Morningstar® Document Research℠

FORM 10-Q

WASTE CONNECTIONS, INC. - WCN

Filed: October 23, 2012 (period: September 30, 2012)

Quarterly report with a continuing view of a company's financial position

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-31507

WASTE CONNECTIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

94-3283464
(I.R.S. Employer Identification No.)

10001 Woodloch Forest Drive, Waterway Plaza Two, Suite 400 The Woodlands, TX 77380
(Address of principal executive offices) (Zip code)

(832) 442-2200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

☒ Large accelerated filer ☐ Accelerated filer

☐ Non-accelerated filer ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock:

As of October 12, 2012: 122,784,360 shares of common stock

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
FORM 10-Q

TABLE OF CONTENTS

	Page
PART I – FINANCIAL INFORMATION (unaudited)	
Item 1. Financial Statements	
Condensed Consolidated Balance Sheets	1
Condensed Consolidated Statements of Net Income	2
Condensed Consolidated Statements of Comprehensive Income	3
Condensed Consolidated Statements of Equity	4
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	38
Item 3. Quantitative and Qualitative Disclosures About Market Risk	60
Item 4. Controls and Procedures	62
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	63
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	63
Item 6. Exhibits	63
Signatures	64
Exhibit Index	65

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

	September 30, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and equivalents	$ 103,532	$ 12,643
Accounts receivable, net of allowance for doubtful accounts of $6,577 and $6,617 at September 30, 2012 and December 31, 2011, respectively	196,617	176,277
Deferred income taxes	29,125	20,630
Prepaid expenses and other current assets	33,487	39,708
Total current assets	362,761	249,258
Property and equipment, net	1,561,415	1,450,469
Goodwill	1,183,363	1,116,888
Intangible assets, net	496,341	449,581
Restricted assets	32,982	30,544
Other assets, net	36,965	31,265
	$ 3,673,827	$ 3,328,005
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 105,883	$ 95,097
Book overdraft	8,786	12,169
Accrued liabilities	119,579	97,020
Deferred revenue	68,694	64,694
Current portion of contingent consideration	25,958	8,923
Current portion of long-term debt and notes payable	4,128	5,899
Total current liabilities	333,028	283,802
Long-term debt and notes payable	976,446	1,172,758
Long-term portion of contingent consideration	23,995	22,573
Other long-term liabilities	66,045	52,051
Deferred income taxes	422,487	397,134
Total liabilities	1,822,001	1,928,318
Commitments and contingencies (Note 17)		
Equity:		
Preferred stock: $0.01 par value per share; 7,500,000 shares authorized; none issued and outstanding	—	—
Common stock: $0.01 par value per share; 250,000,000 shares authorized; 122,783,945 and 110,907,782 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	1,228	1,109
Additional paid-in capital	772,043	408,721
Accumulated other comprehensive loss	(6,080)	(3,480)
Retained earnings	1,079,482	988,560
Total Waste Connections' equity	1,846,673	1,394,910
Noncontrolling interest in subsidiaries	5,153	4,777
Total equity	1,851,826	1,399,687
	$ 3,673,827	$ 3,328,005

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME
(Unaudited)
(In thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenues	$ 425,654	$ 403,962	$ 1,212,815	$ 1,125,614
Operating expenses:				
Cost of operations	243,243	228,561	698,351	637,499
Selling, general and administrative	47,977	41,047	143,899	121,054
Depreciation	42,313	38,868	119,331	108,843
Amortization of intangibles	6,267	5,138	18,115	14,788
Loss on disposal of assets	244	1,034	715	742
Gain from litigation settlement	(3,537)	—	(3,537)	—
Operating income	89,147	89,314	235,941	242,688
Interest expense	(11,949)	(12,029)	(36,063)	(31,948)
Interest income	333	132	630	408
Other income (expense), net	492	(899)	1,033	(750)
Income before income tax provision	78,023	76,518	201,541	210,398
Income tax provision	(28,403)	(29,934)	(77,967)	(82,415)
Net income	49,620	46,584	123,574	127,983
Less: Net income attributable to noncontrolling interests	(235)	(255)	(470)	(702)
Net income attributable to Waste Connections	$ 49,385	$ 46,329	$ 123,104	$ 127,281
Earnings per common share attributable to Waste Connections' common stockholders:				
Basic	$ 0.40	$ 0.41	$ 1.02	$ 1.13
Diluted	$ 0.40	$ 0.41	$ 1.02	$ 1.12
Shares used in the per share calculations:				
Basic	123,031,259	112,327,410	120,571,106	113,130,314
Diluted	123,665,589	113,192,884	121,198,901	113,979,165
Cash dividends per common share	$ 0.09	$ 0.075	$ 0.27	$ 0.225

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Net income	$ 49,620	$ 46,584	$ 123,574	$ 127,983
Other comprehensive income (loss), before tax:				
Interest rate swap amounts reclassified into interest expense	1,380	1,186	3,886	4,641
Fuel hedge amounts reclassified into cost of operations	(1,093)	(1,101)	(3,327)	(3,189)
Changes in fair value of interest rate swaps	(2,415)	(2,081)	(7,208)	(4,684)
Changes in fair value of fuel hedges	1,782	(1,042)	2,455	2,882
Other comprehensive loss before tax	(346)	(3,038)	(4,194)	(350)
Income tax expense related to items of other comprehensive income	131	1,154	1,594	133
Other comprehensive loss, net of tax	(215)	(1,884)	(2,600)	(217)
Comprehensive income	49,405	44,700	120,974	127,766
Less: Comprehensive income attributable to noncontrolling interests	(235)	(255)	(470)	(702)
Comprehensive income attributable to Waste Connections	$ 49,170	$ 44,445	$ 120,504	$ 127,064

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2012
(Unaudited)
(In thousands, except share amounts)

