal, state or local tax laws, the Company shall pay to the Employee such additional compensation as is necessary (after taking into account all federal, state and local income taxes payable by the Employee as a result of the receipt of such additional compensation) to place the Employee in the same after tax position (including federal, state and local taxes) he would have been in had no such excise or similar purpose tax (or any interest or penalties thereon) been paid or incurred. The Company hereby agrees to pay such additional compensation within five (5) business days after the Employee notifies the Company that the Employee intends to file a tax return which takes the position that such excise or similar purpose tax is due and payable in reliance on a written opinion of the Employee's tax counsel (such tax counsel to be chosen solely by the Employee) that it is more likely than not that such excise tax is due and payable. The costs of obtaining such tax counsel's opinion shall be borne by the Company, and as long as such tax counsel was chosen by the Employee in good faith, the conclusions reached in such opinion shall not be challenged or disputed by the Company. If the Employee intends to make any payment with respect to any such excise or similar purpose tax as a result of an adjustment to the Employee's tax liability by any federal, state or local tax authority, the Company will pay such additional compensation by delivering its cashier's check payable in such amount to the Employee within five (5) business days after the Employee notifies the Company of his intention to make such payment. Without limiting the obligation of the Company hereunder, the Employee agrees, in the event the Employee makes any payment pursuant to the preceding sentence, to negotiate with the Company in good faith with respect to procedures reasonably requested by the Company which would afford the Company the ability to contest the imposition of such excise tax; provided, however, that the Employee will not be required to afford the Company any right to contest the applicability of any such excise tax to the extent that the Employee reasonably determines (based upon the opinion of his tax counsel) that such contest is inconsistent with the overall tax interests of the Employee.

D. (i) Change of Control - Operation of Section 3(D).

(a) This Section 3(D) shall be effective, but not operative, immediately upon execution of this Agreement by the parties hereto and shall remain in effect so long as the Employee remains employed by the Company on active status and for twelve (12) months after the Employee goes on part-time status, but shall not be operative unless and until there has been a Change in Control, as defined in

subsection (i)(b) hereof. Upon such a Change in Control, this Section 3(D) shall become operative immediately.

(b) "Change in Control" shall mean a change in control of the Company that shall be deemed to have occurred if and when, with or without the approval of the Board of Directors of the Company incumbent prior to the occurrence,

(1) more than 25% of the Company's outstanding securities entitled to vote in elections of directors shall be acquired by any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) other than by any person which includes the Employee; or

(2) as the result of a tender offer, merger, consolidation, sale of assets or contested election, or any combination of such transactions, the persons who were directors immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Company or of any successor to the Company;

provided, however, that a business combination involving the Company and another solid waste management company, which is approved by a 75% majority of the Board of Directors of the Company incumbent prior to the occurrence of such business combination, notwithstanding that a principal shareholder or shareholders of such other solid waste management company acquires more than 25% of the Company's outstanding securities entitled to vote in the election of directors in connection with such business combination, shall not be deemed to be a "Change in Control."

(ii) Employee's Rights Upon Change of Control. If, while the Employee is employed on active status by the Company, or if within twelve (12) months after the Employee has been placed on part-time status pursuant to either Section 4(C)(i) or (ii) or Section 4(G), a Change in Control (as defined in subsection (b) of Section 3(D)(i)) occurs and one or more of the following events occurs:

(a) The assignment to the Employee of duties, responsibilities, or status inconsistent with his duties, responsibilities, and status prior to the Change in Control or a reduction or alteration in the nature or status of the Employee's duties and responsibilities from those in effect prior to the Change in Control;

(b) A reduction by the Company in the Employee's Base Salary (as in effect prior to the Change in Control);

(c) The failure by the Company to continue in effect the Company's insurance, disability, stock option plan, or any other employee benefit plans,

policies, practices, or arrangements in which the Employee participates, or the failure of the Company to continue the Employee's participation therein on substantially the same basis, both in terms of the amount of benefits provided and the level of the Employee's participation relative to other participants, as existed prior to the Change in Control;

(d) The failure of the Company to obtain a satisfactory agreement from the successor to the Company to assume and agree to perform this Agreement;

(e) Any purported termination by the Company of the Employee's employment other than pursuant to Section 4(A)(i) or 4(A)(ii),

the Employee may, in his sole discretion, within three (3) months after the date of the Change of Control, give notice to the Secretary of the Company that he intends to elect to exercise his rights under this Section 3(D) (the "Notice of Intention"). The right to give such Notice of Intention to elect to receive the payment provided for in subsection (iii) of this Section 3(D) shall continue for three (3) months from the date of the Change of Control irrespective of any action by the Company pursuant to Section 4(A)(iii) or Section 4(G) within such three (3) month period. Within thirty (30) days after the Company's receipt of the Notice of Intention, the Company shall provide written notice to the Employee setting forth the Company's computation of the amount that would be payable pursuant to subsection (iii) of this Section 3(D), accompanied by the written opinion of the Company's independent certified public accountants confirming the Company's computation. If the Employee takes exception to the Company's computation of such amount, the Employee may (but shall not be prejudiced in his right to later contest the amount actually paid by failure to do so) give a further written notice to the Company setting forth in reasonable detail the Employee's exceptions to the Company's computation, accompanied by the written opinion of the Employee's tax advisor confirming the basis for such exceptions. Exercise by the Employee of his rights pursuant to this Section 3(D) shall only be made by giving further notice to the Secretary of the Company (the "Notice of Exercise") within six (6) months from the date of the Notice of Intention.

