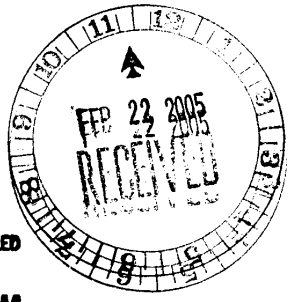
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street • Post Office Box 1008 • Columbus, Ohio 43216-1008 • Telephone (614) 464-6400 • Facsimile (614) 464-6350 • Cable VORYSATER

Stephen D. Browning
Direct Dial (614) 464-8276
Facsimile (614) 719-4643
E-Mail : sdbrowning@vssp.com

February 15, 2005




**VIA US MAIL**

RECORDATION NO. 25473 FILED

FEB 25 '05 5-02 PM

SURFACE TRANSPORTATION BOARD

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Recordation Pursuant to 49 U.S.C. § 11301

Dear Mr. Secretary:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11301 and 49 C.F.R. § 1177.1 *et seq.* please find 2 copies of a Subordinated Security Agreement dated December 1, 2004 described more fully below. The Subordinated Security Agreement is a primary document under 49 C.F.R. § 1177.1(a).

The names of the parties to the Subordinated Security Agreement are as follows:

| | |
|---|---|
| Mortgagor:<br>(Debtors) | Liberty Waste Transportation, LLC<br>Dominion Tower, Suite 3100<br>625 Liberty Avenue<br>Pittsburgh, Pennsylvania 15222 |
| Mortgagee:<br>(Secured Party) | Wells Fargo Bank, N.A., as Trustee<br>111 East Wayne Street<br>Fort Wayne, Indiana 46802 |

A fee of $32.00 is enclosed. Please return the original and any extra copies of the Agreement not needed by the Board for recordation to:

Stephen D. Browning
Vorys, Sater, Seymour and Pease, LLP
52 E. Gay Street
Columbus, OH 43216-1008

A short summary of the document to appear in the index follows:

A Subordinated Security Agreement dated as of December 1, 2004 between Liberty Waste Transportation LLC and Wells Fargo Bank, N.A., as Trustee with regard to various collateral described more fully in the Subordinated Security Agreement, including but not limited to, all sealed waste containers owned by the debtor whether now owned or hereafter acquired.

Thank you for you assistance in this matter.

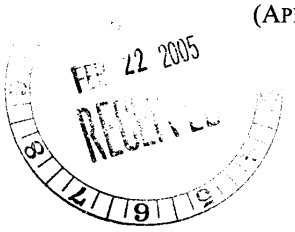
Sincerely,

Stephen D. Browning
On behalf of Liberty Waste Transportation LLC

SDB/pjs

Enclosures

LWT SECOND
(APEX TRUSTEE SECURITY AGREEMENT)
I.12




SUBORDINATE SECURITY AGREEMENT
(AND COLLATERAL ASSIGNMENT)

RECORDATION NO. 25413 FILED

FEB 2 5 '05 5-02 PM

SURFACE TRANSPORTATION BOARD

LIBERTY WASTE TRANSPORTATION, LLC,
as Debtor,

And

WELLS FARGO BANK, N.A., as Trustee
as Secured Party

Dated as of December 1, 2004

**SUBORDINATE SECURITY AGREEMENT**
**(AND COLLATERAL ASSIGNMENT)**

THIS SUBORDINATE SECURITY AGREEMENT (AND COLLATERAL ASSIGNMENT) (this *"Agreement"* or the *"Apex Trustee Security Agreement"*) dated as of December 1, 2004, by and between Liberty Waste Transportation, LLC, a limited liability company organized and existing under the laws of the State of Delaware, having its principal place of business at Liberty Waste Transportation, LLC, c/o Liberty Waste Services, LLC, Dominion Tower, Suite 3100, 625 Liberty Avenue, Pittsburgh, Pennsylvania 15222 (*"LWT"* or *"Debtor"*), and Wells Fargo Bank, N.A., as Trustee for the holders of the Apex Senior Bonds, a national banking association, having an office at 111 East Wayne Street, Fort Wayne, Indiana 46802, Attn: Corporate Trust Department (the *"Apex Trustee"* or *"Secured Party"*);