	Waste Connections' Equity						
	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Noncontrolling	
	Shares	Amount	Capital	Income (Loss)	Earnings	Interests	Total
Balances at December 31, 2011	110,907,782	$1,109	$ 408,721	$ (3,480)	$ 988,560	$ 4,777	$1,399,687
Vesting of restricted stock units	588,910	6	(6)	—	—	—	—
Tax withholdings related to net share settlements of restricted stock units	(189,200)	(2)	(6,037)	—	—	—	(6,039)
Equity-based compensation	—	—	14,036	—	—	—	14,036
Exercise of stock options and warrants	95,900	1	1,041	—	—	—	1,042
Issuance of common stock, net of issuance costs of $376	12,000,000	120	369,464	—	—	—	369,584
Excess tax benefit associated with equity-based compensation	—	—	3,415	—	—	—	3,415
Repurchase of common stock	(619,447)	(6)	(18,591)	—	—	—	(18,597)
Cash dividends on common stock	—	—	—	—	(32,182)	—	(32,182)
Amounts reclassified into earnings, net of taxes	—	—	—	347	—	—	347
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(2,947)	—	—	(2,947)
Distributions to noncontrolling interests	—	—	—	—	—	(94)	(94)
Net income	—	—	—	—	123,104	470	123,574
Balances at September 30, 2012	122,783,945	$1,228	$ 772,043	$ (6,080)	$1,079,482	$ 5,153	$1,851,826

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2011
(Unaudited)
(In thousands, except share amounts)

	Waste Connections' Equity						
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total
	Shares	Amount					
Balances at December 31, 2010	113,950,081	$ 1,139	$509,218	$ (3,095)	$ 858,887	$ 4,269	$1,370,418
Vesting of restricted stock units	538,878	5	(5)	—	—	—	—
Tax withholdings related to net share settlements of restricted stock units	(184,478)	(1)	(5,435)	—	—	—	(5,436)
Equity-based compensation	—	—	8,906	—	—	—	8,906
Exercise of stock options and warrants	383,082	4	4,952	—	—	—	4,956
Excess tax benefit associated with equity-based compensation	—	—	4,500	—	—	—	4,500
Repurchase of common stock	(2,823,235)	(28)	(85,040)	—	—	—	(85,068)
Cash dividends on common stock	—	—	—	—	(25,497)	—	(25,497)
Amounts reclassified into earnings, net of taxes	—	—	—	900	—	—	900
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(1,117)	—	—	(1,117)
Distributions to noncontrolling interests	—	—	—	—	—	(675)	(675)
Fair value of noncontrolling interest associated with business acquired	—	—	—	—	—	251	251
Net income	—	—	—	—	127,281	702	127,983
Balances at September 30, 2011	111,864,328	$1,119	$ 437,096	$ (3,312)	$960,671	$ 4,547	$1,400,121

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine months ended September 30,	
	2012	2011
Cash flows from operating activities:		
Net income	$ 123,574	$ 127,983
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on disposal of assets	715	742
Depreciation	119,331	108,843
Amortization of intangibles	18,115	14,788
Deferred income taxes, net of acquisitions	18,451	36,960
Amortization of debt issuance costs	1,247	1,005
Equity-based compensation	14,036	8,906
Interest income on restricted assets	(491)	(355)
Interest accretion	2,798	1,977
Excess tax benefit associated with equity-based compensation	(3,415)	(4,500)
Net change in operating assets and liabilities, net of acquisitions	32,378	1,375
Net cash provided by operating activities	326,739	297,724
Cash flows from investing activities:		
Payments for acquisitions, net of cash acquired	(223,256)	(247,862)
Capital expenditures for property and equipment	(110,995)	(84,051)
Proceeds from disposal of assets	2,107	3,238
Decrease in restricted assets, net of interest income	4,779	2,241
Other	(6,287)	(1,706)
Net cash used in investing activities	(333,652)	(328,140)
Cash flows from financing activities:		
Proceeds from long-term debt	334,000	515,500
Principal payments on notes payable and long-term debt	(545,069)	(343,726)
Payment of contingent consideration	(4,099)	(100)
Change in book overdraft	(3,383)	(937)
Proceeds from option and warrant exercises	1,042	4,956
Excess tax benefit associated with equity-based compensation	3,415	4,500
Payments for repurchase of common stock	(18,597)	(85,068)
Payments for cash dividends	(32,182)	(25,497)
Tax withholdings related to net share settlements of restricted stock units	(6,039)	(5,436)
Distributions to noncontrolling interests	(94)	(675)
Debt issuance costs	(776)	(6,414)
Proceeds from common stock offering, net	369,584	—
Net cash provided by financing activities	97,802	57,103
Net increase in cash and equivalents	90,889	26,687
Cash and equivalents at beginning of period	12,643	9,873
Cash and equivalents at end of period	$ 103,532	$ 36,560
Non-cash financing activity:		
Liabilities assumed and notes payable issued to sellers of businesses acquired	$ 51,004	$ 144,386

The accompanying notes are an integral part of these condensed consolidated financial statements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

1. BASIS OF PRESENTATION AND SUMMARY

The accompanying condensed consolidated financial statements relate to Waste Connections, Inc. and its subsidiaries ("WCI" or the "Company") for the three and nine month periods ended September 30, 2012 and 2011. In the opinion of management, the accompanying balance sheets and related interim statements of net income, comprehensive income, cash flows and equity include all adjustments, consisting only of normal recurring items, necessary for their fair statement in conformity with U.S. generally accepted accounting principles ("GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Examples include accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price and asset impairments. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with the accounting guidance on contingencies. Actual results could differ materially from the estimates and assumptions that the Company uses in the preparation of its condensed consolidated financial statements.

Interim results are not necessarily indicative of results for a full year. These interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

2. NEW ACCOUNTING STANDARDS

Fair Value Measurement. In May 2011, the FASB issued additional guidance on fair value disclosures. This guidance contains certain updates to the measurement guidance as well as enhanced disclosure requirements. The most significant change in disclosures is an expansion of the information required for "Level 3" measurements including enhanced disclosure for: (1) the valuation processes used by the reporting entity; and (2) the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs, if any. This guidance was effective for interim and annual periods beginning on or after December 15, 2011. As of September 30, 2012, the only assets or liabilities which require Level 3 measurements are the Company's diesel fuel hedges. The Company adopted this guidance as of January 1, 2012. See Note 12 for further information.