(iii) Payment upon Change of Control.

(a) If the Employee gives the Notice of Exercise described in subsection (ii) of this Section 3(D) to the Company, the Company shall pay the Employee a lump sum amount equal to three (3) times the Employee's base amount (as defined by Section 280(G) of the Code), less one dollar (\$1.00). The Company shall, within five (5) business days after the date of the Notice of Exercise, deliver to the Employee its cashier's check in the amount payable pursuant to this subsection (iii)(a) of Section 3(D), and payment of such amount shall terminate the Employee's rights to receive any and all other payments, rights or benefits pursuant to Sections 3(A), 3(B), 4 and 5 of this Agreement, other than any payments, rights or benefits arising (x) pursuant to Section 3(C), subsection (iii) of Section 3(D), Section 3(E) or Section 12 of this Agreement, or (y) from

any other agreement, plan or policy which by its terms or by operation of law provides for the continuation of such payments, rights or benefits after the termination of the Employee's relationship with the Company.

(b) Such lump sum payment shall be in addition to and shall not be offset or reduced by (x) any other amounts that have accrued or have otherwise become payable to the Employee or his beneficiaries, but have not been paid by the Company at the time the Employee gives Notice of Exercise pursuant to this Section 3(D) including, but not limited to, salary, severance pay, consulting fees, disability benefits, termination benefits, retirement benefits, life and health insurance benefits, or any other compensation or benefit payment that is part of any valid previous, current, or future contract, plan or agreement, written or oral, or (y) any indemnification payments that may be or become payable to the Employee pursuant to the provisions of the Company's Certificate of Incorporation, By-laws, or similar policy, plan, or agreement relating to the indemnification of directors or officers of the Company under certain circumstances.

E. Employee's Expenses. All costs and expenses (including reasonable legal, accounting and other advisory fees) incurred by the Employee to (w) defend the validity of this Agreement (x) contest any determinations by the Company concerning the amounts payable (or reimbursable) by the Company to the Employee under this Agreement, (y) determine in any tax year of the Employee the tax consequences to the Employee of any amounts payable (or reimbursable) under Section 3(C) or (D) hereof, or (z) prepare responses to an Internal Revenue Service audit of, and to otherwise defend, his personal income tax return for any year which is the subject of any such audit, or an adverse determination, administrative proceedings or civil litigation arising therefrom that is occasioned by or related to an audit by the Internal Revenue Service of the Company's income tax returns, are, upon written demand by the Employee, to be promptly advanced or reimbursed to the Employee or paid directly, on a current basis, by the Company or its successors.

4. TERMINATION, PART-TIME STATUS, REVISED COMPENSATION, DEATH, AND DISABILITY

A. Termination. The employment of the Employee under this Agreement, while the Employee is on active status, may be terminated at any time by the Company, acting through its Board of Directors (and not a committee thereof),

(i) only for cause in the event of (x) the Employee's final conviction of a felony crime involving moral turpitude, or (y) the Employee's deliberate and intentional continuing refusal to substantially perform his duties and obligations under this Agreement (except by reason of incapacity due to illness or accident) if he (a) shall have either failed to remedy such alleged breach within forty-five (45) days from his receipt of written

notice from the Secretary of the Company demanding that he remedy such alleged breach, or (b) shall have failed to take reasonable steps in good faith to that end during such forty-five (45) day period, provided that there shall have been delivered to the Employee a further notice after the end of such forty-five (45) day period asserting that the Board of Directors has determined that the Employee was guilty of conduct set forth in this clause (y), that the Employee has failed to take reasonable steps in good faith to remedy such alleged breach, and specifying the particulars thereof in detail, and provided further that the Employee thereafter shall have received a certified copy of a resolution of the Board of Directors of the Company adopted by the affirmative vote of not less than three-fourths of the entire membership of the Board of Directors at a meeting called and held for that purpose and at which the Employee was given an opportunity to be heard, finding that the Employee was guilty of conduct set forth in this clause (y), that the Employee has failed to take reasonable steps in good faith to remedy such alleged breach, and specifying the particulars thereof in detail,

(ii) upon a determination that the Employee has engaged in willful fraud or defalcation involving material funds or other assets of the Company, or

(iii) for any reason in its sole discretion upon written notice to the Employee effective (subject to the provisions of Section 4(D) (iii) hereof) on the date that is five (5) years after the date on which such notice is received by the Employee.

