

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
In Bankruptcy and Insolvency

BETWEEN

IN THE MATTER OF
THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF FIRST WASTE
UTILITIES CANADA LIMITED, FIRST WASTE UTILITIES CORP., FIRST WASTE
TRANSLOAD INC. and FIRST WASTE AMERICA INC.

AFFIDAVIT OF UMESH CHOKSI
(sworn November 19, 2008)

I UMESH CHOKSI , of the city of Chesterfield in the State of Missouri, make oath and say as follows:

1. I am the Senior Vice-President, Chief Financial Officer and Treasurer of American Railcar Leasing LLC ("ARL") and as such have knowledge of the matters to which I hereinafter depose and except where I have been provided with information by others. In the latter case I have indicated in my affidavit the source of the information and I believe the information to be true unless I indicate otherwise.
2. ARL is the owner of 164 railcars (the "Railcars"), initialled FWTX and numbered 62006 through 620163. *The car numbers and marks of the Railcars are set out in the last two columns of a list attached as Exhibit "A" hereto.*
3. The approximate value of the Railcars is USD\$15,308,000.00.
4. ARL leased the Railcars to First Waste America Inc. ("First Waste America") pursuant to a Master Service Contract No MSC 8-8533, made as of September 4, 2007, as amended (the "Lease"). *Attached as Exhibit "B" hereto is a true copy of the Lease, complete with all riders, schedules and amendments thereto.*

5. ARL granted a security interest in the Railcars to U.S. Bancorp Equipment Finance, ("Bancorp") and on January 15, 2008, Bancorp registered its interest in the Railcars, pursuant to the provisions of the *Canada Transportation Act*, as registration number 19085. *Attached as Exhibit "C" hereto is a true copy of registration number 19085, made pursuant to the Transportation Act.*
6. ARL also registered its interest in the Railcars pursuant to the provisions of the *Canada Transportation Act*, on October 29, 2008, as registration number 19626. *Attached as Exhibit "D" hereto is a true copy of registration number 19626, made pursuant to the Transportation Act.*
7. On October 27, 2008, ARL registered its interest in the Railcars pursuant to registration number 20081027 170915907709 made pursuant to the *Ontario Personal Property Security Act*. *Attached as Exhibit "E" hereto is a true copy of the Verification Statement in respect of registration number 20081027 170915907709 made pursuant to the Personal Property Security Act.*
8. Pursuant to the terms of Rider # 1 to the Lease, First Waste America was required to provide an irrevocable standby letter of credit (the "LC") to ARL, naming ARL as beneficiary, which would remain outstanding for 7 years, and which would secure payment to ARL of 100% of monthly lease payments.
9. First Waste America represented to ARL that Integrated Business Concepts Inc. ("IBC"), a shareholder of First Waste America, would cause IBC's bank to issue the LC. That never happened.
10. The Lease required First Waste America to make lease payments to ARL on the first day of each month of the lease term in the amount of USD \$133,496.00. Additionally, the Lease required First Waste America to pay storage costs to ARL, if ARL were required to store the Railcars for periods of time. First Waste America failed to pay ARL for storage costs in the amount of USD \$27,903.75 incurred and invoiced on June 30, 2008 and further failed to make the lease payments due to ARL on the first of each of August, September and October, 2008. The total outstanding debt due and owing to ARL as of October 1, 2008, inclusive of the storage fee, but exclusive of interest, is in the amount of USD \$ 428,391.75. *Attached as Exhibit "F"*

hereto are true copies of invoices numbered IN00002894, 533246, 533950 and 534642 dated June 30, 2008, August 1, 2008, September 1, 2008, and October 1, 2008, respectively issued by ARL to First Waste America, Inc.

11. On October 1, 2008, First Waste Utilities Canada Limited, First Waste Utilities Corp and First Waste Transload Inc. filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*. On October 8, 2008, First Waste America Inc. filed a Notice of Intention to Make a Proposal (the "NOI"). First Waste Utilities Canada Limited, First Waste Utilities Corp, First Waste Transload Inc. and First Waste America Inc. are hereinafter referred to collectively, from time to time, as the "First Waste Companies". *Attached as Exhibit "G" hereto is a true copy of the Notice of Intention to Make a Proposal filed by First Waste America Inc. on October 8, 2008.*

12. After the filing of the NOI, First Waste America retained possession of the Railcars. However, it failed to make the lease payment of USD \$133,496.00 due on November 1, 2008 pursuant to invoice number 535425. *Attached as Exhibit "H" hereto is a true copy of invoice number 535425, dated November 1, 2008, issued by ARL to First Waste America, Inc.*