**WITNESSETH:**

WHEREAS, the Port Authority for Columbiana County, Ohio (the *"Issuer"*), has determined that it is desirable (A) to issue under the terms of an Indenture of Trust (the *"Apex Indenture"*) dated as of December 1, 2004 from the Issuer to the Wells Fargo Bank, N.A. (the *"Apex Trustee"*) (i) its Solid Waste Facility Revenue Bonds (Apex Environmental, LLC Project) Series 2004 A in an aggregate principal amount of $37,500,000 (the *"Apex Series 2004 A Bonds"*), and (ii) its Solid Waste Facility Revenue Bonds (Apex Environmental, LLC Project) Taxable Series 2004 B in an aggregate principal amount of $3,300,000 (the *"Apex Series 2004 B Bonds"*) and (B) to loan the proceeds thereof to Apex Environmental, LLC (*"Apex"*), pursuant to the Loan Agreement dated as of December 1, 2004 (the *"Apex Loan Agreement"*) between Apex and the Issuer, (i) to finance the cost of the acquisition, construction and installation, including design and engineering and other qualifying costs, of solid waste disposal facilities including a municipal solid waste landfill, a waste transfer station, rail tank cars for leachate disposal, related equipment and fixtures, and its interests in certain rail improvements, located in Jefferson, Harrison and Belmont Counties, Ohio (collectively, the *"Apex Project"*); (ii) to fund a debt service reserve fund with respect to the Apex Series 2004 A Bonds and the Apex Series 2004 B Bonds; (iii) to pay capitalized interest on the Apex Series 2004 A Bonds and the Apex Series 2004 B Bonds during the period of construction of the Apex Project; and (iv) to pay costs incurred in connection with the issuance of the Apex Series 2004 A Bonds and the Apex Series 2004 B Bonds;

WHEREAS, it is anticipated that additional amounts may be necessary to improve the Apex Project or for other purposes set forth herein, and as a result, provision should be made for the issuance of additional bonds (the *"Apex Additional Bonds"*), which may be ranked on parity with the Apex Series 2004 A Bonds and Apex Series 2004 B Bonds or on parity with Subordinate Solid Waste Facility Revenue Bonds (Apex Environmental, LLC Project) Series 2004 C (the *"Apex Series 2004 C Bonds"*);

WHEREAS, the Apex Series 2004 A Bonds and Apex Series 2004 B Bonds and all Apex Additional Bonds issued on a parity therewith (collectively, the *"Apex Senior Bonds"*) issued

under the Apex Indenture are secured by, *inter alia*, a Security Agreement (and Collateral Assignment) from Apex to the Apex Trustee (the *"Apex Senior Security Agreement"*);

WHEREAS, the Apex Series 2004 C Bonds and all Apex Additional Bonds issued on a parity therewith (collectively, the *"Apex Subordinate Bonds"*) issued under the Apex Indenture will not be secured by the Apex Senior Security Agreement;

WHEREAS, the Apex Senior Bonds and the obligation to pay interest thereon are and will be special, limited obligations of the Issuer, payable solely out of the revenues and receipts derived from the Apex Project (the right, title and interest of which have been assigned to the Apex Trustee pursuant to the Apex Indenture);

WHEREAS, Apex is willing to enter into the Apex Senior Security Agreement to secure the Apex Senior Bonds and to enhance the marketability of the Apex Senior Bonds and thereby achieve cost savings to Apex, and as an inducement to the purchase of the Apex Senior Bonds by all who shall at any time become owners of the Apex Senior Bonds;

WHEREAS, as security for Apex's obligations under the Apex Loan Agreement and related documents, LWT has delivered to the Apex Trustee a Guaranty dated as of December 1, 2004, relating to the Apex Senior Bonds (the *"LWT Guaranty"*);

WHEREAS, the LWT Guaranty as secured by this Subordinate Security Agreement (and Collateral Assignment) dated as of December 1, 2004 from LWT, as Debtor, to the Apex Trustee, as Secured Party (this *"Agreement"* or the *"Apex Trustee Security Agreement"*);

WHEREAS, to provide additional funds for the Apex Project working capital, Apex Project capital expenditures and other Apex corporate purposes, Apex has entered or will enter into a bank credit facility (the *"Apex Credit Facility"*) with Comerica Bank (together with its successors and assigns, the *"Bank"*) in an amount up to $6,200,000 (subject to an annual escalation based on the Consumer Price Index);

WHEREAS, as security for Apex's obligations under the Apex Credit Facility, Apex has delivered or will deliver to the Bank an Open-End Mortgage Subordinate, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the *"Apex Bank Mortgage"*) and a Subordinate Security Agreement (and Collateral Assignment) (the *"Apex Bank Security Agreement"*);

WHEREAS, Apex's obligations under the Apex Credit Facility are or will be also secured by a guaranty from LWT to the Bank (the *"LWT Credit Facility Guaranty (Apex)"*);

WHEREAS, Apex and LWT are affiliates, both majority owned by Liberty Waste Services, LLC;

WHEREAS, the Issuer has also determined that it is desirable (A) to issue under the terms of an Indenture of Trust (the *"LWT Indenture"*) dated as of December 1, 2004 from the Issuer to the Wells Fargo Bank N.A., as Trustee (the *"LWT Trustee"*) its Solid Waste Facility Revenue

Bonds (Liberty Waste Transportation, LLC Project) Series 2004 A in an aggregate principal amount of $19,000,000 (the *"LWT Bonds"*), and (B) to loan the proceeds thereof to LWT pursuant to the Loan Agreement dated as of December 1, 2004 (the *"LWT Loan Agreement"*) between LWT and the Issuer, (i) to finance the cost of acquiring up to 1,400 sealed waste containers (the *"LWT Project"*); (ii) to fund a debt service reserve fund with respect to the LWT Bonds; (iii) to pay capitalized interest on the LWT Bonds during the period of construction of the LWT Project; and (iv) to pay costs incurred in connection with the issuance of the LWT Bonds;