B. Termination Payment For Cause. In the event of termination of the Employee's employment under this Agreement by the Company under either Section 4(A)(i) or (ii), the Employee shall only be entitled to receive the monthly installment of his Base Salary being paid at the time of such termination, and, if applicable, other compensation, due hereunder, computed on a pro rata basis, up to the effective date of such termination.

C. (i) Part-time Status-Election by Company. In the event the Company shall give Employee notice of termination of the Employee's employment under this Agreement pursuant to Section 4(A)(iii), the Employee shall, subject to the provisions of Section 4(D)(iii) and (vii), be placed on part-time employment status for a period of five (5) years after the date on which such notice is received by the Employee.

(ii) Termination - Election by Employee. Employee shall have the right at any time during his employment on active status, by giving written notice to the Secretary of the Company, to terminate the Employee's employment under this Agreement effective ninety (90) days after the date on which such notice is given by the Employee. In the event the Employee shall make such election under this Section 4(C)(ii), the Employee shall, in addition to all other reimbursements, payments or other allowances required to be paid under this Agreement or under any other plan, agreement or policy which survives the termination of this Agreement, be entitled to be paid, in addition to the Base Salary payable during such ninety (90) day period after the giving of such notice, a lump sum payment payable by delivery of the Company's cashier's check within five (5) business

days after the end of such ninety (90) day period, in an amount equal to three (3) monthly installments of the Base Salary (less required tax withholding) in effect pursuant to Section 3(A) hereof at the time the Employee makes such election under this Section 4(C)(ii). Thereupon, this Agreement shall terminate and Employee shall have no further rights under or be entitled to any other benefits of this Agreement, provided that the provisions of Sections 3(C) and (E), 6, 7, 8 and 12 shall survive such termination.

(iii) Consulting Agreement - Election by Employee. In lieu of the right provided under Section 4(C)(ii), the Employee shall have the right at any time prior to June , 1997, by giving written notice to the Company, to terminate the Employee's employment under this Agreement effective thirty (30) days after the date on which such notice is given by the Employee and to require the Company to enter into with the Employee a consulting and non-compete agreement commencing on the effective date of the termination of this Agreement. Such consulting and non-compete agreement shall be in substantially the form attached as Exhibit 1(a) to the Rangos Family Master Agreement dated as of November 28, 1994, among the Company, John E. Drury, Donald F. Moorehead, Jr., John G. Rangos, Sr., John G. Rangos, Jr., and Alexander W. Rangos and providing for an initial Annual rate (as defined herein) equal to the Base salary hereunder at the time notice is given pursuant to Section 4(c)(iii); provided, however, that such consulting and non-compete agreement shall terminate on June , 2000. In the event the Employee shall make such election under this Section 4(C)(iii), the Employee shall be paid his Base Salary during the thirty (30) day period after the giving of such notice and shall not be entitled to any payments under Section 4(C)(ii). This Agreement shall terminate on the foregoing effective date and Employee shall have no further rights under or be entitled to any other benefits of this Agreement, provided that the provisions of Sections 3(C) and (E), 6, 7, 8 and 12 shall survive such termination.

D. Employee's Rights on Part-time Status. During the period that the Employee is on part-time status,

(i) The Company shall pay Employee a revised, guaranteed minimum annual Base Salary from the date the Employee goes on part-time status for a period of five (5) years in an amount equal to seventy-five percent (75%) of the average of the total annual direct compensation paid to the Employee by the Company (whether under this Agreement, a predecessor agreement or otherwise) for the two (2) highest of the three (3) compensation years immediately preceding the compensation year in which the notice specified in Section 4(A)(iii) or Section 4(G) of this Agreement is given. As used in this Agreement, the phrase "total annual direct compensation" shall mean the sum of the gross amount of Base Salary (as from time to time adjusted) paid to the Employee during a compensation year and all other forms of direct compensation for a compensation year (including, but not limited to, incentive or supplemental compensation awards made to the Employee for the fiscal year ending in each of such compensation year), whether or not paid to the Employee during a compensation year, (x) including any amounts paid by the Employee into any savings, deferred compensation or similar Company sponsored plan

or arrangement, and (y) excluding any amounts that must be recognized as compensation in any such compensation year as a result of the Employee's exercise of a stock option or receipt of an award or unit of the Company's (or any successor's) stock;

(ii) The revised, guaranteed minimum annual Base Salary payable by the Company to the Employee pursuant to this Section 4(D) shall be increased (but not decreased) annually on the first anniversary of the date of the Employee's going on part-time status and each anniversary thereafter, on a compound basis, by the same percentage increase (if any) in the Consumer Price Index for All Urban Consumer's - All Items Index, for Dallas, Texas (or any substantially similar index published for the same area) as published by the U.S. Department of Labor, Bureau of Labor Statistics for the twelve (12) month period immediately preceding the first anniversary of the date of the Employee's going on part-time status and on each yearly anniversary thereafter;