13. ARL was not given advance notice of First Waste America's intention to file a NC. Furthermore, ARL was not given advance notice of the fact that the First Waste Companies intended to bring a motion on October 30, 2008, for an order extending time to file their proposal. Accordingly, the statement of Joel Wagman in paragraph 33 of his affidavit sworn October 21, 2008 in support of that motion, to the effect that "ARL is fully supportive of an extension of time within which to file a proposal so that the Trustee and I may continue the negotiations underway with the seven potential investors," is untrue, as is his statement in the same paragraph that "ARL will enter into meaningful discussions to resolve the lease arrears." It is true that a meeting has been scheduled between First Waste America and ARL to take place on November 7, 2008, but that meeting was cancelled in light of these proceedings.

14. ARL's insolvency counsel in Canada, Bruce Darlington of Davis LLP, has been in contact with Uwe Manski, the President of BDO Dunwoody Limited, Chief Restructuring Officer ("CRO") for the First Waste Companies. Further, on the afternoon of November 18, 2008, ARL

received the Preliminary Report of the CRO. From Mr. Darlington's conversations with I
Manski and the CRO's report, ARL has learned that:

- a) the business model of the First Waste Companies was faulty from the outset, that the revenues that the business would generate from accepting the waste disposal were less than the transportation and tipping costs, even before factor in the payments due to ARL pursuant to the Lease or overhead expenses.] First Waste Companies incurred total losses in 2007 of \$7.2 million and losses in the first 10 months of 2008 of \$7.39 million;
- b) IBC did intend to cause the LC to be issued, but First Waste America defaulted the interest payments due to IBC pursuant to its loan to First Waste America almost immediately. Further, IBC heard that the payments to ARL pursuant to Lease had fallen, or were about to fall, into arrears and so ARL would immediately draw down on the LC;
- c) All of the Railcars are full of construction debris and waste. First Waste America has been paid its fee for transporting and disposing of the waste, but has not done so. ARL does not know how those funds were used;
- d) As of today's date, very little progress, if any, has been made to formalize definitive agreement, and the CRO has not received so much as a letter commitment, term sheet or any other documentation, with respect to a sale refinancing of the First Waste Companies;
- e) Should an agreement be reached to refinance or sell the First Waste Companies, could not be closed for several months, at best, and in the interim the debt owed ARL would continue to increase from month to month; and
- f) There is a dispute as to who owns the shares of some of the First Waste Companies.

Attached as Exhibit "I" hereto is a true copy of the report dated November 18, 2008 from BDO Dunwoody Limited, Chief Restructuring Officer for First Waste.

15. ARL understands that First Waste America will not make the lease payment of U \$133,496.00, that is due on December 1, 2008. ARL is not prepared to continue allowing First Waste America to have possession and use of the Railcars, particularly as First Waste America does not make the Lease payment pursuant to the Lease that came due on November 1, 2008, after the filing of the NOI on October 8, 2008.
16. ARL does not believe that the First Waste Companies will be able to either refinance or sell their business in a reasonable period of time. Further, it is ARL's belief that the process of soliciting and attempting to finalize financing or purchase proposals could take several months and would be unfairly prejudicial to its interests as the owner and lessor of the Railcars.
17. ARL does not trust the current management of the First Waste Companies, which has not been entirely candid with ARL with respect to First Waste America's financial status or the operation of its business.
18. In the result, ARL will not support any proposal made by the First Waste Companies.
19. If ARL is permitted to terminate the Lease and recover possession of the Railcars, it will be in a position to lease them to other lessees. ARL is in the process of making contact with some potential lessees.
20. The Railcars are located in Ontario, Michigan and Ohio. The Railcars that are in Ontario are to be found in a yard owned by the Canadian National Railway Company ("CN"). Only CN can move the Railcars from that yard to a junction point, from which they can be picked up by another carrier. ARL is prepared to pay CN to move the Railcars to a junction point which ARL will designate. *Attached as Exhibit "J" hereto is a true copy of a tracing report obtained by ARL dated November 17, 2008, in respect of the location of the Railcars as at the date of the report.*
21. The Bank of Montreal ("BMO") has a security agreement charging all of First Waste America Inc.'s equipment, inventory, intangibles, accounts receivable, assets and undertaking dated April 4, 2008 registered as 20080411 1211 1590 9787. Other than ARL, BMO is the only secured creditor of First Waste America. *Attached as Exhibit "K" hereto is a true copy of an*

Enquiry Response, made pursuant to the provisions of the Personal Property Security Act, respect of First Waste America.