WHEREAS, the LWT Bonds issued under the Indenture are secured by, *inter alia*, a Security Agreement (and Collateral Assignment) from LWT to the LWT Trustee (the *"LWT Senior Security Agreement"*);

WHEREAS, as security for LWT's obligations under the LWT Loan Agreement and related documents, Apex has delivered to the LWT Trustee a Guaranty dated as of December 1, 2004 relating to the LWT Bonds (the *"Apex Guaranty"*);

WHEREAS, the Apex Guaranty is secured by an Open-End Mortgage Subordinate, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of December 1, 2004 from Apex to the LWT Trustee (the *"LWT Trustee Mortgage"*) and a Subordinate Security Agreement (and Collateral Assignment) (the *"LWT Trustee Security Agreement"*);

WHEREAS, LWT has entered into or will enter into a Car Service Contract or other agreement (the *"Car Service Contract"*) with GATX Financial Corporation (together with its successors and assigns, *"Rail Car Lessor"*) relating to the use of certain rail cars described therein, the payment by LWT to the Rail Car Lessor of certain amounts described therein, and related matters;

WHEREAS, to provide additional funds for the LWT Project working capital, LWT Project capital expenditures and other LWT corporate purposes, LWT has entered or will enter into a bank credit facility (the *"LWT Credit Facility"*) with the Bank in an amount up to $8,000,000 (subject to an annual escalation based on the Consumer Price Index);

WHEREAS, LWT's obligations under the LWT Credit Facility are or will be also secured by a guaranty from Apex to the Bank (the *"Apex Credit Facility Guaranty (LWT)"* and a Subordinate Security Agreement (and Collateral Assignment) (the *"LWT Bank Security Agreement"*));

WHEREAS, the Apex Credit Facility and the LWT Credit Facility are herein collectively referred to as the *"Credit Facilities"*;

WHEREAS, the indebtedness, obligations and liabilities owed to Secured Party in connection with the LWT Guaranty and all related documents being hereinafter referred to as the *"Obligations"*;

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the LWT Indenture; and

WHEREAS, Debtor has agreed to pledge certain collateral to Secured Party pursuant to the terms of this Agreement and therefore the parties agree as follows:

1. (a) In consideration of the Obligations, Debtor agrees that, in order to provide Secured Party with security for payment and performance of all the Obligations, Debtor hereby grants to Secured Party a lien upon, security interest in and security title to and hereby assigns transfers to Secured Party, all right, title and interest of Debtor in and to, all benefits and rights of Debtor under, and all accounts and other moneys due or to become due to Debtor under or in connection with the Collateral described in *Exhibit A* hereto, and all other related documents, agreements, instruments and under any and all additions, amendments, supplements or modifications of any of the foregoing, whether now existing or hereafter entered into or acquired (the *"Collateral"*) as collateral security.

(b) Debtor covenants and warrants that it has good and marketable title to the Collateral herein conveyed to Secured Party free and clear of all liens, charges and encumbrances except Permitted Encumbrances. Debtor has full right, power and authority to grant, pledge, assign, grant a security interest in, transfer and set over the same to Secured Party. Debtor will warrant and defend the title to the Collateral.

(c) Debtor shall not by deed, mortgage, pledge, lease or other instrument, grant, mortgage, pledge, lease, convey, assign, devise or otherwise transfer all or any part of the Collateral or any interest therein, directly or indirectly, other than a lease, conveyance, assignment or transfer permitted under the terms of the LWT Loan Agreement, nor shall Debtor suffer or permit the same by execution sale or operation of law or otherwise.

(d) Debtor represents (i) that it is or will be the sole user of the sealed waste containers (*"Containers"*) constituting a portion of the Collateral granted hereby; (ii) that it will not lease or sublease any of the Containers; (iii) that none the Containers is covered by a certificate of title; (iv) that no registration or filing is required with the United States Surface Transportation Board with respect to the Containers; (v) that the Containers will not be used outside of the United States or for international purposes; and (vi) that upon filing of a properly completed financing statement with the Secretary of State of Delaware, no separate filing or licensing is necessary under the Uniform Commercial Code or applicable law to perfect the security interest granted hereby in the Containers.

2. Debtor further agrees, represents and warrants that:

(a) For the purposes of this Agreement, "Event of Default" shall mean

(i) Failure by Debtor to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Agreement; or

(ii) An "Event of Default" shall occur and be continuing under the LWT Loan Agreement.

(b) Prior to the occurrence of an Event of Default, Debtor may, without the prior written consent of Secured Party, modify, amend, alter, change, cancel or terminate any one or more of the Collateral, except for Contracts listed on *Exhibit B* attached hereto, as Debtor deems necessary or appropriate in connection with the operation of Debtor's business, *provided* that such modification or termination does not in the aggregate materially adversely affect the Collateral or Secured Party. Debtor may exercise all of its rights under the Collateral prior to the occurrence of an Event of Default. Upon an Event of Default or at any time thereafter, Debtor may not exercise such rights without the prior written consent of Secured Party.

(c) Debtor specifically acknowledges and agrees that Secured Party does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any of the Collateral or the performance of any Obligations to be performed under or with respect to any of Collateral, by Debtor. Secured Party shall only have liability with respect to specific contracts in the event that Secured Party expressly notifies the contracting party in writing following an Event of Default that Secured Party expressly assumes Debtor's obligations under such contracts.

(d) Secured Party shall be deemed to have exercised reasonable care if Secured Party takes such action with respect to the Collateral as Debtor shall request in writing, but no failure to comply with any such request nor any omission to do any such act requested by Debtor shall be deemed a failure to exercise reasonable care, nor shall Secured Party's failure to take steps to preserve rights against any parties or property be deemed a failure to have exercised reasonable care with respect to Collateral in Secured Party's custody.

(e) Secured Party shall not be obligated to assert or enforce any rights or security interest hereunder or to take any action in reference thereto, and that Secured Party may in its discretion at any time(s) relinquish its rights as to particular Collateral hereunder without thereby affecting or invalidating its rights hereunder as to all or any other Collateral hereinbefore referred to.

(f) Secured Party may take, or release, other security which it may hold for the payment of the Obligations, may release any party primarily or secondarily liable therefore, and may apply any other security held by it to the satisfaction, or partial satisfaction, of such Obligations, without prejudice to any of its rights under this Agreement.

(g) Debtor hereby designates and appoints Secured Party and each of its designees or agents as attorney-in-fact of Debtor irrevocably and with power of substitution, with authority in each case upon the occurrence and during the continuation of an Event of Default to execute and deliver for and on behalf of Debtor any and all instruments, documents, agreements and other writings necessary or advisable for the exercise on behalf of Debtor of any rights, benefits or options created or existing under or pursuant to any of the Collateral; to endorse the name of Debtor on its behalf on any and all notes, acceptances, checks, drafts, money orders, instruments or other evidences of collateral, that may come into Secured Party's possession; to execute proofs of claim and loss; to execute endorsements, assignments or other instruments of conveyance and transfer; to adjust and compromise any claims under insurance policies or otherwise; to

execute releases; and to do all other acts and things necessary and advisable in the discretion of Secured Party to carry out and enforce this Agreement or the Obligations.

(h) Upon an Event of Default, in addition to all other rights and remedies of Secured Party pursuant to any agreements of Debtor in favor of or assigned to and held by Secured Party or pursuant to applicable law or otherwise, Secured Party shall be entitled to have at its election all rights and benefits under the Collateral as an assignee of such Collateral, including, without limitation, any and all rights to indemnification and guarantee, without modifying or discharging any of the Obligations. Upon an Event of Default, Debtor agrees to execute any and all documents requested by Secured Party in its sole discretion to enable Secured Party to exercise all of the rights of Debtor under the Collateral. Subject to Section 20 hereof, the specified remedies to which Secured Party may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Secured Party may be lawfully entitled in case of any breach or threatened breach by Debtor of any provision hereof or of any of the Obligations. Nothing contained in this Agreement and no act or action taken or done by Secured Party pursuant to the powers and rights granted it hereunder or under any instrument collateral hereto shall be deemed to be a waiver by Secured Party of any of its rights and remedies against Debtor in connection with, or in respect of, any of the Obligations of Debtor to Secured Party. Subject to Section 20 hereof, the right of Secured Party to collect and enforce collection of the Obligations and to enforce any security and collateral held by it may be exercised by Secured Party either prior to, simultaneously with, or subsequent to any action taken by Secured Party hereunder.

(i) Upon an Event of Default or at any time thereafter, Secured Party may, in its discretion, in its name or Debtor's or otherwise, notify any obligor under the Collateral (i) to make payment directly to Secured Party (or as directed by Secured Party) of all amounts due or to become due under the Collateral, and/or (ii) render performance under the Collateral to or as directed by Secured Party. If so requested by Secured Party, Debtor must notify account debtors to pay moneys directly to Secured Party (or as directed by Secured Party). Any moneys paid thereafter to Debtor shall be held in trust by Debtor and immediately turned over by Debtor to Secured Party.

(j) Upon an Event of Default or at any time thereafter, Secured Party may, in its discretion, demand, sue for, collect or receive any money or property at any time payable or receivable on account of the Collateral, or, with respect to payments which have become due and payable under the Collateral, make any compromise or settlement deemed desirable by Secured Party in the exercise of its good faith judgment.

(k) Debtor agrees that any copy of this Agreement signed by Debtor and transmitted by telefax for delivery to Secured Party shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence.

(l) Any contracts, agreements or instruments constituting the Collateral are in full force and effect, and no defaults exist under such contracts, agreements or instruments.

(m) Debtor will provide Secured Party promptly but in any event within thirty (30) days after receipt or knowledge thereof by Debtor, with copies of any and all notices received by Debtor which allege, either directly or indirectly, that Debtor is in material default of, or materially deficient in the performance of the terms of any obligation of Debtor under, any of the Collateral, or that any fact or circumstance exists which could reasonably lead to the termination, suspension, revocation or loss of any of the Collateral.