(iii) (1) The Employee shall continue to participate (at not less than his highest levels of participation or coverage during the last twelve (12) months the Employee was on active status) in all of the Company's pension, group life, medical, dental, accidental death or disability insurance, thrift, savings, deferred compensation, stock option, unit or award plans, vacation plans, automobile allowances and all other Company benefit plans, fringe benefits, allowances and accommodations of employment on active status that are afforded to the principal executive officers of the Company,

(2) With respect to any stock option, unit or award plan of the Company as referred to in this Section 4(D)(iii), the Employee's right to continue participation at and consistent with his highest levels of participation during the last twelve (12) months the Employee was on active status, (x) is intended to include (but only to the extent consistent with the Company's treatment of its principal executive officers) the Employee receiving renewal and/or replacement grants of or awards for options or units on or with respect to the Company's common stock (for not less than the same number of shares or units, at the fair market value prevailing at the time, and otherwise on terms and conditions no more or less favorable than such grants or awards are made to the Company's principal executive officers who are then on active employment status) consistent with the Company's stock option plan as then existing, not more than thirty (30) days after the date any of the previous options or units are cancelled, vest or expire (or would have expired but for their exercise by the Employee), and (y) solely for the purposes of any stock options, units or awards outstanding at the time the Employee goes on part-time status or for any renewal or replacement grants or awards, the Employee's status as an "employee" or, thereafter, the Employee's status as an "affiliate" of the Company (or of any successor thereto) shall continue to the last date of expiration, cancellation, vesting or exercise, as the case may be, of any and all of such outstanding stock options, units or awards or renewal or replacement grants or awards, and

(3) If the Company is merged into or consolidated with another corporation under circumstances where the Company is not the surviving corporation, or if the Company's voting common stock is no longer publicly traded on a national securities exchange, or if the Company sells or disposes of substantially all its assets to another corporation, then any such renewal and/or replacement grants of or awards for options or units pursuant to subparagraph (x) of Section 4(D)(iii)(2) shall be made in or for the shares of such stock or other securities as the holders of shares of the Company's voting common stock received pursuant to the terms of the merger, consolidation or sale, and

(4) If any of the Company's pension; group life, medical, dental, accidental death, or disability insurance; deferred compensation; thrift, savings, stock option, unit or award plans; or any other Company benefit plans, fringe benefits, allowances or accommodations of employment that were available to the Employee at any time during the last twelve (12) months the Employee was on active status shall not continue to be maintained by the Company (or by any successor thereto) or are otherwise not made available to the Employee, the Company (or any successor thereto) shall provide for or make available to the Employee substantially similar economic benefits (and tax benefits attendant thereto) through such alternative means and upon such terms as shall be reasonably satisfactory to the Employee, provided that nothing in this clause (4) shall obligate the Company to provide for or make any such substantially similar alternative benefits available to the Employee if the Company (or any successor thereto) does not have such benefits available either directly or indirectly (whether or not granted) for its principal executive officers.

(iv) The Employee shall otherwise be entitled to all other principal executive officer perquisites, allowances and benefits on the same terms and conditions as such are from time to time made available generally to the other principal executive officers of the Company (or any successor thereto) but in no event less than the highest level of the perquisites, allowances and benefits that were available to the Employee during the last twelve (12) months of his employment on active status;

(v) The Employee shall otherwise continue to receive all the rights and benefits of this Agreement including, without limitation, those rights and benefits (not inconsistent with this Section 4(D)) that are set forth in Sections 3(C), 3(E), 5, 9 and 12 hereof;

(vi) The Employee shall not be prevented from accepting other employment while on part-time status or engaging in (and devoting substantially all of his time to) other business activities that are not in conflict in any material respect with the limitations set forth in Section 6 hereof;

(vii) This Agreement and Employee's continuing employment on part-time status may be terminated at any time by the Company (x) pursuant to the provisions of Section

4(A)(ii), or (y) acting through its Board of Directors (and not a committee thereof) only if the Employee knowingly violates in any material respect the provisions of Sections 6, 7 and 8, respectively, as found by final judgment of a court of competent jurisdiction;

(viii) While on part-time status and except as otherwise required herein, the Employee shall not be required to perform any regular duties for the Company (except to provide such services consistent with the Employee's educational background, experience and prior positions with the Company, as may be acceptable to the Employee) or to seek or accept additional employment with any other person or firm (although the Employee shall be free to do so so long as accepting such additional employment or engaging in other business activity is not in conflict in any material respect with the limitations set forth in Section 6 of this Agreement). If the Employee, at his discretion, shall accept any such additional employment or engage in any such other business activity consistent in all material respects with Section 6 of this Agreement, there shall be no offset, reduction or effect upon any rights, benefits or payments to which the Employee is entitled pursuant to this Agreement. Furthermore, the Employee shall have no obligation to account for, remit, rebate or pay over to the Company any compensation or other amounts earned or derived in connection with such additional employment or business activity consistent in all material respects with Section 6 of this Agreement; and

(ix) The Employee shall, however, make himself generally available for special projects or to consult with the Company and its employees at such times and at such places as may be reasonably requested by the Company and which shall be reasonably satisfactory to the Employee and consistent with the Employee's regular duties and responsibilities in the course of his then new occupation or other employment, if any.