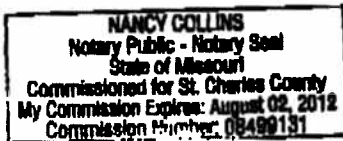
22. The Lease provides, in paragraph 8, that First Waste America will indemnify ARL against any loss or damage caused by reason of, or arising out of, any default by First Waste America. of November 18, 2008, ARL had incurred costs and disbursements arising out of the default First Waste America in the amount of \$35,401.88.

23. I swear this affidavit in support of a motion brought by ARL for an order lifting the stay proceedings against the First Waste Companies and for other relief, and for no other or improper purpose.

SWORN BEFORE ME at the
City of St. ^{Charles, Mo.} ~~Louis~~, in the State of
Missouri, on November 19, 2008

Nancy Collins

A Notary Public



Umesh Choksi
UMESH CHOKSI

This is Exhibit "A" referred to
in the affidavit of

UMESH CHOKSI

sworn before me this

19th day of November, 2008

Nancy Collins
A COMMISSIONER FOR TAKING AFFIDAVITS

NANCY COLLINS
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles County
My Commission Expires: August 02, 2011
Commission Number: 08488131

SCHEDULE A

LESSEE CODE	CONTRACT	RPTG MARK	CAR NUMBER
1819	85330001	FWTX	820000
1819	85330001	FWTX	820001
1819	85330001	FWTX	820002
1819	85330001	FWTX	820003
1819	85330001	FWTX	820004
1819	85330001	FWTX	820005
1819	85330001	FWTX	820006
1819	85330001	FWTX	820007
1819	85330001	FWTX	820008
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1819	85330001	FWTX	820012
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1819	85330001	FWTX	820015
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1819	85330001	FWTX	820044
1819	85330001	FWTX	820045
1819	85330001	FWTX	820046
1819	85330001	FWTX	820047
1819	85330001	FWTX	820048

LESSEE CODE	CONTRACT	RPTG MARK	CAR NUMBER
1819	85330001	FWTX	620049
1819	85330001	FWTX	620050
1819	85330001	FWTX	620051
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1819	85330001	FWTX	620061
1819	85330001	FWTX	620062
1819	85330001	FWTX	620063
1819	85330001	FWTX	620064
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1819	85330001	FWTX	620067
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1819	85330001	FWTX	620093
1819	85330001	FWTX	620094
1819	85330001	FWTX	620095
1819	85330001	FWTX	620096
1819	85330001	FWTX	620097

LESSEE CODE	CONTRACT	RPTG MARK	CAR NUMBER
1819	85330001	FWTX	620098
1819	85330001	FWTX	620099
1819	85330001	FWTX	620100
1819	85330001	FWTX	620101
1819	85330001	FWTX	620102
1819	85330001	FWTX	620103
1819	85330001	FWTX	620104
1819	85330001	FWTX	620105
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1819	85330001	FWTX	620107
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1819	85330001	FWTX	620146

LESSEE CODE	CONTRACT	RPTG MARK	CAR NUMBER
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1819	85330001	FWTX	820148
1819	85330001	FWTX	820149
1819	85330001	FWTX	820150
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1819	85330001	FWTX	820157
1819	85330001	FWTX	820158
1819	85330001	FWTX	820159
1819	85330001	FWTX	820160
1819	85330001	FWTX	820161
1819	85330001	FWTX	820162
1819	85330001	FWTX	820163

Total Number of Cars: 164

This is Exhibit "B" referred to
in the affidavit of

UMESH CHOKSI

sworn before me this

1st day of November, 2008

Nancy Collins
A COMMISSIONER FOR TAKING AFFIDAVITS

NANCY COLLINS
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles Co.
My Commission Expires: August 02,
Commission Number: 0849913



AMERICAN RAILCAR LEASING LLC

620 North Second Street • St. Charles, Missouri 63301-2081 • 636-940-5000 • arleasing.com

MASTER SERVICE CONTRACT NO. MSC 8-8533

This AGREEMENT, made this 4th day of September 2007 by and between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company, 620 North Second Street, St. Charles, Missouri 63301-2081 (hereinafter called the "Lessor") and

FIRST WASTE AMERICA INC.

corporation, (hereinafter called the "Lessee")

WITNESSETH:

(1) DESCRIPTION OF RIDER (TYPE OF CARS, LADING, RENTAL CHARGES, ETC.). Lessor agrees to lease to the Lessee, and Lessee agrees to hire from Lessor, the cars shown on each rider attached hereto and such additional riders as may be added hereto from time to time by agreement of the parties and signed by their duly authorized representative (all such cars being hereinafter collectively referred to as the "cars"). Each rider shall set forth a brief description of the car or cars covered thereby including such facts as the number of cars, the A.A.R. or D.O.T. specifications, rental charges, commodity service, term throughout which the car or cars shall remain in Lessee's service, and such other information as may be desired by both parties.