(n) Debtor will indemnify and defend and hold Secured Party harmless against and from all liability loss, damage and expense, including reasonable attorneys' fees, which Secured Party may or shall incur by reason of this Agreement, or by reason of any action taken in good faith by Secured Party hereunder or with respect to the Collateral, and against and from any and all claims and demands whatsoever which may be asserted against Secured Party by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in any of the Collateral.

(o) Except for those contracts set forth on *Exhibit C*, all of Debtor's present and future Material Contracts (as defined on *Exhibit C*) shall include the following provision (with such modifications as shall be necessary and appropriate to conform to a specific contract):

> "_____ acknowledges and consents to the Debtor granting a security interest in, and assigning its rights under, this Agreement to Wells Fargo Bank, N.A. ("Wells Fargo"), as trustee under that certain Indenture of Trust dated as of December 1, 2004, as such Indenture may be amended from time to time (the "Indenture"). Wells Fargo together with its successors and assigns under the Indenture is hereafter referred to as the "Trustee." _____ agrees to recognize any assumption of this Agreement by the Trustee or its designee (each, an "Assignee") pursuant to the provisions of the assignment. _____ understands and agrees that the Assignee shall have no duties, liabilities or obligations under this Agreement, unless and until the Assignee expressly requests _____ to perform its obligations under this Agreement for the benefit of the Assignee. Upon such request, _____ hereby agrees to perform pursuant to this Agreement as requested by the Assignee."

3. Debtor further agrees and covenants, (a) that, if Secured Party so demands in writing at any time, all proceeds of Collateral shall be delivered to Secured Party promptly upon Debtor's receipt in a form satisfactory to Secured Party; (b) that, if Secured Party so demands in writing at any time, all chattel paper, instruments, and documents shall be delivered to Secured Party at the time and place and in the manner in which specified by Secured Party's demand; (c) to execute and deliver, upon request, any notice, statement, instrument, document, agreement or other papers and to perform any act requested by Secured Party which may be necessary to create, perfect, preserve, validate or otherwise protect any security interest granted pursuant hereto or to enable Secured Party to exercise and enforce its rights hereunder or with respect to such security interest; (d) that during the period that any Obligation is outstanding, Debtor will not, without obtaining Secured Party's prior written approval, create, incur, assume, or suffer to exist any lien, security interest in or security title or otherwise assign any of its rights with respect to the

Collateral pursuant to a security agreement subject to the Uniform Commercial Code or any similar law of any jurisdiction or otherwise, except as herein provided, and Debtor will not sign or file or authorize the signing or filing of a financing statement under the said Uniform Commercial Code of any jurisdiction with respect to the Collateral or any portion thereof, except as herein provided. Debtor further agrees to provide Secured Party with such information as Secured Party may from time to time request with respect to the location of any of Debtor's business. In addition, Secured Party will be notified promptly in writing of any change in location of any office where records concerning any of the accounts that constitute a portion of the Collateral are maintained or of a change in location of Debtor's principal place of business or of a change in location of any Collateral, or of a change in Debtor's name, identity or structure.

4. Upon an Event of Default, or at any time thereafter, subject to Section 20 hereof, Secured Party may declare any or all of the Obligations immediately due and payable, without presentment, demand, protest, or notice of any kind, demand or notice to Debtor. Upon an Event of Default, Secured Party may exercise any of its rights and remedies hereunder with or without accelerating the indebtedness under the LWT Indenture or the LWT Loan Agreement. Furthermore, upon the occurrence of any Event of Default, or at any time thereafter, Secured Party shall also have all of the rights and remedies provided to a secured party by the Uniform Commercial Code and other laws applicable to security interests and/or assignments in effect in Ohio at that time. In addition thereto, upon an Event of Default, Debtor further agrees that (i) in the event that notice is necessary under applicable law, written notice mailed to Debtor at the address set forth in the LWT Loan Agreement five (5) business days prior to the date of public sale of any of the Collateral subject to the security interest created herein or prior to the day after which private sale of any other disposition of said Collateral will be made shall constitute reasonable notice, but notice given in any other reasonable manner or at any other time shall be sufficient; (ii) in the event of sale or other disposition of any such Collateral, subject to Section 20 hereof, Secured Party may apply the proceeds of any such sale or disposition to the satisfaction of its reasonable attorneys' fees, legal expenses, and other costs and expenses incurred in connection with its taking, retaking, holding, preparing for sale, and selling of the Collateral and to any of the Obligations in such order as Secured Party, in its discretion, may elect; (iii) without precluding any other methods of sale, the sale of Collateral shall have been made in a commercially reasonable manner if conducted in conformity with reasonable commercial practices of lenders disposing of similar property but in any event Secured Party may sell on such terms as Secured Party may choose, without assuming any credit risk and without any obligation to advertise or give notice of any kind; and (iv) Secured Party may require Debtor to assemble the Collateral, taking all necessary or appropriate action to preserve and keep it in good condition, and make such available to Secured Party at a place and time convenient to both parties, all at the expense of Debtor. Furthermore, in any such event, to the extent permitted under applicable law, Debtor waives all rights which Debtor has or may have as to notice and to a judicial hearing prior to any seizure of the Collateral by Secured Party and full power and authority are hereby given Secured Party to sell, assign, and deliver the whole of the Collateral or any part(s) thereof, at any time(s) at any broker's board, or at public or private sale, at its option, and no delay on its part in exercising any power of sale or any rights or options hereunder, and no notice of demand, which may be given to or made upon Debtor by Secured Party with respect to any power of sale or other right or option hereunder, shall constitute a waiver thereof, or limit or impair Secured Party's right to take any action or to exercise any power of sale or any other lights