E. After the termination of the Employee's employment on part-time status, the former Employee shall remain an "affiliate" of the Company for the period described in Section 4(D)(iii)(2) hereof and during such time shall continue to be available to consult with the Company and its employees at such time and at such places as may be reasonably convenient and acceptable to the former Employee and in such manner as may be consistent with the former Employee's educational background, experience and prior positions with the Company and with his regular duties and responsibilities in the course of his then new occupation or other employment, if any.

F. Death. In the event of the Employee's death during the term of his employment hereunder, the Company shall pay to the Employee's surviving spouse or to the executor or administrator of the Employee's estate (if his spouse shall not survive him) an amount equal to the installments of his Base Salary then payable pursuant to Sections 3(A) or 4(D), as the case may be, for the month in which he dies, and for the greater of (i) the balance of the term remaining under this Agreement, or (ii) two (2) years.

G. Disability. The Employee shall be covered by the Company's disability benefit plan as such plan may from time to time exist. The Company may eliminate or change the terms

and conditions of said plan at its discretion with no liability to the Employee other than the liability, if any, under such plan which may have accrued up to the elimination or change of such plan. In the event because of physical or mental illness or personal injury while the Employee is on active status or part-time status, the Employee shall become permanently unable or disabled such that he is unable to perform, and in all reasonable medical likelihood, going to continue indefinitely to be unable to perform his normal duties in his regular manner, as determined by independent, competent medical authority, and

(i) if such disability determination occurs while the Employee is on active status, the Company may elect (but shall not be obligated) to terminate the Employee's employment under this Agreement on a date which is not less than five (5) years after the date on which written notice of such termination is received by the Employee in which event the Employee shall be placed on part-time status, and the Company shall pay to the Employee the Base Salary payable pursuant to Section 4(D)(i) for a period not less than five (5) years thereafter; or

(ii) if such disability determination occurs while the Employee is on part-time status pursuant to Section 4(C)(i) or (ii), the Company shall continue to pay to the Employee the amount of his Base Salary then payable for the greater of (x) the balance of the period remaining under the term of this Agreement, or (y) for two (2) years;

reduced, in any case however, by the amount of any payments made to such Employee under the coverage then afforded to the Employee by the Company's disability benefit plan in effect at the time such disability determination is made. The Employee shall, during such disability and until the effective date of the termination of this Agreement and of payments hereunder by the Company to the Employee, continue to enjoy all other applicable benefits of employment that would otherwise pertain to continued employment on part-time status pursuant to this Agreement.

H. Return of Property. Upon termination of the Employee's employment under this Agreement, however brought about, the Employee (or his representatives) shall promptly deliver and return to the Company all the Company's property including, but not limited to, credit cards, manuals, customer lists, financial data, letters, notes, notebooks, reports and copies of any of the above, and any Protected Information (as defined in Section 7) which is in the possession or under the control of the Employee except such property as may be necessary for the former Employee to continue his duties, if any, as an "affiliate" which the Company may expressly direct the former Employee to keep in his possession; and upon the termination of his status as an "affiliate", the former Employee shall promptly deliver and return all such property to the Company.

5. OTHER EMPLOYEE RIGHTS

A. The Employee shall be entitled to (i) participate in the Company's pension, group life, medical, dental, accidental death, or disability insurance, thrift, savings, deferred compensation, incentive compensation, stock option, unit or award plans, vacation plans,

automobile allowances and all other Company benefit plans, fringe benefits, allowances and accommodations of employment (including, but only as approved from time to time by the Chief Executive Officer of the Company, club memberships and dues, business and professional societies, etc.), accommodations and allowances as are from time to time generally available or applicable to the Company's principal executive officers and (ii) annual vacations in accordance with the vacation policy established by the Company for the Company's principal executive officers during which time his applicable compensation shall be paid in full.

B. The Employee is authorized (to the same extent and in the same manner as the Company's other principal executive officers are authorized) to incur reasonable business expenses while on active or part-time status as an employee of the Company, including expenses for meals, entertainment, hotel and air travel, telephone, automobile, dues, club expenses, fees, and similar items (and shall be entitled to incur such reasonable business expenses, determined commensurate with the extent of his consultation hereunder, while an "affiliate" of the Company). The Company shall either pay directly or promptly reimburse the Employee for such expenses upon the presentment by the Employee from time to time of an itemized accounting (as reasonably required by the Company's policies) of such expenditures for which reimbursement is sought.