(2) DELIVERY OF CARS. Lessor agrees to deliver each car to Lessee freight charges collect, in the yard of the delivering line at the point designated by Lessee, and Lessee agrees to accept such delivery of the cars (and to pay the rental rate thereof as provided in each rider from the date of delivery of cars) at the point specified until the cars are returned at the termination of the rider to the Lessor at said point or other points mutually agreed upon. Lessor's obligation as to deliveries hereunder is subject to delays due to labor difficulties, fire, delays of carriers and materialmen or other like or unlike contingencies beyond the reasonable control of the Lessor.

(3) PAYMENT OF RENTAL CHARGES. Lessee agrees to pay to Lessor for the use of each car the monthly rental set forth in the rider applicable to such car from the date such car is delivered to Lessee, until such car is returned to Lessor as hereinafter provided in Paragraph (7). Said monthly rental shall be paid to Lessor's designated address in advance on the first day of each month during the rental term, except that Lessee shall pay at the time of delivery of each car a pro rata of one month's rent for the period intervening the date of delivery and the first of the next succeeding month.

(4) TERM OF AGREEMENT. This Master Service Contract is effective as of the date hereof and will continue in full force and effect for two hundred and forty (240) continuous months thereafter, expiring on the last day of the final month, except with respect to any individual rider governed hereby having a later expiration date. In such case, the terms of the expired master agreement will continue in full force and effect through the expiration date of such rider, except as provided in Paragraph (11).

(5) REPORTS AND MILEAGE. Lessor shall collect all mileage earned by the cars and shall credit to the rental account of Lessee for each accounting period (as defined) such mileage earned by the cars while in the service of Lessee, as and when received from the railroads according to, and subject to, all rules of the tariffs of the railroads, but only to the extent of the aggregate rental charges payable hereunder for such year. The term "accounting period", as used in this contract, is defined to mean each period of twelve (12) consecutive months within the term of this contract ending on the anniversary of the effective date hereof, and any period from the last such twelve (12) month period to the date of expiration of this contract. Lessee shall give Lessor weekly reports of the movements of the cars, giving origin, destination, date and complete routing of each movement.

(6) LOADED AND EMPTY MILEAGE. Lessee agrees so to use the cars that their mileage under load shall be equal to their empty mileage on each railroad over which they move. Should the empty mileage on any railroad exceed the loaded mileage, the Lessee shall pay to the Lessor for such excess at the rate and at the time established by the tariff of the railroad on which such excess of empty mileage has accrued. For the purpose of this paragraph the railroad mileage reports received by Lessor shall be prima facie evidence of the facts reported therein. All railroad tariff charges during the term of this agreement, including freight and switching charges, incident to the movement of the cars, shall be for the Lessee's account except when due to the specific action of the Lessor.

(7) RETURN OF CARS. Lessee will preserve the cars in good condition and will not in any way alter the physical structure of the cars without the approval in writing of the Lessor. At the termination of each rider, Lessee will return all of the cars to the Lessor at the point specified in Paragraph (2) hereof, or other points mutually agreed upon, empty, free from residue, and in the same good order and condition as the cars were in when they were delivered by the Lessor to Lessee, ordinary wear and tear excepted. Lessee shall on demand reimburse Lessor for the cost of cleaning any cars containing residue or for damage to any car, tank, appurtenances, fittings, and/or outlets, which have been affected by the commodity loaded therein.

(8) DAMAGE TO CAR AND ASSIGNMENT. Lessee will indemnify Lessor against loss or damage caused during the term of this lease to or by any of the cars hereby leased, or to or by the contents thereof, howsoever occurring and will indemnify Lessor against any loss or damage suffered by it by reason of or arising out of any default by Lessee hereunder. Lessee will not assign, transfer, encumber, or otherwise dispose of this lease, the cars or any part thereof or sub-let or under-let the cars hereby leased, or change or permit to be changed or altered the present lettering and/or numbering on said cars or any of them without the consent of Lessor in writing first obtained. Lessee will not permit or suffer any encumbrances or liens to be entered or levied upon the cars, or any of them.