hereunder, without notice or demand, or prejudice Secured Party's rights as against Debtor in any respect. Secured Party shall retain all rights described in this agreement in and to the Collateral.

5. Any and all of Secured Party's rights with respect to the security interest hereunder shall continue unimpaired, and Debtor shall be and remain obligated in accordance with the terms hereof, notwithstanding the release or substitution of any Collateral at any time or of any rights or of interest therein, or any delay, extension of time, renewal, compromise or other indulgence granted by Secured Party in reference to any of the Obligations, or any promissory note, draft, bill of exchange or other instrument given in connection therewith, Debtor hereby waiving all notice of any such delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consenting to be bound thereby as fully and effectually as if Debtor had expressly agreed thereto in advance.

6. Secured Party is authorized, at its option, to file financing statements or amendments thereto without the signature of Debtor with respect to any of the Collateral; Debtor agrees to reimburse Secured Party for the expense of any such filing.

7. Secured Party may assign or otherwise transfer this Agreement, or any instruments evidencing all or any of the Obligations, and any agreement relating thereto and may deliver all or any of the Collateral to the transferee(s), who shall thereupon become vested with all the powers and rights in respect thereto given to Secured Party herein or in the instruments transferred, and Secured Party shall thereafter be forever relieved and fully discharged from any liability or responsibility with respect thereto, all without prejudice to the retention by Secured Party of all rights and powers hereby given with respect to any and all instruments, rights or property not so transferred.

8. This Agreement shall inure to the benefit of Secured Party and its successors, assigns and designees, and shall be binding upon any subsequent owner of Debtor's interest in and to the Collateral.

9. This is a continuing agreement and shall remain in full force and effect until revoked by Secured Party in writing or written notice shall have been received from Debtor by Secured Party that it has been revoked, but any such notice by Debtor shall not release the notifying party (or parties) from any liability, responsibility, lien or security interest created hereunder with respect to such of the Obligation as may have been theretofore incurred and any renewals, extensions or modifications of such Obligations and any expenses paid or incurred by Secured Party in endeavoring to collect the Obligations, including attorneys' fees, or realize upon the Collateral or in enforcing this Agreement. Furthermore, if this Agreement is terminated, or revoked by operation of law as against Debtor, Debtor will indemnify and save Secured Party, its successors or assigns, harmless from any loss which may be suffered or incurred by Secured Party in making, giving, granting or extending any loan or other credit, or otherwise acting, hereunder prior to receipt by Secured Party of notice in writing of such termination or revocation.

10. Debtor agrees that the assignment, lien, security interest and security title granted hereby shall remain in full force and effect and shall not be released by Secured Party until all Obligations have been indefeasibly paid in full in accordance with the LWT Indenture and such

payments are no longer subject to rescission, recovery or repayment upon the bankruptcy, insolvency, reorganization, moratorium, receivership or similar proceeding affecting Debtor.

11. Any affidavit, certificate, letter or statement of any officer, agent or attorney of Secured Party showing that any part of the Obligations remains unpaid or unsatisfied shall be and constitute evidence of the validity, effectiveness and continuing force of this Agreement and any person may, and is hereby authorized to, rely thereon.

12. All written notices to be given hereunder shall be given by first class mail, postage prepaid to the party or parties entitled thereto at the address set forth below, or at such other address as may be provided to the other parties hereinafter listed in writing from time to time.

13. The names and addresses of Debtor and Secured Party are:

| | |
|---|---|
| Debtor: | Liberty Waste Transportation, LLC<br>c/o Liberty Waste Services, LLC<br>Dominion Tower<br>625 Liberty Avenue<br>Suite 3100<br>Pittsburgh, Pennsylvania 15222<br>Attention: Chief Financial Officer |
| Secured Party: | Wells Fargo Bank, N.A., as Trustee<br>111 East Wayne Street<br>MAC-N8622-033<br>Fort Wayne, Indiana 46802<br>Attention: Corporate Trust Department |

14. Debtor represents and warrants to Secured Party as follows: (a) Debtor's exact legal name is as indicated on page 1 of this Agreement and on the signature page hereof and (b) Debtor is an organization of the type and is organized in the jurisdiction set forth on page 1 of this Agreement. Debtor covenants with Secured Party as follows: (x) without providing at least 30 days' prior written notice to Secured Party, Debtor will not change its name or its place of business and (y) Debtor will not change its type of organization, jurisdiction of organization or other legal structure.

