



LETTER OF INTENT
August 11, 2000

Windsor Waste Management, Inc.
c/o Harkins & Hunte
3031 East Main Street
Suite A
Mohegan Lake, New York 10547
Attention: Mary Anne Harkins

Ladies and Gentlemen:

Pursuant to the January 19, 2000 consent decree between the New York State Attorney General and Allied Waste Industries, Inc., et al. ("the Consent Decree"), Suburban Carting Corp., Inc., a New York corporation, and Allied Waste Systems, Inc., a Delaware corporation (collectively, "Allied"), have agreed to sell and Windsor Waste Management, Inc., a New York corporation ("Windsor"), has agreed to purchase certain assets of Allied identified in the Consent Decree as (i) routes 1-5 of Valley Carting, and (ii) the Orange Route of Suburban Carting Corp. (collectively, the "Assets"), on the terms and conditions set forth below.

1. Upon the basis of representations, warranties, terms and conditions to be set forth in a definitive written asset purchase agreement (the "Agreement"), Allied shall sell the Assets to Windsor (the "Transaction"), free and clear of all encumbrances (other than leases or customary encumbrances of record, but not mortgages).

2. The total purchase price (the "Purchase Price") to be paid by Windsor at the Closing for the Assets shall be \$6,800,000, payable by wire transfer of immediately available funds.

3. Allied shall allow Windsor's officers, employees and authorized representatives to have immediate and reasonable access to all offices, properties, books and records relating to the Assets, including for purposes of any environmental testing. Each of Allied and Windsor shall cooperate with the other to prepare the necessary documents promptly so that the Transaction

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may be closed on or before September 30, 2000. However both parties understand and acknowledge that this anticipated closing date of this transaction is subject to, and may be delayed by, review of this transaction to be conducted by the New York State Attorney General and the Westchester County Solid Waste Commission in accordance with the respective terms of the Consent Decree and Westchester County Local Law Section 826-a.404.

4. Counsel for Allied and Windsor shall promptly prepare the Agreement, other basic documents fulfilling the terms of this Letter of Intent, and such other filings, exhibits, schedules, representations, warranties, terms and conditions as are customary in connection with transactions of this type, specifically including (1) a disposal agreement allowing Windsor to dispose of 75 tons per day of acceptable waste at the New York-Connecticut Transfer Station in Mt. Kisco, and 75 per day tons per day of acceptable waste at the Recycling Industries Corp. Transfer Station in Mamoroneck, New York for ten (10) years, or a lesser period of time if either Transfer Station closes, at the intercompany rate Allied and its affiliates enjoy, and (2) a legal and enforceable non-compete agreement, the terms of which shall be subject to the review and approval of the New York State Attorney General's Office and other necessary and appropriate regulatory or other agencies.

5. Windsor shall cause all information obtained in connection with the Transaction to be treated in confidence and not to be used for any purpose other than evaluating the Transaction. If the Transaction is not consummated for any reason, Windsor agrees to return or destroy all information provided to it by Allied.

6. Allied and Windsor understand that consummation of the Transaction is subject to, among other things: (i) negotiation and execution of a mutually acceptable Agreement; (ii) approval by the board of directors of Allied and Windsor; (iii) receipt of results reasonably satisfactory to Windsor, from a financial, operational, real estate and environmental review of the Assets; and (iv) receipt of any governmental approvals deemed necessary by Allied or Windsor to proceed with the Transaction.

7. Neither Allied nor Windsor is or shall be obligated to any person for any finder's fee in connection with the proposed Transaction and, whether or not the Transaction is consummated, each of the parties shall pay its own expenses (including outside legal and accounting fees) relating to the negotiation and preparation of this Letter of Intent, the Agreement and any other documents prepared in connection therewith or the consummation of the Transaction.

8. Except as otherwise required by law or the rules of the New York Stock Exchange, no press release or other public communication will be issued by Allied or Windsor containing information regarding this Letter of Intent or the Transaction without the prior written approval of the other.

9. In consideration of the expense incurred by Windsor in connection with the proposed transaction, Allied shall not engage in any negotiation for the transfer, sale or assignment of the Assets with another person until after September 30, 2000; however, this date

will be extended if a Purchase Agreement has been executed, but closing delayed due to delays in obtaining governmental reviews and approvals.

If you agree in principle with the terms of this Letter of Intent, please sign in the space below on both duplicate originals provided and return one original to Allied. Except for Paragraphs 5, 7, 8 and 9, this Letter of Intent shall not be binding on the parties and either party may elect not to proceed with the Transaction without any liability to the other party except for liability for breaches of such Paragraphs.

SELLERS:

SUBURBAN CARTING CORP.

By: Jo Lynn White
Jo Lynn White, Secretary

ALLIED WASTE SYSTEMS, INC.

By: Jo Lynn White
Jo Lynn White, Secretary

BUYER:

WINDSOR WASTE MANAGEMENT, INC.

By: Peter B. Howard
Name: PETER B. HOWARD
Title: PRESIDENT