C. The Employee shall, while on active status, be provided by the Company with office space, furnishings and facilities, reserved parking, secretarial and administrative assistance, supplies and equipment commensurate with the size and quality of that which is provided from time to time to the Company's principal executive officers.

6. COVENANT NOT TO COMPETE

A. The Employee recognizes that in each of the highly competitive businesses in which the Company is engaged, personal contact is of primary importance in securing new customers and in retaining the accounts and goodwill of present customers and protecting the business of the Company. The Employee, therefore, agrees that at all times during the term of his employment hereunder and for a period of two (2) years after the termination of his employment hereunder, howsoever brought about, he will not, within 100 miles of

(i) the principal place of business of the Company,

(ii) the principal place of business of any corporation or other entity owned, controlled by (or otherwise affiliated with) the Company by which he may also be employed or served by him as an officer or director, or

(iii) any other geographic location in which the Employee has specifically represented the interests of the Company or such other affiliated entity, in any of the businesses described in subsections (a) through (d) below during the twelve (12) months prior to the termination of this Agreement,

as principal, agent, partner, employee, consultant, distributor, dealer, contractor, broker or trustee or through the agency of any corporation, partnership, association or agent or agency, engage directly or indirectly, in any business of (a) rubbish, garbage, paper, textile wastes, chemical or hazardous wastes, liquid or other waste collection, interim storage, transfer, recovery, processing, recycling, marketing or disposal, (b) engineering or design, construction, or operation of any plant, facility or other structure having as its primary purpose the mass burning of solid or liquid waste with or without any intended efforts to recover from such wastes, energy, steam, ash, fly ash or other constituents of the waste stream, regardless of whether such constituents have any value, (c) manufacturing, selling, leasing or distributing machinery, equipment or products used or produced in connection with the activities described in subsections (a) or (b) above, or (d) any other material business engaged in by the Company, and shall not be the owner of more than 1% of the outstanding capital stock of any corporation (other than the Company), or an officer, director or employee of any corporation (other than the Company or a corporation affiliated with the Company), or a member or employee of any partnership, or an owner, investor, lender, agent, consultant, distributor, dealer, contractor, broker or employee of any other business which conducts a business described in subsections (a), (b), (c) and (d) above, within the territory described above.

B. The Employee agrees that during the term of his employment under this Agreement and for a period of two (2) years after the termination of the Employee's employment under this Agreement, he will not directly or indirectly (i) induce any customers of the Company or corporations affiliated with the Company to patronize any similar business that competes with any material business of the Company; (ii) canvass, solicit, or accept any similar business from any customer of the Company or corporations affiliated with the Company; (iii) request or advise any customers of the Company or corporations affiliated with the Company to withdraw, curtail, or cancel such customer's business with the Company; (iv) disclose to any other person, firm, or corporation the names or addresses of any of the customers of the Company or corporations affiliated with the Company; or (v) individually or through any person, firm, association, or corporation with which he is now or may hereafter become associated, cause, solicit, entice, or induce any present or future employee of the Company or any corporation affiliated with the Company to leave the employ of the Company or such other corporation to accept employment with or compensation from the Employee or any such person, firm, association, or corporation without the prior written consent of the Company. The Employee further agrees that he shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or good will of the Company, its management, or of management of corporations affiliated with the Company.

C. If the provisions of this Section 6 are violated, in whole or in part, the Company shall be entitled, upon application to any court of proper jurisdiction, to a temporary restraining order or preliminary injunction (without the necessity of posting any bond with respect thereto) to restrain and enjoin the Employee from such violation without prejudice to any other remedies the Company may have at law or in equity. Further, in the event that the provisions of this

Section 6 should ever be deemed to exceed the time, geographic or occupational limitations permitted by the applicable laws, the Employee and the Company agree that such provisions shall be and are hereby reformed to the maximum time, geographic or occupational limitations permitted by the applicable laws. The provisions of this Section 6 shall survive the termination of the Employee's employment or expiration or termination of this Agreement.

7. CONFIDENTIAL INFORMATION - INTELLECTUAL PROPERTY

A. The Employee recognizes and acknowledges that he has had and will continue to have access to various confidential or proprietary information concerning the Company and corporations affiliated with the Company of a special and unique value which may include, without limitation, (i) books and records relating to operation, finance, accounting, sales, personnel and management, (ii) policies and matters relating particularly to operations such as customer service requirements, costs of providing service and equipment, operating costs and pricing matters, and (iii) various trade or business secrets, including business opportunities, marketing or business diversification plans, business development and bidding techniques, methods and processes, financial data and the like (collectively, the "Protected Information").

B. The Employee agrees, therefore, that he will not at any time, either while employed by the Company or afterwards, knowingly make any independent use of, or knowingly disclose to any other person or organization (except as authorized by the Company) any of the Protected Information.