(9) MAINTENANCE AND BAD ORDER. Lessor agrees to furnish the cars in accordance with the present DOT requirements and in compliance with the now existing A.A.R. rules of interchange, and to conduct necessary repairs during the term of this lease. Lessee agrees to provide prompt notification of car damage or defect, and to forward the cars as may be directed by the Lessor. Lessor shall not be liable for any damage to or loss of the whole or any part of any shipment made in any of the cars. Lessee shall at its expense replace any removable parts (dome covers, outlet caps, etc.) if lost or broken. If any of the cars shall be completely destroyed, or if the physical condition of any car shall become such that such car cannot be operated in railroad service as determined by the Lessor, then Lessor may at its option cancel this lease as to such car as of the date on which such event occurred, or may substitute therefor another car within a reasonable period of time. Any car modification costs incurred by Lessor in compliance with a DOT or A.A.R. rule change shall be for the account of the Lessee. As cars are placed in a shop for maintenance and/or repair at the direction of Lessor, the rental charges on each car shall cease on date of arrival at such shop and will be reinstated on date such car is ready to leave such shop to Lessee's specified point. If a car becomes bad order while en route and is placed in railroad shops for repairs, then after the lapse of five days the rent on the car so placed shall cease until such car is returned to Lessee's service. If any repairs are required as a result of the misuse by or negligence of Lessee, its consignee, agent or sub-lessee, the rental charge shall continue during the period of repair.

(10) REMEDIES. It is mutually agreed that the time of payment of rentals is of the essence of this contract and that this contract is subject and subordinate to any Chattel Mortgage or Conditional Sale Agreement or other security arrangement on the cars heretofore or hereafter created and to the rights of any such secured party or Trustee under any Equipment Trust heretofore or hereafter established by the Lessor, and that if the Lessee shall make default in the payment of rentals for the cars at the time when same become due and payable or shall make default in the performance or observance of any of the other agreements herein contained and by Lessee to be performed or observed and such default shall continue for ten (10) days, or there shall be filed by or against Lessee a petition in bankruptcy or for reorganization under the Bankruptcy Law or there shall be a receiver appointed of any part of Lessor's property or Lessee shall make a general assignment for the benefit of creditors, then and in any of said events Lessor, at its election, may terminate this lease and repossess itself of said cars and this lease shall thereupon become and be terminated, or may repossess itself of said cars and re-let the same or any part thereof to others for such rent and upon such terms as it may see fit; and if a sufficient sum shall not be thus realized after repaying all expenses of re-taking and re-letting said cars and collecting the rentals thereof to satisfy the rentals herein reserved, the Lessee agrees to satisfy and pay the deficiency from time to time upon demand. The obligation to pay such deficiency shall survive such termination of this lease and/or such retaking of the cars. Lessee shall without expense to Lessor assist it in repossessing itself of said cars and shall for a reasonable time if required furnish suitable truckage space for the storage of said cars..

(11) CONTINUANCE. In the event that the Lessee continues to use the car(s) after the expiration of the term of any rider or does not return such car(s) to the Lessor, as required by this agreement, on or before the expiration of the term of said rider all of the terms and conditions of this agreement, except in respect to expiration of the term thereof, shall continue to apply. In such event, Lessee will give Lessor sixty (60) days' written notice of its intention to return the car(s) to Lessor. The foregoing will not affect Lessor's right to return of the car(s) at any time after such expiration.

(12) SUBLEASING. Anything in Paragraph (8) of this lease contained to the contrary notwithstanding the Lessee shall have the right to sublease any of the cars for single trips to its customers or to its suppliers, and to cause such cars so subleased to be boarded or placarded with the names of the sublessees, in accordance with the provisions of demurrage tariffs lawfully in effect, where the sole purpose of such subleasing is to obtain an exemption from demurrage for said cars so subleased; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor for the fulfillment of Lessee's obligations under this lease; and provided further, that Lessor shall have the right, at any time, to withdraw the privilege of subleasing hereinabove granted to Lessee.

(13) LINING. The application, maintenance and removal of interior protective coating of the cars is to be performed by and at the expense of Lessee except that with respect to any Class DOT 103-BW or 111-A-100-WS Tank Cars such services shall be performed by and at the expense of the Lessor. Commodity or mechanical damage to the lining of any car shall be for the account of the Lessee.

