

This Page forms an integral part of our Letter of Credit No. SBTG722017.

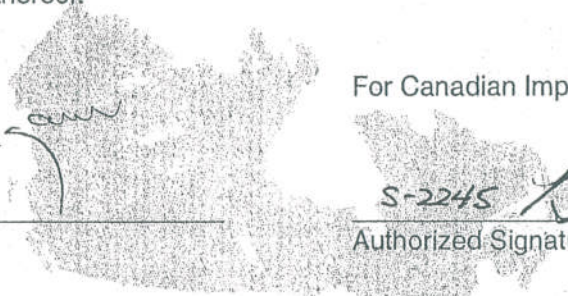
"I, a duly authorized representative of the Minister of the Environment, certify that BFI Usine de Triage Lachenaie Ltd. has failed to provide an acceptable substitute irrevocable standby letter of credit or other financial assurance within sixty (60) days prior to the then current expiration date, and therefore, BFI Usine de Triage Lachenaie Ltd. is not in compliance with the requirement of the agreement between the Ministry of Environment and BFI Usine de Triage Lachenaie Ltd."

We hereby agree that drawings under this standby letter of credit will be duly honored upon presentation provided that all terms and conditions of the standby letter of credit have been complied with.


Partial drawings are permitted.

This standby letter of credit may be cancelled prior to the expiry date upon our receipt at the above-noted address of the original letter of credit and the beneficiary's signed letter addressed to us requesting cancellation of the letter of credit. Such cancellation shall be effective on the date we receive the documents noted herein.

This standby letter of credit is subject to the "Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce, Publication No. 500" and engages us in accordance with the terms thereof.



For Canadian Imperial Bank of Commerce



Counter Signature

S-2245 

Authorized Signature

Letter of Credit Reference No. SBTG722017

Beneficiary:

Ministry of the Environment of
Quebec
5199 Rue Sherbrooke E.
Montreal, Quebec H1T 3X9

Applicant:

BFI Canada Holdings Inc. on behalf
of BFI Usine de Triage Lachenaie
Ltd.,

Amount: CAD 8,600,000.00
Eight Million Six Hundred Thousand Canadian
Dollars

Date of Expiry: 25 April 2003

We hereby authorize you to draw on Canadian Imperial Bank of Commerce, Trade Finance Centre, Toronto, Ontario, for the account of BFI Canada Holdings Inc., on behalf of BFI Usine de Triage Lachenaie Ltd., (hereinafter called the "Customer"), 135 Queens Plate Drive, Suite 300, Toronto, Ontario M9W 6V1 up to an aggregate amount of CAD8,600,000.00 (Eight Million Six Hundred Thousand Canadian Dollars) available on demand as follows:

Pursuant to the request of the customer, we, Canadian Imperial Bank of Commerce, Trade Finance Centre, Toronto, hereby establish and give to you an irrevocable standby letter of credit in your favour in the total amount of CAD8,600,000.00 for the purpose of closure and post closure costs of the east expansion only which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without enquiring whether you have a right as between yourself and our said customer to make such demand, and without recognizing any claim of our said customer.

Provided, however, that you are to deliver to Canadian Imperial Bank of Commerce, Trade Finance Centre, 25 King Street West, Commerce Court North, 16th Floor, Toronto, Ontario M5L 1A2 at such time as a written demand for payment is made upon us, a certificate purportedly signed by the Deputy Minister of the Environment of Quebec or a duly authorized representative of the Minister of the Environment of Quebec agreeing or confirming that monies drawn under the Standby Letter of Credit No. SBTG722017 will be retained and used by you to meet obligations in connection with the Law on the Quality of the Environment (L.R.Q. CQ.2) and with Article 17 of the Regulations on Solid Wastes, and with Law 101.

The amount of this standby letter of credit shall be reduced from time to time as advised by notice in writing given to us from time to time by you.

This standby letter of credit will expire at our counters at Trade Finance Centre, Toronto, Ontario on the above-mentioned expiry date.

It is a condition of this standby letter of credit that it shall be deemed to be automatically extended, without amendment, for one year from the present or any future expiration date hereof, unless at least one hundred and twenty (120) days prior to any such date we notify you in writing by registered mail or courier that we elect not to consider this standby letter of credit renewed for any such additional period.

If we elect not to renew this standby letter of credit as aforesaid and you determine that this standby letter of credit has not been replaced with a letter of credit from another financial institution or other acceptable financial assurance, then during the last sixty (60) days that this standby letter of credit is in force, you may draw by means of your demand accompanied by your written certificate purportedly signed by a duly authorized representative of the Minister of the Environment of Quebec as follows: