

Date: June 29, 2004

Via Overnight Delivery and Fax
(Fax No. 713-209-9711)

Mr. Robert M. Craig, III
Waste Management, Inc.
1001 Fannin Street, Suite 4000
Houston, TX 77002



Re: Notice of Demand for Indemnification
Title of Action: General Notice Of Potential Liability and Request for Information

Dear Mr. Craig:

This Notice of Demand for Indemnification is sent in accordance with the Purchase and Sale Agreement entered into March 10, 1999 between Waste Management, Inc. ("WMI") and Vivendi ("Vivendi"), as amended by Amendment No. 1 to Purchase and Sale Agreement dated as of June 30, 1999 (as so amended, the "Purchase and Sale Agreement"), pursuant to which certain transactions were consummated, including, among other things, the formation of Advanced Environmental Services, L.L.C. (the "Company"), the sale and transfer of certain assets and stock (as defined, the "Purchased Stock and Assets") by WMI to the Company relating to the HBU Business and the ISB Business (as collectively defined, the "Business"), and the issuance by the Company of limited liability company interests to Vivendi and WMI. References herein to terms "as defined" shall mean as defined in the Purchase and Sale Agreement.

Pursuant to Section 1.02 of the Purchase and Sale Agreement, the Company did not assume or in any way become responsible for any liabilities or obligations (as defined, "Excluded Liabilities") of any WMI Affiliate (as defined) or any other liabilities or obligations whatsoever related to the ownership, operation or condition of the Purchased Stock and Assets or the Business at any time prior to the Closing Date, except for certain Assumed Liabilities (as defined) as specifically set forth in such Section.

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Pursuant to Section 9.03(a) of the Purchase and Sale Agreement, WMI is obligated to indemnify Vivendi and the Company and their respective affiliates, stockholders, officers, directors, employees, agents, representatives, successors and assigns (as defined, the "Buyer Group"), against any loss, liability, demand, claim, action, cause of action, cost, damage, expense....and all amounts paid in investigation, defense or settlement of any of the foregoing (as defined, "Losses") which they may suffer, sustain or become subject to as a result of the imposition against the Company of any Excluded Liability. Section 9.04 of the Agreement expressly provides that the limitations on indemnification set forth therein (i.e., certain baskets and caps) are not applicable to indemnification for Excluded Liabilities.

Attached hereto as Appendix I is information with respect to a claim which constitutes an Excluded Liability as defined under the Purchase and Sale Agreement (the "Claim"). Pursuant to Section 9.07 of the Purchase and Sale Agreement, on behalf of Vivendi, the Company and the other members of the Buyer Group you are hereby notified of the Claim.


We hereby ask that you (i) hold Vivendi, the Company and the other members of the Buyer Group harmless against all Losses arising as a result of such Claim on the basis that it constitutes an Excluded Liability, (ii) immediately notify, with a copy to the undersigned, the party or parties from whom the Claim was issued of your obligations under the Purchase and Sale Agreement in these regards, and (iii) provide said party or parties with your proper address for receipt of Service of Process for future Claim related documentation.

The Buyer Group requests that you promptly advise the undersigned of WMI's intention with respect to the defense and/or disposition of the Claim, including, in the case of a third party Claim, whether (i) WMI intends to appoint lead counsel for the defense of such Claim in accordance with the provisions of Section 9.07 of the Agreement and (ii) WMI will accept tender by the Buyer Group of defense of such Claim.

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Please direct all communications and questions regarding the Claim to the undersigned.

Very truly yours,



Greig R. Sedor
Vice President and Chief Legal Officer

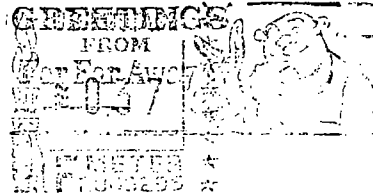
cc: ~~Diane, Morris & Hecksohn, LLP~~
~~227 West Monroe Street, Suite 3400~~
~~Chicago, IL 60606~~
~~Attn: Jeffrey C. Everett, Esq.~~

Thomas Nash, Esq.
US EPA Region 5

Marsha A. Adams
US EPA Region 5



Onyx Environmental Services, L.L.C.
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