Presentation of Comprehensive Income. In September 2011, the FASB issued guidance on the presentation of comprehensive income. This guidance eliminates the option to report other comprehensive income and its components in the statement of changes in equity. The guidance allows two presentation alternatives: present items of net income and other comprehensive income (1) in one continuous statement, referred to as the statement of comprehensive income; or (2) in two separate, but consecutive, statements of net income and other comprehensive income. This guidance was effective as of the beginning of a fiscal year that begins after December 15, 2011. Full retrospective application is required. The guidance also previously required the presentation of adjustments for items that are reclassified from other comprehensive income to net income in the statement where the components of net income and the components of other comprehensive income are presented; however, this portion of the guidance has been deferred. The Company adopted this guidance as of January 1, 2012 and elected to present items of net income and other comprehensive income in two separate, but consecutive, statements of net income and comprehensive income.

Impairment of Indefinite-lived Intangible Assets. In July 2012, the FASB issued guidance on testing indefinite-lived intangible assets for impairment. The guidance provides entities an option to perform a "qualitative" assessment to determine whether further impairment testing is necessary. This guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. However, an entity can choose to early adopt, provided that the entity has not yet performed its 2012 annual impairment test or issued its financial statements. The Company has elected to early adopt the guidance and will perform a "qualitative" assessment when it performs its indefinite-lived intangible asset impairment test in the fourth quarter of 2012.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3. RECLASSIFICATION

Certain amounts reported in the Company's prior year financial statements have been reclassified to conform with the 2012 presentation.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted assets, trade payables, debt instruments, interest rate swaps and fuel hedges. As of September 30, 2012 and December 31, 2011, the carrying values of cash and equivalents, trade receivables, restricted assets, and trade payables are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of September 30, 2012 and December 31, 2011, based on current borrowing rates for similar types of borrowing arrangements, and are therefore classified as Level 2 within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of September 30, 2012 and December 31, 2011, are as follows:

	Carrying Value at		Fair Value* at	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
6.22% Senior Notes due 2015	$ 175,000	$ 175,000	$ 195,749	$ 186,305
3.30% Senior Notes due 2016	$ 100,000	$ 100,000	$ 103,370	$ 98,980
4.00% Senior Notes due 2018	$ 50,000	$ 50,000	$ 52,694	$ 51,220
5.25% Senior Notes due 2019	$ 175,000	$ 175,000	$ 196,766	$ 174,125
4.64% Senior Notes due 2021	$ 100,000	$ 100,000	$ 107,895	$ 104,250

* Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value is based on quotes of bonds with similar ratings in similar industries.

For details on the fair value of the Company's interest rate swaps, fuel hedges and restricted assets, refer to Note 12.

5. LANDFILL ACCOUNTING

At September 30, 2012, the Company owned 38 landfills, and operated, but did not own, six landfills under life-of-site operating agreements and six landfills under limited-term operating agreements. The Company's landfills had site costs with a net book value of $893,980 at September 30, 2012. With the exception of four landfills which only accept construction and demolition and other non-putrescible waste, all landfills that the Company owns or operates are municipal solid waste landfills. For the Company's landfills operated under limited-term operating agreements and life-of-site operating agreements, the owner of the property (generally a municipality) usually owns the permit and the Company operates the landfill for a contracted term. Where the contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. The Company is responsible for all final capping, closure and post-closure liabilities at five of the six landfills that it operates under life-of-site operating agreements.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. Many of the Company's existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns, and certain landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets certain criteria is included in the estimate of total landfill airspace.

Based on remaining permitted capacity as of September 30, 2012, and projected annual disposal volumes, the average remaining landfill life for the Company's owned landfills and landfills operated under life-of-site operating agreements is estimated to be approximately 40 years. As of September 30, 2012, the Company is seeking to expand permitted capacity at seven of its owned landfills and two landfills that it operates under life-of-site operating agreements, and considers the achievement of these expansions to be probable. Although the Company cannot be certain that all future expansions will be permitted as designed, the average remaining life, when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume, of the Company's owned landfills and landfills operated under life-of-site operating agreements is 47 years, with lives ranging from 6 to 202 years.

During the nine months ended September 30, 2012 and 2011, the Company expensed $35,219 and $31,712, respectively, or an average of $3.15 and $2.94 per ton consumed, respectively, related to landfill depletion at owned landfills and landfills operated under life-of-site agreements.

The Company reserves for final capping, closure and post-closure maintenance obligations at the landfills it owns and five of the six landfills it operates under life-of-site operating agreements. The Company calculates the net present value of its final capping, closure and post-closure commitments by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting current market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in the Company's final capping, closure and post-closure liabilities being recorded in "layers." The Company's discount rate assumption for purposes of computing 2012 and 2011 "layers" for final capping, closure and post-closure obligations was 5.75% for each year, which reflects the Company's long-term cost of borrowing as of the end of 2011 and 2010. The Company's inflation rate assumption is 2.5% for the years ending December 31, 2012 and 2011. The resulting final capping, closure and post-closure obligations are recorded on the balance sheet along with an offsetting addition to site costs which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. During the nine months ended September 30, 2012 and 2011, the Company expensed $1,870 and $1,451, respectively, or an average of $0.17 and $0.13 per ton consumed, respectively, related to final capping, closure and post-closure accretion expense.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The following is a reconciliation of the Company's final capping, closure and post-closure liability balance from December 31, 2011 to September 30, 2012:

Final capping, closure and post-closure liability at December 31, 2011	$30,883
Adjustments to final capping, closure and post-closure liabilities	3,467
Liabilities incurred	2,072
Accretion expense	1,870
Closure payments	(17)
Assumption of closure liabilities from acquisitions	1,762
Final capping, closure and post-closure liability at September 30, 2012	$40,037

The Adjustments to final capping, closure and post-closure liabilities primarily consisted of increases in estimated closure costs and changes in timing of closure activities at some of the Company's landfills, partially offset by a decrease in closure liabilities from third parties due to changes in timing of closure activities and reduced closure expenses. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year.