(14) TAXES. Lessor will pay all property taxes properly imposed on or measured by such cars on the mileage thereon and will file all property tax reports relating thereto. Lessee will be responsible for all sales, use, and/or rental taxes imposed by federal, state, municipal and other governmental authority, and in addition Lessee agrees to assume cost of duty, sales and all other taxes incidental to exportation of the cars out of or operation thereof outside of the Continental United States.

(15) UNIT TRAIN MOVEMENT. No car shall be utilized in Unit Train service, nor shall any car be transported or moved more than Forty Thousand (40,000) miles during any year of this lease, computed from anniversary date to anniversary date, unless consented to in writing by Lessor in advance of such use. If any car is determined to have been transported or moved in excess of Forty Thousand (40,000) miles during such year, Lessee agrees to pay Lessor as additional rent for such car the sum of \$.018 per mile for each mile in excess of Forty Thousand (40,000) miles, but less than Eighty Thousand (80,000) miles, and the sum of \$.03 per mile for each mile in excess of Eighty Thousand (80,000) miles. The determination of the total number of miles for each car per year shall be made by multiplying the total number of loaded miles for such car in such year by Two (2), unless Lessor has in its possession information sufficient to disclose to its satisfaction the exact mileage for such car for such year.

(16) PRESSURE CAR VALVE MAINTENANCE. It is mutually agreed that the maintenance and replacement of safety, angle, and check valves, and if cars are so equipped, the thermometer, thermometer well, gauging device, regulator valves, and safety vent rupture disc assemblies shall be for the account of Lessee.

(17) HOPPER CAR MAINTENANCE. Lessee will be responsible for inspection and cleaning of the operating mechanism of the outlets, hatches, and special fittings on cars leased herein. Further, any damage to the outlets, hatches, and special fittings or their operating mechanism will be repaired for the account of the Lessee.

(18) OT-5 APPROVAL. In case approval for use of the cars or any of them obtained pursuant to Circular No. OT-5 of the A.A.R. as now or hereafter in effect is withdrawn or modified, each rider shall remain in full force and effect notwithstanding such withdrawal or modification.

(19) This agreement shall be binding upon and shall inure to the benefit of the Lessor, its successors and assigns, and the Lessee, Lessee's legal representative and successors and (if consented to by Lessor) assigns.

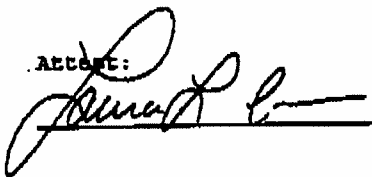
(20) This agreement shall be governed by and construed in accordance with the Laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed and sealed this Agreement in duplicate the day and year first above written.

AMERICAN RAILCAR LEASING LLC

AMERICAN RAILCAR LEASING LLC

Attest:



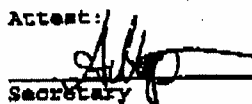
By:



Vice President


FIRST WASTE AMERICA INC.

Attest:



Secretary

By:



President

MSC 8-8533



AMERICAN RAILCAR LEASING LLC

620 North Second Street • St. Charles, Missouri 63301-2081 • 636-940-5000 • arleasing.com

RIDER NO. 1

DATED September 4, 2007

This Rider No. 1 to Contract No. MSC 8-8533 by and between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company, and

FIRST WASTE AMERICA INC. shall become part of said contract and the cars described herein shall be subject to the terms and conditions in said contract and special conditions set forth in this rider.

<u>NO. OF CARS</u>	<u>CAPACITY AND DESCRIPTION OF CARS</u>	<u>MONTHLY RENTAL RATE</u>
164	6400 cubic foot Gondola cars suitable for a gross rail load of 286,000 pounds.	\$799.00 (U.S. Funds)

CONCEPT SERVICE: Construction and Demolition Waste

RENTAL TERM: This agreement is effective as of the date hereof and shall remain in full force and effect with regard to each car furnished hereunder for 240 months from the first day of the month next succeeding the average date of delivery of all of the cars delivered hereunder unless sooner terminated as hereinafter provided.

CAR NOS: Initialed SNPK and numbered as assigned.

SPECIAL CONDITIONS:

1. Lessee agrees to operate the cars predominantly in United States service. In the event that Lessee fails to do so, Lessee agrees to indemnify Lessor against all losses caused by such utilization.
2. Lessor's final acceptance of this order is contingent upon full execution of Master Service Contract MSC 8-8533 and this Rider 1.
3. Lessee agrees to perform all obligations defined on the attached "Terms and Conditions for Letter of Credit".
4. It is mutually agreed that during the term of this rider, the Lessee shall have the option to purchase all, but not less than all, cars covered by this rider, at a purchase price as stated on attached Stipulated Loss Values (SLV).