15. Debtor further agrees to take any other action reasonably requested by Secured Party to ensure the attachment, perfection and first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral including, without limitation:

(i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that Debtor's signature thereon is required therefore;

(ii) causing Secured Party's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection

or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral;

(iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment perfection or priority of, or ability of Secured Party to enforce, Secured Party's security interest in such Collateral;

(iv) obtaining governmental and other third party consents and approvals, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral;

(v) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Secured Party; and

(vi) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

16. Secured Party shall not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Secured Party's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

17. Debtor shall at its expense promptly upon request of Secured Party do all acts and things, including but not limited to the execution of any further assurances deemed necessary by Secured Party to establish, confirm, maintain and continue the lien created and intended to be created hereby, all assignments made or intended to be made pursuant hereto and all other rights and benefits conferred or intended to be conferred on Secured Party hereby, and Debtor shall pay all costs incurred by Secured Party in connection therewith, including all filing and recording costs, costs of searches, and reasonable attorneys' fees incurred by Secured Party.

18. If Secured Party shall be made a party to or shall intervene in any action or proceeding affecting the Collateral or the title thereto or the interest of Secured Party under this Agreement, or if Secured Party employs an attorney to collect any or all of the indebtedness hereby secured, or if Debtor should default under any other provisions of this Agreement or if Secured Party shall in good faith believe that Debtor is in substantial danger of defaulting hereunder or thereunder, Secured Party shall be reimbursed by Debtor, immediately and upon

demand, for all reasonable costs, charges, expenses and attorneys' fees incurred by it in any such case, and the same shall be secured hereby as a further charge and lien upon the Collateral.

19. This Agreement shall be governed by the laws of the State of Ohio in all respects, including matters of construction, validity and performance; none of its terms or provisions may be waived, altered, modified, limited or amended except by an agreement expressly referring hereto and to which Secured Party consents in writing duly signed for Secured Party and on its behalf; the rights granted to Secured Party herein shall be supplementary and in addition to those granted in any other agreements with respect to the Obligations.

20. Notwithstanding any of the provisions hereof, this Agreement and all interests of Secured Party herein are subject, junior and subordinate in all respects to the lien, rights and security interest of the Trustee granted in the LWT Senior Security Agreement and to the terms and provisions thereof. Without the written consent of the Owners (as defined in the LWT Indenture) of a majority in aggregate principal amount of the LWT Bonds Outstanding (as defined in the LWT Indenture), the Secured Party shall not exercise any remedies provided for herein or to which it is entitled by law unless and until the indebtedness and all other obligations secured by the LWT Senior Security Agreement have been indefeasibly paid in cash in full and satisfied in full.

[THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed this 4th day of ~~December, 2004~~ February, 2005.

LIBERTY WASTE TRANSPORTATION, LLC, a Delaware limited liability company

By: _____

~~Jeffrey D. Kendall~~
~~Chief Executive Officer~~
Donald E. Rea
President

WELLS FARGO BANK, N.A., as Trustee

By: _____
Roberta A. Jensen
Vice President

**EXHIBIT A**

The Debtor hereby grants to the Secured Party a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, all right, title and interest in and to all personal property and fixtures of the Debtor, whether now owned or existing or hereafter created, acquired or arising, including but not limited to the following:

(a) Accounts and account receivables (including documents, instruments and rights to payment evidenced by chattel paper, documents or instruments, health care insurance receivables, and rights to payment for money or funds advanced or sold);

(b) Contract Rights and Chattel Paper (including without limitation, electronic chattel paper and tangible chattel paper);

(c) Instruments (including promissory notes);

(d) Documents;

(e) General Intangibles including Payment Intangibles and Software; (For the purposes of this Agreement, *"Software"* consists of all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded), patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);

(f) Letter-of-Credit Rights;

(g) Supporting Obligations;

(h) Deposit Accounts;

(i) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, Commodity Contracts, and securities entitlements and financial assets);

(j) Inventory;

(k) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);

(l) Fixtures;

(m) Commercial Tort Claims ;

(n) Rights to merchandise and other Goods (including rights to returned or repossessed Goods and rights of stoppage in transit) which is represented by, arises from, or relates to any of the foregoing;

(o) Moneys, personal property, and interests in personal property of the Debtor of any kind or description now held by the Secured Party or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Secured Party, or any agent or affiliate of the Secured Party, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection or otherwise), and all dividends and distributions on or other rights in connection with any such property;

(p) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;

(q) Additions, attachments, accessions, parts, replacements, substitutions, renewals, interest, dividends, distributions, rights of any kind (including but not limited to stock splits, stock rights, voting and preferential rights), products and proceeds of or pertaining to the above including, without limit, cash or other property which were proceeds and are recovered by a bankruptcy trustee or otherwise as a preferential transfer by Debtor;

(r) Specific documents, contracts, agreements, permits and reports identified in *Schedule I*;

(s) Sealed Waste Containers; and

(t) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the *"Collateral"*. All terms which are used herein which are defined in the Uniform Commercial Code of the State of Ohio as in effect from time to time (*"UCC"*) shall have the same meanings herein as such terms are defined in the

UCC, unless this Agreement shall otherwise specifically provide. For purposes hereof, the term *"Receivables"* means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

In the definition of Collateral, a reference of a type of collateral shall not be limited by a separate reference to a more specific or narrower type of that collateral.