C. In the event of a breach or threatened breach by the Employee of the provisions of this Section 7, the Employee agrees that Company shall be entitled to a temporary restraining order or a preliminary injunction (without the necessity of the Company posting any bond in connection therewith) restraining the Employee from using or disclosing, in whole or in part, such Protected Information. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from the Employee.

D. The Employee shall disclose promptly to the Company any and all conceptions and ideas for inventions, improvements, and valuable discoveries, whether patentable or not, which are conceived or made by the Employee solely or jointly with another during the period of employment on active status or within one (1) year thereafter and which pertain primarily to the material business activities of the Company and the Employee hereby assigns and agrees to assign all his interests therein to the Company or to its nominee; whenever requested to do so by the Company, the Employee shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain Letters of Patent of the United States or any foreign country or to otherwise protect the Company's interest therein. These obligations shall continue beyond the termination of employment with respect to inventions, improvements, and valuable discoveries, whether patentable or not, conceived, made or acquired by the Employee during the period of employment or within one (1) year thereafter,

and shall be binding upon the Employee's assigns, executors, administrators and other legal representatives.

8. EMPLOYEE CONDUCT

A. The Employee represents and agrees with the Company that he will make no disbursement or other payment of any kind or character out of the compensation paid or expenses reimbursed to him pursuant hereto or with any other fund, which contravene, in any material respect, any policy of the Company or, in any material respect, any applicable statute or rule, regulation or order of any jurisdiction, foreign or domestic. The Employee further agrees to indemnify and save harmless the Company from any liabilities, obligations, claims, penalties, fines or losses resulting from any unauthorized or unlawful acts of the Employee which contravene in any material respect any policy of the Company or any statute, rule, regulation or order of any jurisdiction, foreign or domestic, applicable to the Employee or the Company. The provisions of this Section 8 shall survive the dissolution or termination of the Employee's employment under this Agreement.

B. The Employee acknowledges that he has been furnished with a current copy of the policy and procedures manual of the Company, that he has read and understands such policies and procedures set forth in such manual, that he understands such policies and procedures (and will read and become familiar with any revisions or supplements to this manual) are applicable to the Employee in the performance of his duties and job performance for the Company, and that he agrees to observe in all material respects the Company's policies and procedures in the conduct by the Employee of his employment duties for the Company.

C. The Employee agrees to disclose honestly and fully all information and documentation in his possession concerning all transactions or events relating to or affecting the Company or any entity owned, controlled (or otherwise affiliated) by the Company, as and to the extent such information or documentation is requested by the Company or the authorized representatives thereof; provided that if the Employee indicates to the Company that the information or documentation requested is privileged, confidential or personally sensitive, appropriate steps will be taken to attempt to protect such privilege, confidentiality or privacy to the extent possible consistent with the ethical or legal obligations applicable to the Company, but neither such assertions by the Employee nor the undertakings attempted by the Company with respect thereto shall qualify the unconditional disclosure obligation of the Employee set forth above.

9. GENERAL PROVISIONS

A. In case any one or more of the provisions of this Agreement shall, for any reason, be held or found by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect (i) such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, (ii) this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein (except that this subsection

(ii) shall not prohibit any modification allowed under Section 6 hereof), and (iii) if the effect of a holding or finding that any such provision is either invalid, illegal or unenforceable is to modify to the Employee's detriment, reduce or eliminate any compensation, reimbursement, payment, allowance or other benefit to the Employee intended by the Company and Employee in entering into this Agreement, the Company shall promptly negotiate and enter into an agreement with the Employee containing alternative provisions (reasonably acceptable to the Employee), that will restore to the Employee (to the extent lawfully permissible) substantially the same economic, substantive and income tax benefits the Employee would have enjoyed had any such provision of this Agreement been upheld as legal, valid and enforceable. Failure to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement.

B. The Employee acknowledges receipt of a copy of this Agreement (together with any attachments hereto), which has been executed in duplicate and agrees that, with respect to the subject matter hereof, it is the entire Agreement with the Company. Any other oral or any written representations, understandings or agreements with the Company or any of its officers or representatives covering the same subject matter which are in conflict with this Agreement are hereby merged into and superseded by the provisions of this Agreement.

C. The Company shall have no right of set-off or counter-claim in respect of any debt or other obligation of the Employee to the Company against any payment or other obligation of the Company to the Employee provided for in this Agreement or pursuant to any other plan, agreement or policy.

D. No provision of this Agreement may be amended, modified or waived unless such amendment, modification or waiver shall be agreed to in writing and signed by the Employee and by a person duly authorized by the Compensation Committee.

E. No right to or interest in any compensation or reimbursement payable hereunder shall be assignable or divisible by the Employee; provided, however, that this provision shall not preclude the Employee from designating one or more beneficiaries to receive any amount that may be payable after his death and shall preclude his executor or administrator from assigning any right hereunder to the person or person entitled thereto.