At September 30, 2012, $30,555 of the Company's restricted assets balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

6. LONG-TERM DEBT

Long-term debt consists of the following:

	September 30, 2012	December 31, 2011
Revolver under credit facility, bearing interest ranging from 1.39% to 3.65%*	$ 325,000	$ 519,000
2015 Notes, bearing interest at 6.22%	175,000	175,000
2016 Notes, bearing interest at 3.30%	100,000	100,000
2018 Notes, bearing interest at 4.00%	50,000	50,000
2019 Notes, bearing interest at 5.25%	175,000	175,000
2021 Notes, bearing interest at 4.64%	100,000	100,000
Tax-exempt bonds, bearing interest ranging from 0.12% to 0.43%*	37,455	38,460
Notes payable to sellers in connection with acquisitions, bearing interest at 2.50% to 10.35%*	15,453	18,356
Notes payable to third parties, bearing interest at 6.7% to 10.9%*	2,666	2,841
	980,574	1,178,657
Less – current portion	(4,128)	(5,899)
	$976,446	$1,172,758

* Interest rates in the table above represent the range of interest rates incurred during the nine month period ended September 30, 2012.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

On September 16, 2012, the Company entered into a Commitment Letter (the "Commitment Letter") with Bank of America, N.A., as a joint arranger, pursuant to which the Company may borrow an aggregate principal amount of up to $750,000 under an unsecured term loan facility ("Senior Credit Facility") to partially fund the purchase of the business of R360 Environmental Solutions, Inc. ("R360"), as discussed in Note 7. On October 1, 2012, JPMorgan Chase Bank, N.A., and Wells Fargo Bank, National Association, joined the Commitment Letter, as additional joint arrangers. The Senior Credit Facility will bear interest, at the Company's option, at either the base rate plus the applicable base rate margin on base rate loans, or the Eurodollar rate plus the applicable Eurodollar margin on Eurodollar loans. The applicable margins under the Senior Credit Facility vary depending on the Company's leverage ratio, as defined in the Commitment Letter. The Senior Credit Facility will require the Company to maintain specified financial ratios. The Senior Credit Facility will mature five years after the closing date. The Senior Credit Facility is subject to conditions precedent to closing, as defined in the Commitment Letter, and to be more fully set forth in the definitive loan documentation. The Company expects the Senior Credit Facility to close in the fourth quarter of 2012. The Company may increase the size of the Senior Credit Facility above $750,000 subject to receipt of lender commitments. The Company can provide no assurance that the Senior Credit Facility will close, or that it will close on the terms described above.

7. ACQUISITIONS

In July 2012, the Company completed the acquisition of 100% of the interests in the operations of SKB Environmental, Inc. ("SKB"), a provider of solid waste transfer and disposal services in Minnesota, in exchange for total consideration of $86,763. Pursuant to the stock purchase agreement, the Company is required to remit additional consideration to the former shareholders of SKB if the acquired operations exceed earnings targets specified in the stock purchase agreement over a one-year period ending June 30, 2013. The Company computed the fair value of the contingent consideration using a probability-weighted discounted cash flow methodology, which resulted in an obligation recognized at the purchase date totaling $20,711. Any changes in the fair value of the contingent consideration subsequent to the acquisition date will be charged or credited to expense until the contingency is settled.

On March 1, 2012, the Company completed the acquisition of 100% of the interests in the operations of Alaska Pacific Environmental Services Anchorage, LLC and Alaska Green Waste Solutions, LLC (together, "Alaska Waste"). Alaska Waste provides solid waste collection, transfer and composting services in Anchorage, the Mat-Su Valley, Fairbanks, the Kenai Peninsula and Kodiak Island. The Company paid $133,402 for the purchased operations. Pursuant to the asset purchase agreement, the Company is required to remit up to $4,000 of additional consideration to the former owners of Alaska Waste if new business is generated through the privatization of certain markets currently serviced by municipalities. The Company computed the fair value of the contingent consideration using a probability-weighted discounted cash flow methodology, which resulted in an obligation recognized at the purchase date totaling $602. As of September 30, 2012, the obligation recognized at the purchase date has not materially changed. Any changes in the fair value of the contingent consideration subsequent to the acquisition date will be charged or credited to expense until the contingency is settled.

In addition to the acquisition of SKB and Alaska Waste, the Company acquired five individually immaterial non-hazardous solid waste collection, transfer and disposal businesses during the nine months ended September 30, 2012.

On April 1, 2011, the Company completed the acquisition of a 100% interest in Hudson Valley Waste Holding, Inc., and its wholly-owned subsidiary, County Waste and Recycling Service, Inc. (collectively, "County Waste"). As part of this acquisition, the Company acquired a 50% interest in Russell Sweepers, LLC, a provider of sweeper services, resulting in a 50% noncontrolling interest that was recognized at fair value on the purchase date. The operations include six collection operations, three transfer stations and one recycling facility across six markets in New York and Massachusetts. The Company paid $299,000 for the purchased operations plus amounts paid for the purchase of accounts receivable and other prepaid assets and estimated working capital, which amounts are subject to post-closing adjustments. No other consideration, including contingent consideration, was transferred by the Company to acquire these operations. Total revenues for the six months ended September 30, 2011, generated from the County Waste operations and included within consolidated revenues were $63,693. Total pre-tax earnings for the six months ended September 30, 2011, generated from the County Waste operations and included within consolidated income before income taxes were $5,917.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

In August 2011, the Company's subsidiary, Capital Region Landfills, Inc. ("CRL"), entered into an agreement with the Town of Colonie, a municipal corporation of the state of New York, to operate a municipal solid waste disposal facility (the "Colonie Landfill") for an initial term of 25 years. The agreement became effective on September 19, 2011. As consideration for operating equipment and the right to operate the Colonie Landfill, CRL remitted an initial payment of $23,860. CRL is also required to remit up to $55,470 of additional consideration over the term of the agreement, comprised of $11,500 payable over a five-year period ending September 2016 and up to $43,970 payable over the term of the agreement if certain expansion criteria are met and certain annual tonnage targets are exceeded as specified in the operating agreement. CRL computed the present value of the additional consideration using a probability-weighted discounted cash flow methodology, resulting in a total obligation recognized at the effective date of $32,928, which consisted of $10,656 recorded as Notes issued to sellers and $22,272 recorded as contingent consideration in Long-term contingent consideration. CRL is also responsible for all final capping, closure and post-closure liabilities and estimates the total obligation in current dollars to be $21,287, the net present value of which is $1,429. This obligation was recorded in Other long-term liabilities. As of September 30, 2012, the obligation for contingent consideration recognized at the purchase date increased $1,110 due to the accretion of interest on the liability. Any changes in the fair value of the contingent consideration subsequent to the acquisition date will be charged or credited to income until the contingency is settled.

In addition to the County Waste acquisition and Colonie Landfill transaction, the Company acquired seven individually immaterial non-hazardous solid waste collection businesses during the nine months ended September 30, 2011.