## SCHEDULE I

## SPECIFICALLY LISTED COLLATERAL

## LIBERTY WASTE TRANSPORTATION, LLC

1. Management Agreement dated December 23, 2004 between Liberty Waste Transportation, LLC and Liberty Waste Services, LLC

2. Waste Disposal Agreement dated December 21, 2004 between Apex Environmental, LLC and Liberty Waste Transportation, LLC

3. Transloading Agreement dated December 20, 2004 between Liberty Waste Transportation, LLC and New Jersey Transloading, LLC

4. Waste Transportation and Disposal Agreement dated December 20, 2004 between Liberty Waste Transportation, LLC and New Jersey Transloading, LLC

5. Waste Transportation and Disposal Agreement dated December 17, 2004 between Liberty Waste Transportation, LLC and Emjay Environmental, Inc.

6. Waste Transportation and Disposal Agreement dated December 15, 2004 between Liberty Waste Transportation, LLC and Lemcor, Inc.

7. Waste Transportation and Disposal Agreement dated December 20, 2004 between Liberty Waste Transportation, LLC and Garofalo Recycling & Transfer Station Co., Inc.

8. Rail Service Agreement dated December 15, 2004 among Apex Environmental, LLC, Liberty Waste Transportation, LLC, Ohi-Rail Corporation, Jeffco Resources, Inc., LWR, Inc., Ohio Rail Development Commission and Ohio Central Railroad, Incorporated

9. Confidential Service Terms Agreement Regarding Rail Service to Apex Landfill dated December 15, 2004 between Apex Environmental, LLC, Liberty Waste Transportation, LLC and Ohio Central Railroad

10. Memorandum of Understanding dated December 13, 2004 among Liberty Waste Services, LLC, Ohio Central Railroad System and Norfolk Southern Railway Company

11. Container Purchase Order dated December 15, 2004 between Liberty Waste Transportation, LLC and Wastequip Accurate

12. Benchmarking Summary and Limited and Restricted Use Appraisal of PricewaterhouseCoopers, LLP

**EXHIBIT B**

List of Contracts where prior written consent of Secured Party required for modification, amendment, alteration, change, cancellation or termination.

Management Agreement dated December 23, 2004 between Liberty Waste Transportation, LLC and Liberty Waste Services, LLC

Waste Disposal Agreement dated December 21, 2004 between Apex Environmental, LLC and Liberty Waste Transportation, LLC

Waste Transportation and Disposal Agreement dated December 20, 2004 between Liberty Waste Transportation, LLC and New Jersey Transloading, LLC

**EXHIBIT C**

I. *"Material Contracts"* means:

All Waste Transportation and Disposal Agreements and all Rail Rate Agreements

II. List of Contracts where specific assignment language not necessary:

Waste Transportation and Disposal Agreement dated December 17, 2004 between Liberty Waste Transportation, LLC and Emjay Environmental, Inc.

Waste Transportation and Disposal Agreement dated December 15, 2004 between Liberty Waste Transportation, LLC and Lemcor, Inc.

Waste Transportation and Disposal Agreement dated December 20, 2004 between Liberty Waste Transportation, LLC and Garofalo Recycling & Transfer Station Co., Inc.

Rail Service Agreement dated December 15, 2004 among Apex Environmental, LLC, Liberty Waste Transportation, LLC, Ohi-Rail Corporation, Jeffco Resources, Inc., LWR, Inc., Ohio Rail Development Commission and Ohio Central Railroad, Incorporated

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Memorandum of Understanding dated December 13, 2004 among Liberty Waste Services, LLC, Ohio Central Railroad System and Norfolk Southern Railway Company

Container Purchase Order dated December 15, 2004 between Liberty Waste Transportation, LLC and Wastequip Accurate

Commonwealth
~~State~~ of Pennsylvania
County of Allegheny, ss: X
On this 4th day of February, 2005 before me personally appeared Donald E. Rea, to me personally known, who being by me duly sworn, says that (s)he is the President of Liberty Waste Transportation LLC, that said instrument was signed on behalf of said limited liability company by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.
(SEAL)
Angela R. Fornal
Signature of Notary Public
My Commission expires August 21, 2007

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Angela R. Fornal, Notary Public
Monroeville Boro, Allegheny County
My Commission Expires Aug. 21, 2007
Member, Pennsylvania Association of Notaries

State of INDIANA
County of ALLEN, ss:
On this 9th day of Feb., 2005 before me personally appeared Roberta A. Jensen, to me personally known, who being by me duly sworn, says that (s)he is the Vice President of Wells Fargo Bank, N.A., as Trustee, that said instrument was signed on behalf of said national banking association by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.
(SEAL)
Signature of Notary Public
My Commission expires Dec. 5, 2010