

MAY 21 '12 -10 30 AM

SURFACE TRANSPORTATION BOARD

March 28, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
Washington, D.C. 20423-0001

Re: Security interest in railroad rail cars – Waste Solutions Group

Dear Section Chief:

Enclosed is the original and one counterpart of the document described below to be recorded pursuant to the provisions of 49 U.S.C. Section 11301(a) (both are verified or notarized).

This document is a Memorandum of a Security Agreement, dated as of March 28, 2012, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Mortgagor/Owner: Waste Solutions Group
100 Cargo Way, Pier 96
San Francisco, CA 94124

Mortgagee/Secured Party:
First Republic Bank
111 Pine Street
San Francisco, CA 94111

Guarantors:

San Francisco Bay Railroad, Inc.
100 Cargo Way, Pier 96
San Francisco, CA 94124

David Gavrich
229 Montcalm Street
San Francisco, CA 94110

Tina Cervin
229 Montcalm Street
San Francisco, CA 94110

A description of the railroad equipment covered by the enclosed document is: 100 railcars: listed on Exhibit A hereto and all railcars and rolling stock acquired hereafter and all replacements and proceeds thereof.

A short summary of the document to appear in the index is:
Memorandum of Security Agreement.

Included in the property covered by the aforesaid mortgage/security agreement are all railroad railcars and railroad rolling stock intended for use in interstate commerce or interests therein owned by Owner at the date of the Security Agreement or thereafter acquired by Owner or its successors.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

The undersigned is an executive officer of First Republic Bank and has knowledge of the matters described herein.

Please return stamped copies of the enclosed document to the undersigned.

Very truly yours,

First Republic Bank

By 
Name Grace M. Nitta
Title Vice President

PSM/gs
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT dated as of March 28, 2012, between WASTE SOLUTIONS GROUP, a California corporation ("Owner" or "Mortgagor") and FIRST REPUBLIC BANK (the "Secured Party" or "Mortgagee"). Capitalized terms used herein which are not defined herein shall have their respective meanings ascribed thereto in the Security Agreement (referred to below) or in the California Commercial Code.

WHEREAS, Owner and Secured Party have entered into that certain Security Agreement dated as of August 26, 2010 (the "*Security Agreement*"), to witnesseth that as security for the due and punctual payment of the principal and interest owed under that certain Promissory Note ("Note") dated August 26, 2010 in the original principal sum of \$1,000,000 executed by Debtor and payable to Secured Party in connection with that certain Business Loan Agreement ("*Loan Agreement*") dated as of August 26, 2010 executed by Debtor as Borrower and Secured Party as Lender and the due and punctual payment of all other amounts due or to become due to Secured Party under the Note and the Loan Agreement and the timely performance of all obligations under the Note and Loan Agreement, Owner hereby:

(a) grants to Secured Party a first priority security interest in all of Owner's right, title and interest in and to the Equipment described Exhibit A and all other rail cars and rolling stock hereafter acquired by Owner from time to time and all replacements of any units thereof and substitutions therefor, the bills of sale and manufacturers' warranties in respect thereof, all improvements and additions now or hereafter made or affixed thereto (to the extent of the Owner's interest therein), and all cash or non-cash proceeds therefrom; and

(b) assigns to Secured Party all of Owner's right, title and interest in and to any lease of the Equipment (including the lease supplements thereto), and all payments due or to become due thereunder, and all rights of Owner to give consents, make elections, give or receive notices, give approvals and to exercise all rights, powers and remedies of Owner arising out of any event of default under any such lease. Such security interest shall attach to any such lease and lease supplement and the payments due and to become due thereunder, upon the execution and delivery of such lease or lease supplements;

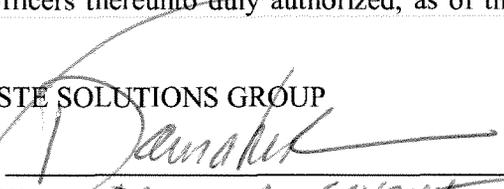
(c) grants to Secured Party a first priority security interest in all monies and securities now or hereafter paid or deposited or required to be paid or deposited in connection with any lease of any Equipment; and

(d) grants to Secured Party a first priority security interest in all Proceeds of the foregoing. (All of the foregoing granted hereby being herein called the "*Collateral*")

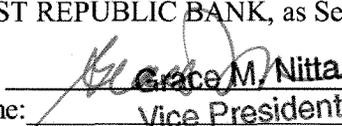
WHEREAS, this memorandum may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one such memorandum.

IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of the said railroad equipment by Owner, the assignment and mortgage of and security interest in the aforesaid Collateral in favor of Secured Party, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

WASTE SOLUTIONS GROUP

By: 
Name: DAVID A. GAVRIL
Title: PRESIDENT & CEO
as Owner

FIRST REPUBLIC BANK, as Secured Party

By: 
Name: Grace M. Nitta
Title: Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sonoma

On 3/30/12 before me, Gabriela Gachet, notary public,
Date Here Insert Name and Title of the Officer

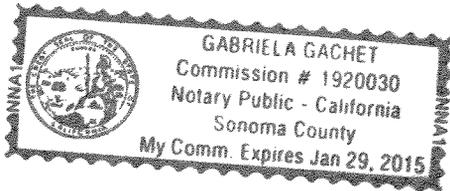
personally appeared David A Gaurich
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Gabriela Gachet
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

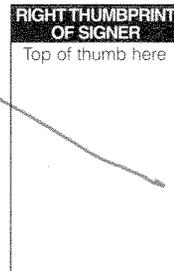
Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



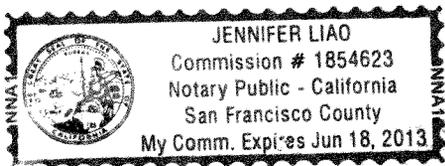
ACKNOWLEDGMENT

State of California)
) ss.
County of San Francisco)

On April 3, 2012, before me, Jennifer Liao, Notary Public personally appeared Grace Nitta, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Jennifer Liao

**EXHIBIT A TO
MEMORANDUM OF SECURITY AGREEMENT**

DESCRIPTION OF ITEMS OF EQUIPMENT

EXHIBIT A

LIST OF RAILCARS

**Car
Mark: AEPX**

Number	Build Date	MFG	Number	Build Date	MFG	Number	Build Date	MFG
94001	Sep-80		94073	May-80	ACF	94017	Jul-88	Thrall
94004	Dec-79	Berwick	94074	May-80	ACF	94026	Jul-88	Thrall
94005	Jan-80	Berwick	94078	May-80	ACF	94158	Jul-88	Thrall
94007	Aug-88	Berwick	94081	May-80	ACF	94008	Jul-88	Thrall
94009	Dec-79	Berwick	94084	May-80	ACF	94160	Jul-88	Thrall
94011	Jan-80	Berwick	94086	May-80	ACF	94034	Jul-88	Thrall
94016	Jan-80	Berwick	94087	May-80	ACF	94162	Jul-88	Thrall
94018	Dec-79	Berwick	94088	May-80	ACF	94163	Jul-88	Thrall
94019	Dec-79	Berwick	94090	May-80	ACF	94029	Aug-88	Thrall
94020	Dec-79	Berwick	94092	May-80	ACF	94165	Aug-88	Thrall
94021	Dec-79	Berwick	94094	May-80	ACF	94166	Aug-88	Thrall
94022	Jan-86	Berwick	94095	May-80	ACF	94167	Aug-88	Thrall
94024	Dec-79	Berwick	94096	May-80	ACF	94006	Aug-88	Thrall
94027	Dec-79	Berwick	94102	Jun-85	Ortner	94169	Aug-88	Thrall
94032	Dec-79	Berwick	94103	Jun-85	Ortner	94170	Aug-88	Thrall
94033	Dec-79	Berwick	94104	Jun-85	Ortner	94171	Aug-88	Thrall
94037	Dec-79	Berwick	94108	Jul-85	Ortner	94172	Aug-88	Thrall
94038	Dec-79	Berwick	94114	Jul-85	Ortner	94035	Aug-88	Thrall
94040	Dec-79	Berwick	94122	Aug-85	Ortner	94175	Aug-88	Thrall
94041	Dec-79	Berwick	94127	Sep-85	Ortner	94177	Aug-88	Thrall
94042	Dec-79	Berwick	94130	Sep-85	Ortner	94023	Aug-88	Thrall
94043	Dec-79	Berwick	94135	Oct-85	Ortner	94180	Aug-88	Thrall
94045	Dec-79	Berwick	94136	Oct-85	Ortner	94010	Aug-88	Thrall
94050	Dec-79	Berwick	94138	Oct-85	Ortner	94183	Aug-88	Thrall
94053	Dec-79	Berwick	94146	Jun-88	Thrall	94002	Aug-88	Thrall
94057	Dec-79	Berwick	94030	Jun-88	Thrall	94185	Aug-88	Thrall
94058	Dec-79	Berwick	94149	Jun-88	Thrall	94012	Aug-88	Thrall
94059	Jan-80	Berwick	94150	Jun-88	Thrall	94015	Aug-88	Thrall
94062	Jan-80	Berwick	94151	Jun-88	Thrall	94189	Aug-88	Thrall
94064	May-80	ACF	94152	Jun-88	Thrall	94191	Aug-88	Thrall
94065	May-80	ACF	94003	Jun-88	Thrall	94197	Sep-88	Thrall
94066	May-80	ACF	94025	Jun-88	Thrall	94031	Sep-88	Thrall
94067	May-80	ACF	94155	Jun-88	Thrall	94200	Sep-88	Thrall
94072	May-80	ACF						

13.