The acquisitions completed during the nine months ended September 30, 2012 and 2011, were not material to the Company's results of operations, either individually or in the aggregate. As a result, pro forma financial information has not been provided. The results of operations of the acquired businesses have been included in the Company's condensed consolidated financial statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions.

On September 16, 2012, the Company entered into a Purchase and Sale Agreement to acquire the business of R360. The aggregate purchase price, subject to adjustment, is approximately $1,330,000 in cash. R360 provides non-hazardous oilfield waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the United States, including the Permian, Bakken and Eagle Ford Basins. The acquisition of R360 remains subject to certain closing conditions. Closing is expected to occur in the fourth quarter of 2012.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The following table summarizes the consideration transferred to acquire these businesses and the amounts of identified assets acquired, liabilities assumed and noncontrolling interests associated with businesses acquired at the acquisition date for acquisitions consummated in the nine months ended September 30, 2012 and 2011:

	2012 Acquisitions	2011 Acquisitions
Fair value of consideration transferred:		
Cash	$ 223,256	$ 247,862
Debt assumed*	12,986	84,737
Notes issued to sellers	—	10,656
Contingent consideration	21,314	22,272
	257,556	365,527
Recognized amounts of identifiable assets acquired, liabilities assumed and noncontrolling interests associated with businesses acquired:		
Accounts receivable	10,565	9,412
Other current assets	1,362	1,056
Restricted assets	6,725	—
Property and equipment	123,469	112,088
Long-term franchise agreements and contracts	6,059	3,269
Customer lists	21,468	33,978
Indefinite-lived intangibles	35,345	42,283
Other intangibles	2,296	10,367
Accounts payable	(3,303)	(6,183)
Accrued liabilities	(5,362)	(1,206)
Noncontrolling interests	—	(251)
Deferred revenue	(4,916)	(6,186)
Deferred taxes	—	(11,466)
Other long-term liabilities	(3,123)	(1,429)
Total identifiable net assets	190,585	185,732
Goodwill	$ 66,971	$179,795

* Debt assumed was paid at close of acquisition.

The goodwill is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses. Goodwill acquired during the nine months ended September 30, 2012 and 2011, totaling $66,971 and $16,739, respectively, is expected to be deductible for tax purposes.

The fair value of acquired working capital related to three acquisitions completed during the last 12 months is provisional pending receipt of information from the acquirees to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these three acquisitions are not expected to be material to the Company's financial position.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The gross amount of trade receivables due under contracts acquired during the nine months ended September 30, 2012, is $10,708, of which $143 is expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the nine months ended September 30, 2011, is $10,019, of which $607 is expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

The Company paid $4,099 of contingent consideration during the nine months ended September 30, 2012, which represented the remaining payout related to the completion of earnings targets for certain acquisitions closed in 2011 and 2010.

During the nine months ended September 30, 2012 and 2011, the Company incurred $3,610 and $1,278, respectively, of acquisition-related costs. These expenses are included in Selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Net Income.

8. INTANGIBLE ASSETS

Intangible assets, exclusive of goodwill, consisted of the following at September 30, 2012:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Long-term franchise agreements and contracts	$ 196,060	$ (37,297)	$ 158,763
Customer lists	117,969	(39,352)	78,617
Non-competition agreements	9,374	(6,707)	2,667
Other	33,899	(4,152)	29,747
	357,302	(87,508)	269,794
Nonamortized intangible assets:			
Indefinite-lived intangible assets	226,547	—	226,547
Intangible assets, exclusive of goodwill	$ 583,849	$ (87,508)	$ 496,341

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the nine months ended September 30, 2012 was 6.9 years. The weighted-average amortization period of customer lists acquired during the nine months ended September 30, 2012 was 9.4 years. The weighted-average amortization period of other intangibles acquired during the nine months ended September 30, 2012 was 40.0 years.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2011:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Long-term franchise agreements and contracts	$ 190,532	$ (31,592)	$ 158,940
Customer lists	96,501	(28,475)	68,026
Non-competition agreements	9,374	(6,389)	2,985
Other	31,603	(3,175)	28,428
	328,010	(69,631)	258,379
Nonamortized intangible assets:			
Indefinite-lived intangible assets	191,202	—	191,202
Intangible assets, exclusive of goodwill	$ 519,212	$ (69,631)	$ 449,581

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the year ended December 31, 2011 was 22.3 years. The weighted-average amortization period of customer lists acquired during the year ended December 31, 2011 was 6.8 years. The weighted-average amortization period of other intangibles acquired during the year ended December 31, 2011 was 40.0 years.

Estimated future amortization expense for the next five years of amortizable intangible assets is as follows:

For the year ending December 31, 2012	$ 23,673
For the year ending December 31, 2013	$ 23,409
For the year ending December 31, 2014	$ 22,153
For the year ending December 31, 2015	$ 21,581
For the year ending December 31, 2016	$ 17,607

9. SEGMENT REPORTING

The Company's revenues are derived from one industry segment, which includes the collection, transfer, recycling and disposal of non-hazardous solid waste. No single contract or customer accounted for more than 10% of the Company's total revenues at the consolidated or reportable segment level during the periods presented.

The Company manages its operations through three geographic operating segments, which are also the Company's reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. For the nine month periods ended September 30, 2012 and 2011, the Company's Western Region was comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; the Company's Central Region was comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and the Company's Eastern Region was comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee.