AMERICAN RAILCAR LEASING LLC
Attest: [Signature]

AMERICAN RAILCAR LEASING LLC
By: [Signature]
Vice President

Attest: [Signature]
Secretary
R8533-1b.doc

FIRST WASTE AMERICA INC.
By: [Signature]
President (68)

Terms and Conditions for Letter of Credit

Facility: Irrevocable Standby Letter of Credit

Beneficiary: American Railcar Leasing LLC
100 Clark Street, Suite 201
St. Charles, MO 63301

Drawing Amount: Year one, letter of credit for fifteen (15) months of rental payments to be drawn in whole (\$1,965,540 U.S. dollars).
Year one drawing amount will automatically renew for year two and year three of lease term.

In year four, letter of credit will be reduced to seven (7) months of rental payments to be drawn in whole (\$917,252 U.S. dollars). The year four drawing amount will automatically renew for year five of the lease term.

In the sixth and seventh year of the lease, the letter of credit will be reduced to \$458,626 U.S. dollars to be drawn in whole.

Letter of credit will terminate at the end of year seven of the lease.

Triggers:

- Lessee's rental payments are five or more days past due per the invoice due date.
- Lessee files for bankruptcy.
- Lessee transfers or sells business or any part of the business, which leases the railcars from the Lessor, without the consent of the Lessor, which consent shall not be unreasonably withheld.
- Lessee transfers or sells business or any part of the business, which leases the railcars from the Lessor, even though the Lessor disapproves of such transaction. Such disapproval shall not be unreasonable.
- The Lessee plans an Initial Public Offering (IPO) and/or a Private Placement to raise additional funds. It is understood that such fund raising shall not constitute a sale.
- Lessee fails to comply with lease agreement or any other credit agreement.

Any one of the above events may trigger a draw down of the letter of credit.

Transfer & Assignment: Letter of credit is transferable and assignable by Lessor.

At the end of year three of the lease, the Lessor will review the financial condition of the Lessee and at its sole discretion, the Lessor will decide whether to continue having the letter of credit to be in effect or if the letter of credit may be terminated.

First Waste Utilities Canada Limited agrees to unconditionally guarantee complete performance of all terms and conditions under this agreement.



FIRST WASTE UTILITIES CANADA LIMITED

STIPULATED LOSS VALUES

Rental Pymnt Number	% of Equipment Cost	Rental Pymnt Number	% of Equipment Cost	Rental Pymnt Number	% of Equipment Cost	Rental Pymnt Number	% of Equipment Cost	Rental Pymnt Number	Eqn
1	99.8%	49	110.6%	97	99.9%	145	78.0%	193	
2	100.0%	50	110.8%	98	99.5%	146	77.5%	194	
3	100.8%	51	110.5%	99	99.0%	147	77.1%	195	
4	100.9%	52	110.4%	100	98.8%	148	76.8%	196	
5	101.4%	53	110.4%	101	98.2%	149	76.1%	197	
6	101.8%	54	110.3%	102	97.7%	150	75.6%	198	
7	102.2%	55	110.2%	103	97.3%	151	75.2%	199	
8	102.6%	56	110.1%	104	96.9%	152	74.7%	200	
9	103.0%	57	110.0%	105	96.4%	153	74.2%	201	
10	103.5%	58	110.0%	106	96.0%	154	73.7%	202	
11	103.9%	59	109.8%	107	95.6%	155	73.3%	203	
12	104.3%	60	109.7%	108	95.1%	156	72.8%	204	
13	104.7%	61	109.5%	109	94.7%	157	72.3%	205	
14	105.1%	62	109.5%	110	94.3%	158	71.8%	206	
15	105.5%	63	109.4%	111	93.8%	159	71.3%	207	
16	105.9%	64	109.2%	112	93.4%	160	70.9%	208	
17	106.3%	65	109.1%	113	92.9%	161	70.4%	209	
18	106.7%	66	108.9%	114	92.5%	162	69.9%	210	
19	107.0%	67	108.8%	115	92.0%	163	69.4%	211	
20	107.3%	68	108.6%	116	91.6%	164	69.0%	212	
21	107.6%	69	108.4%	117	91.1%	165	68.5%	213	
22	107.9%	70	108.2%	118	90.7%	166	68.0%	214	
23	108.2%	71	108.0%	119	90.2%	167	67.6%	215	
24	108.4%	72	107.8%	120	89.8%	168	67.1%	216	
25	108.7%	73	107.6%	121	89.3%	169	66.6%	217	
26	108.9%	74	107.4%	122	88.9%	170	66.2%	218	
27	109.1%	75	107.2%	123	88.4%	171	65.7%	219	
28	109.3%	76	106.9%	124	87.9%	172	65.2%	220	
29	109.5%	77	106.7%	125	87.5%	173	64.7%	221	
30	109.6%	78	106.4%	126	87.0%	174	64.3%	222	
31	109.8%	79	106.2%	127	86.5%	175	63.8%	223	
32	109.9%	80	105.9%	128	86.1%	176	63.4%	224	
33	110.1%	81	105.6%	129	85.6%	177	62.9%	225	
34	110.2%	82	105.3%	130	85.1%	178	62.5%	226	
35	110.3%	83	105.0%	131	84.7%	179	62.1%	227	
36	110.4%	84	104.7%	132	84.2%	180	61.6%	228	
37	110.4%	85	104.4%	133	83.7%	181	61.2%	229	
38	110.5%	86	104.0%	134	83.3%	182	60.7%	230	
39	110.5%	87	103.7%	135	82.8%	183	60.3%	231	
40	110.6%	88	103.3%	136	82.3%	184	59.9%	232	
41	110.6%	89	103.0%	137	81.8%	185	59.4%	233	
42	110.7%	90	102.6%	138	81.4%	186	59.0%	234	
43	110.7%	91	102.2%	139	80.9%	187	58.6%	235	
44	110.7%	92	101.9%	140	80.4%	188	58.2%	236	
45	110.7%	93	101.5%	141	79.9%	189	57.8%	237	
46	110.7%	94	101.1%	142	79.5%	190	57.4%	238	
47	110.7%	95	100.7%	143	79.0%	191	57.0%	239	
48	110.6%	96	100.3%	144	78.5%	192	56.6%	240	