F. The headings of Sections and subsection hereof are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

G. (i) Company consents with respect to any action, suit or other legal proceeding pertaining directly to this Agreement or to the interpretation of or enforcement of any of the Employee's rights hereunder, to service of process in the State of Texas and appoints CT Corporation System, 811 Dallas Avenue, Houston, Texas 77002 or such other agent within Houston, Texas as shall be designated by Company in a written notice to Employee, as its agent, in such state for such purpose. Company irrevocably (i) agrees

that any such suit, action or legal proceeding may be brought in the courts of such state or the courts of the United States for such state, (ii) consents to the jurisdiction of each such court in any such suit, action or legal proceeding and (iii) waives any objection it may have to laying of venue of any such suit, action or legal proceeding in any of such courts.

(ii) This Agreement shall be construed in accordance with and governed for all purposes by the laws of the State of Texas.

H. This Agreement may not be assigned, partitioned, subdivided, pledged, or hypothecated in whole or in part without the express prior written consent of the Employee and Company. This Agreement shall not be terminated either by the voluntary or involuntary dissolution or the winding up of the affairs of the Company, or by any merger or consolidation wherein the Company is not the surviving corporation, or by any transfer of all or substantially all of the Company's assets on a consolidated basis. In the event of any such merger, consolidation or transfer of assets, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the surviving corporation or to the corporation to which such assets shall be transferred.

I. If any amounts which are required or determined to be paid or payable or reimbursed or reimbursable to the Employee under this Agreement (or under any other plan, agreement, policy or arrangement with the Company) are not so paid promptly at the times provided herein or therein, such amounts shall accrue interest compounded daily at the annual percentage rate which is three percentage points (3%) above the interest rate which is announced by The First National Bank of Boston, Boston, Massachusetts, from time to time, as its Base Rate (or prime lending rate), from the date such amounts were required or determined to have been paid or payable or reimbursed or reimbursable to the Employee until such amounts and any interest accrued thereon are finally and fully paid, provided, however, that in no event shall the amount of interest contracted for, charged or received hereunder exceed the maximum non-usurious amount of interest allowed by applicable law.

J. The Company agrees with the Employee that, except to the extent required by law, it will not make or publish, without the express prior written consent of the Employee, any written or oral statement concerning the terms of the Employee's employment relationship with the Company and will not, if the Employee goes on part-time status for any reason or severs his employment with the Company, make or publish any written or oral statement concerning the Employee including, without limitation, his work-related performance or the reasons or basis for the Employee going on part-time status or otherwise severing his employment relationship with the Company.

10. TERMINATION OF PRIOR AGREEMENTS

This Agreement shall terminate and supersede any and all prior written or oral agreements or understandings existing between the Company and the Employee with respect to employment

or compensation, and the Company and the Employee hereby mutually release and discharge each other from any further obligation, liability or responsibility under any of the foregoing.

11. NOTICES

Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered in person or when deposited in the U.S. mail, registered or certified, postage prepaid, and mailed to the respective addresses set forth herein.

12. DISPUTES; PAYMENT OF ATTORNEYS' FEES

If at any time during the term of this Agreement or afterwards there should arise any dispute as to the validity, interpretation or application of any term or condition of this Agreement, the Company agrees, upon written demand by Employee (and Employee shall be entitled, upon application to any court of competent jurisdiction, to the entry of a mandatory injunction, without the necessity of posting any bond with respect thereto, compelling the Company) to promptly provide sums sufficient to pay on a current basis (either directly or by reimbursing the Employee) the Employee's costs and reasonable attorney's fees (including expenses of investigation and disbursements for the fees and expenses of experts, etc.) incurred by the Employee in connection with any such dispute or any litigation, (x) provided that the Employee shall repay any such amounts paid or advanced if the Employee is not the prevailing party with respect to any dispute or litigation arising under Sections 6, 7 or 8, or (y) regardless of whether the Employee is the prevailing party in a dispute or in litigation involving any other provision of this Agreement, provided that the court in which such litigation is first initiated determines with respect to this obligation, upon application of either party hereto, the Employee did not initiate frivolously such litigation. Under no circumstances shall the Employee be obligated to pay or reimburse the Company for any attorneys' fees, costs of expenses incurred by the Company. The provisions of this Section 12 shall survive the expiration or termination of this Agreement and of the Employee's employment hereunder.

IN WITNESS WHEREOF, the parties have executed and delivered this Amended and Restated Agreement as of the day and year indicated above.

John G. Rangos, Jr.

(Employee's Signature)

Employee's Permanent Address:

USA WASTE SERVICES, INC.

By: Earl E. DeFrates

Name: Earl E. DeFrates

Title: Executive Vice President

5000 Quorum Drive, Suite 300
Dallas, Texas 75240