The Company's Chief Operating Decision Maker ("CODM") evaluates operating segment profitability and determines resource allocations based on operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement. Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. The Company's management uses operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement to income before income tax provision is included at the end of this Note 9.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Summarized financial information concerning the Company's reportable segments for the three and nine months ended September 30, 2012 and 2011, is shown in the following tables:

Three Months Ended September 30, 2012	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Operating Income Before Depreciation, Amortization, Gain (Loss) on Disposal of Assets and Gain From Litigation Settlement [c]
Western	$228,906	$ (24,943)	$ 203,963	$ 61,119
Central	142,940	(14,007)	128,933	49,194
Eastern	112,753	(19,995)	92,758	26,113
Corporate[a]	—	—	—	(1,992)
	$484,599	$ (58,945)	$425,654	$ 134,434

Three Months Ended September 30, 2011	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Operating Income Before Depreciation, Amortization, Gain (Loss) on Disposal of Assets and Gain From Litigation Settlement [c]
Western	$ 223,156	$(25,896)	$197,260	$ 65,306
Central	126,389	(13,538)	112,851	40,174
Eastern	112,140	(18,289)	93,851	27,179
Corporate[a]	—	—	—	1,695
	$461,685	$ (57,723)	$ 403,962	$ 134,354

Nine Months Ended September 30, 2012	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Operating Income Before Depreciation, Amortization, Gain (Loss) on Disposal of Assets and Gain From Litigation Settlement [c]
Western	$ 660,679	$ (74,513)	$ 586,166	$ 173,810
Central	393,433	(42,215)	351,218	128,699
Eastern	332,883	(57,452)	275,431	77,879
Corporate[a]	—	—	—	(9,823)
	$1,386,995	$(174,180)	$1,212,815	$ 370,565

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Nine Months Ended September 30, 2011	Gross Revenues	Intercompany Revenues[b]	Net Revenues	Operating Income Before Depreciation, Amortization, Gain (Loss) on Disposal of Assets and Gain From Litigation Settlement [c]
Western	$ 633,784	$ (74,407)	$ 559,377	$ 177,593
Central	362,351	(38,589)	323,762	115,261
Eastern	291,910	(49,435)	242,475	70,856
Corporate[a]	—	—	—	3,351
	$1,288,045	$(162,431)	$1,125,614	$ 367,061

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to the three geographic operating segments.

(b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.

(c) For those items included in the determination of operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement, the accounting policies of the segments are the same as those described in the Company's most recent Annual Report on Form 10-K.

Total assets for each of the Company's reportable segments at September 30, 2012 and December 31, 2011, were as follows:

	September 30, 2012	December 31, 2011
Western	$1,505,949	$ 1,370,098
Central	1,167,727	1,040,962
Eastern	829,757	841,251
Corporate	170,394	75,694
Total Assets	$ 3,673,827	$ 3,328,005

The following tables show changes in goodwill during the nine months ended September 30, 2012 and 2011, by reportable segment:

	Western	Central	Eastern	Total
Balance as of December 31, 2011	$ 313,038	$424,223	$ 379,627	$1,116,888
Goodwill acquired	60,043	6,690	238	66,971
Goodwill divested	—	(496)	—	(496)
Balance as of September 30, 2012	$373,081	$ 430,417	$379,865	$ 1,183,363

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

	Western	Central	Eastern	Total
Balance as of December 31, 2010	$313,038	$ 305,774	$ 309,040	$ 927,852
Goodwill transferred	—	111,806	(111,806)	—
Goodwill acquired	—	6,638	173,157	179,795
Balance as of September 30, 2011	$313,038	$ 424,218	$ 370,391	$1,107,647

The Company has no accumulated impairment losses associated with goodwill.

A reconciliation of the Company's primary measure of segment profitability (operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement for reportable segments) to Income before income tax provision in the Condensed Consolidated Statements of Net Income is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement	$ 134,434	$134,354	$370,565	$367,061
Depreciation	(42,313)	(38,868)	(119,331)	(108,843)
Amortization of intangibles	(6,267)	(5,138)	(18,115)	(14,788)
Loss on disposal of assets	(244)	(1,034)	(715)	(742)
Gain from litigation settlement	3,537	—	3,537	—
Interest expense	(11,949)	(12,029)	(36,063)	(31,948)
Interest income	333	132	630	408
Other income (expense), net	492	(899)	1,033	(750)
Income before income tax provision	$ 78,023	$76,518	$ 201,541	$210,398

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The following table shows, for the periods indicated, the Company's total reported revenues by service line and with intercompany eliminations:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Collection	$ 304,166	$ 282,176	$ 880,920	$ 796,783
Disposal and transfer	148,117	138,680	406,034	381,961
Intermodal, recycling and other	32,316	40,829	100,041	109,301
	484,599	461,685	1,386,995	1,288,045
Less: intercompany elimination	(58,945)	(57,723)	(174,180)	(162,431)
Total revenues	$425,654	$ 403,962	$ 1,212,815	$1,125,614

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Company recognizes all derivatives on the balance sheet at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the effective portion of the changes in the fair value of derivatives will be recognized in accumulated other comprehensive loss ("AOCL") until the hedged item is recognized in earnings. The ineffective portion of the changes in the fair value of derivatives will be immediately recognized in earnings. The Company classifies cash inflows and outflows from derivatives within operating activities in the Condensed Consolidated Statements of Cash Flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings issued under its credit facility. The Company's strategy to achieve that objective involves entering into interest rate swaps that are specifically designated to the Company's credit facility and accounted for as cash flow hedges.

At September 30, 2012, the Company's derivative instruments included three interest rate swap agreements as follows:

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
March 2009	$175,000	2.85%	1-month LIBOR	February 2011	February 2014
August 2011	$ 150,000	0.80%	1-month LIBOR	April 2012	January 2015
December 2011	$175,000	1.60%	1-month LIBOR	February 2014	February 2017

* plus applicable margin.

Another of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the price of diesel fuel. The Company's strategy to achieve that objective involves entering into fuel hedges that are specifically designated to certain forecasted diesel fuel purchases and accounted for as cash flow hedges.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

At September 30, 2012, the Company's derivative instruments included two fuel hedge agreements as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed (per gallon)	Diesel Rate Received Variable	Effective Date	Expiration Date
December 2008	400,000	$ 3.03	DOE Diesel Fuel Index*	January 2012	December 2012
June 2012	300,000	$3.60	DOE Diesel Fuel Index*	January 2014	December 2015

* If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy ("DOE"), exceeds the contract price per gallon, the Company receives the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, the Company pays the difference to the counterparty.