SLV is a percentage of original equipment cost.



AMERICAN RAILCAR LEASING LLC

620 North Second Street • St. Charles, Missouri 63301-2081 • 636-940-5000 • arleasing.com

AMENDMENT TO CAR SERVICE CONTRACT NO. MSC 8-8533, Rider 1

This AGREEMENT, made this 19th day of October 2007 by and between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company, (hereinafter called the "Lessor"), and

FIRST WASTE AMERICA INC.

corporation, (hereinafter called the "Lessee")

Lessor and Lessee hereby agree that Contract No. MSC 8-8533, Rider 1 between them dated September 4, 2007, is hereby amended to read as follows:

1. It is mutually agreed that this rider will cover a total of one hundred sixty-four (164) cars, initialed FWX and numbered 62000 through 620163.
2. All other terms and conditions remain unchanged.

AMERICAN RAILCAR LEASING LLC

Attest:

Attest:

Secretary
AR113-1

AMERICAN RAILCAR LEASING LLC

By:

Vice President

Travis
FIRST WASTE AMERICA INC.

By:

President
P. L. [unclear]



AMERICAN RAILCAR LEASING LLC

100 Clark Street, Suite 201 • St. Charles, Missouri 63301-2073 • 636-940-5000 • www.arleasing.com

AMENDMENT TO CAR SERVICE CONTRACT NO. MSC 8-8533, Rider 1

This AGREEMENT, made this 12th day of May 2008 by and between AMERICAN RAILCAR LEASING LLC, a Delaware limited liability company, (hereinafter called the "Lessor"), and

FIRST WASTE AMERICA INC.

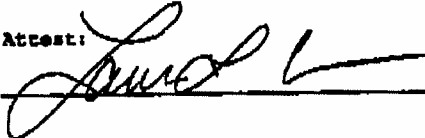
corporation, (hereinafter called the "Lessee")

Lessor and Lessee hereby agree that Contract No. MSC 8-8533, Rider 1 between them dated September 4, 2007, is hereby amended to read as follows:

1. It is mutually agreed that effective June 1, 2008, Lessee agrees to pay Lessor, in addition to the rental rate of \$799.00 (U.S. Funds), \$15.00 (U.S. Funds) per car per month through May 31, 2013, to cover amortization of freight charges.
2. All other terms and conditions remain unchanged.

AMERICAN RAILCAR LEASING LLC

Attest:



Attest:

Secretary
A8533-1

AMERICAN RAILCAR LEASING LLC

By:



FIRST WASTE AMERICA INC.

By:

President