The fair values of derivative instruments designated as cash flow hedges as of September 30, 2012, are as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps			Accrued liabilities(a)	$ (5,397)
			Other long-term liabilities	(7,044)
Fuel hedges	Prepaid expenses and other current assets(b)	$ 1,182		
	Other assets	1,452		
Total derivatives designated as cash flow hedges		$ 2,634		$(12,441)

(a) Represents the estimated amount of the existing unrealized losses on interest rate swaps as of September 30, 2012 (based on the interest rate yield curve at that date), included in accumulated other comprehensive loss expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

(b) Represents the estimated amount of the existing unrealized gains on fuel hedges as of September 30, 2012 (based on the forward DOE diesel fuel index curve at that date), included in accumulated other comprehensive loss expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in diesel fuel prices.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The fair values of derivative instruments designated as cash flow hedges as of December 31, 2011, are as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps			Accrued liabilities	$ (4,476)
			Other long-term liabilities	(4,642)
Fuel hedges	Prepaid expenses and other current assets	$ 3,506		
Total derivatives designated as cash flow hedges		$ 3,506		$(9,118)

The following table summarizes the impact of the Company's cash flow hedges on the results of operations, comprehensive income and AOCL as of and for the three and nine months ended September 30, 2012 and 2011:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCL on Derivatives, Net of Tax (Effective Portion)[a]		Statement of Income Classification	Amount of (Gain) or Loss Reclassified from AOCL into Earnings, Net of Tax (Effective Portion)[b],[c]	
	Three Months Ended September 30,			Three Months Ended September 30,	
	2012	2011		2012	2011
Interest rate swaps	$(1,497)	$ (1,290)	Interest expense	$ 855	$ 735
Fuel hedges	1,105	(646)	Cost of operations	(678)	(683)
Total	$ (392)	$ (1,936)		$ 177	$ 52

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized in AOCL on Derivatives, Net of Tax (Effective Portion)[a]		Statement of Income Classification	Amount of (Gain) or Loss Reclassified from AOCL into Earnings, Net of Tax (Effective Portion) [b],[c]	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
	2012	2011		2012	2011
Interest rate swaps	$ (4,469)	$ (2,904)	Interest expense	$ 2,409	$ 2,877
Fuel hedges	1,522	1,787	Cost of operations	(2,062)	(1,977)
Total	$ (2,947)	$ (1,117)		$ 347	$ 900

(a) In accordance with the derivatives and hedging guidance, the effective portions of the changes in fair values of interest rate swaps and fuel hedges have been recorded in equity as a component of AOCL. As the critical terms of the interest rate swaps match the underlying debt being hedged, no ineffectiveness is recognized on these swaps and, therefore, all unrealized changes in fair value are recorded in AOCL. Because changes in the actual price of diesel fuel and changes in the DOE index price do not offset exactly each reporting period, the Company assesses whether the fuel hedges are highly effective using the cumulative dollar offset approach.

(b) Amounts reclassified from AOCL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

(c) Amounts reclassified from AOCL into earnings related to realized gains and losses on fuel hedges are recognized when settlement payments or receipts occur related to the hedge contracts, which correspond to when the underlying fuel is consumed.

The Company measures and records ineffectiveness on the fuel hedges in Cost of operations in the Condensed Consolidated Statements of Net Income on a monthly basis based on the difference between the DOE index price and the actual price of diesel fuel purchased, multiplied by the notional number of gallons on the contracts. There was no significant ineffectiveness recognized on the fuel hedges during the three and nine months ended September 30, 2012 and 2011.

See Note 13 for further discussion on the impact of the Company's hedge accounting to its consolidated Comprehensive income and AOCL.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

11. NET INCOME PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income per common share attributable to the Company's common stockholders for the three and nine months ended September 30, 2012 and 2011:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Numerator:				
Net income attributable to Waste Connections for basic and diluted earnings per share	$ 49,385	$ 46,329	$ 123,104	$ 127,281
Denominator:				
Basic shares outstanding	123,031,259	112,327,410	120,571,106	113,130,314
Dilutive effect of stock options and warrants	303,293	407,555	319,457	445,117
Dilutive effect of restricted stock units	331,037	457,919	308,338	403,734
Diluted shares outstanding	123,665,589	113,192,884	121,198,901	113,979,165

For the three months ended September 30, 2012, stock options and warrants to purchase 78,545 shares of common stock were excluded from the computation of diluted earnings per share as they were anti-dilutive. For the three months ended September 30, 2011, all outstanding stock options and warrants were dilutive and included in the computation of diluted earnings per share. For the nine months ended September 30, 2012 and 2011, stock options and warrants to purchase 72,324 and 1,312 shares of common stock, respectively, were excluded from the computation of diluted earnings per share as they were anti-dilutive.

12. FAIR VALUE MEASUREMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted assets. The Company's derivative instruments are pay-fixed, receive-variable interest rate swaps and pay-fixed, receive-variable diesel fuel hedges. The Company's interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. The Company uses a discounted cash flow ("DCF") model to determine the estimated fair values of the diesel fuel hedges. The assumptions used in preparing the DCF model include: (i) estimates for the forward DOE index curve; and (ii) the discount rate based on risk-free interest rates over the term of the agreements. The DOE index curve used in the DCF model was obtained from financial institutions that trade these contracts and ranged from $3.75 to $4.12 at September 30, 2012. The weighted average DOE index curve used in the DCF model was $3.86 at September 30, 2012. Significant increases (decreases) in the forward DOE index curve would result in a significantly higher (lower) fair value measurement. For the Company's interest rate swaps and fuel hedges, the Company also considers the Company's creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the banks' creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company's restricted assets are valued at quoted market prices in active markets for identical assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted assets measured at fair value are invested primarily in U.S. government and agency securities.

The Company's assets and liabilities measured at fair value on a recurring basis at September 30, 2012 and December 31, 2011, were as follows:

	Fair Value Measurement at September 30, 2012 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net liability position	$ (12,441)	$ —	$ (12,441)	$ —
Fuel hedge derivative instruments – net asset position	$ 2,634	$ —	$ —	$ 2,634
Restricted assets	$ 31,599	$ 31,599	$ —	$ —

	Fair Value Measurement at December 31, 2011 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap derivative instruments – net liability position	$ (9,118)	$ —	$ (9,118)	$ —
Fuel hedge derivative instruments – net asset position	$ 3,506	$ —	$ —	$ 3,506
Restricted assets	$ 30,728	$ 30,728	$ —	$ —

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

The following table summarizes the change in the fair value for Level 3 derivatives for the nine months ended September 30, 2012:

	Level 3 Derivatives
Balance as of December 31, 2011	$ 3,506
Realized gains included in earnings	(3,327)
Unrealized gains included in AOCL	2,455
Balance as of September 30, 2012	$ 2,634

The following table summarizes the change in the fair value for Level 3 derivatives for the nine months ended September 30, 2011:

	Level 3 Derivatives
Balance as of December 31, 2010	$ 4,730
Realized gains included in earnings	(3,189)
Unrealized gains included in AOCL	2,882
Balance as of September 30, 2011	$ 4,423

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

13. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes changes in the fair value of interest rate swaps and fuel hedges that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the three and nine month periods ended September 30, 2012 and 2011, are as follows:

	Three months ended September 30, 2012		
	Gross	Tax effect	Net of tax
Interest rate swap amounts reclassified into interest expense	$ 1,380	$ (525)	$ 855
Fuel hedge amounts reclassified into cost of operations	(1,093)	415	(678)
Changes in fair value of interest rate swaps	(2,415)	918	(1,497)
Changes in fair value of fuel hedges	1,782	(677)	1,105
	$ (346)	$ 131	$ (215)

	Three months ended September 30, 2011		
	Gross	Tax effect	Net of tax
Interest rate swap amounts reclassified into interest expense	$ 1,186	$ (451)	$ 735
Fuel hedge amounts reclassified into cost of operations	(1,101)	418	(683)
Changes in fair value of interest rate swaps	(2,081)	791	(1,290)
Changes in fair value of fuel hedges	(1,042)	396	(646)
	$ (3,038)	$ 1,154	$ (1,884)

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

	Nine months ended September 30, 2012		
	Gross	Tax effect	Net of tax
Interest rate swap amounts reclassified into interest expense	$ 3,886	$ (1,477)	$ 2,409
Fuel hedge amounts reclassified into cost of operations	(3,327)	1,265	(2,062)
Changes in fair value of interest rate swaps	(7,208)	2,739	(4,469)
Changes in fair value of fuel hedges	2,455	(933)	1,522
	$ (4,194)	$ 1,594	$ (2,600)

	Nine months ended September 30, 2011		
	Gross	Tax effect	Net of tax
Interest rate swap amounts reclassified into interest expense	$ 4,641	$ (1,764)	$ 2,877
Fuel hedge amounts reclassified into cost of operations	(3,189)	1,212	(1,977)
Changes in fair value of interest rate swaps	(4,684)	1,780	(2,904)
Changes in fair value of fuel hedges	2,882	(1,095)	1,787
	$ (350)	$ 133	$ (217)

A rollforward of the amounts included in AOCL, net of taxes, is as follows:

	Fuel Hedges	Interest Rate Swaps	Accumulated Other Comprehensive Loss
Balance at December 31, 2011	$ 2,172	$ (5,652)	$ (3,480)
Amounts reclassified into earnings	(2,062)	2,409	347
Changes in fair value	1,522	(4,469)	(2,947)
Balance at September 30, 2012	$ 1,632	$ (7,712)	$ (6,080)

See Note 10 for further discussion on the Company’s derivative instruments.

14. STOCKHOLDERS' EQUITY

Sale of Common Stock

On February 27, 2012, the Company entered into an underwriting agreement with Morgan Stanley & Co. LLC, in connection with the offer and sale by the Company of 12,000,000 shares of its common stock, par value $0.01 per share. The shares of common stock were sold to Morgan Stanley & Co. LLC at a price of $30.83 per share. The offering closed on March 2, 2012. The Company received net proceeds from this offering of $369,584 after deducting transaction expenses paid by the Company of approximately $376.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Stock-Based Compensation

A summary of activity related to restricted stock units under the Third Amended and Restated 2004 Equity Incentive Plan during the nine month period ended September 30, 2012, is presented below:

	Unvested Shares
Outstanding at December 31, 2011	1,393,009
Granted	624,566
Forfeited	(41,576)
Vested and Issued	(588,910)
Vested and Unissued	(71,744)
Outstanding at September 30, 2012	1,315,345

The weighted average grant-date fair value per share for the shares of common stock underlying the restricted stock units granted during the nine month period ended September 30, 2012 was $31.50. During the nine months ended September 30, 2012 and 2011, the Company's stock-based compensation expense from restricted stock units was $13,435 and $8,873, respectively.

Share Repurchase Program

The Company's Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1,200,000 of common stock through December 31, 2014. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including the Company's capital structure, the market price of the common stock and overall market conditions. During the nine months ended September 30, 2012 and 2011, the Company repurchased 619,447 and 2,823,235 shares, respectively, of its common stock under this program at a cost of $18,597 and $85,068, respectively. As of September 30, 2012, the remaining maximum dollar value of shares available for repurchase under the program was approximately $415,960. The Company's policy related to repurchases of its common stock is to charge any excess of cost over par value entirely to additional paid-in capital.

Cash Dividend

In October 2010, the Company's Board of Directors declared the initiation of a quarterly cash dividend of $0.075 per share. In October 2011, the Company announced that its Board of Directors increased its regular quarterly cash dividend by $0.015, from $0.075 to $0.09 per share. Cash dividends of $32,182 and $25,497 were paid during the nine months ended September 30, 2012 and 2011, respectively.

15. CORPORATE OFFICE RELOCATION

In December 2011, the Company commenced a relocation of its corporate headquarters from Folsom, California to The Woodlands, Texas. The relocation is expected to be completed in 2012. In connection with the relocation, the Company has incurred in aggregate $6,491 and $83 as of September 30, 2012 and December 31, 2011, respectively, related to personnel and office relocation expenses, and expects to incur an estimated additional $2,500 of related costs during the remaining three months of 2012. These costs are recorded in Selling, general and administrative expenses in the Condensed Consolidated Statements of Net Income. In addition, the Company may incur a loss on lease in 2012 or 2013, which is dependent on the cessation of use of its former corporate headquarters in Folsom, California. The Company estimates the loss on lease could range between $8,000 and $10,000.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

16. GAIN FROM LITIGATION SETTLEMENT

In November 2010, the Company's subsidiary, Potrero Hills Landfill, Inc. ("PHLF"), which owns and operates the Potrero Hills Landfill in Solano County, California, initiated contractual arbitration proceedings with Judicial Arbitration and Mediation Services, Inc. in San Francisco against The Ratto Group of Companies, Inc. ("Ratto") alleging Ratto's breach of the parties' Solid Waste Disposal Agreement.

The case was arbitrated in February and March 2012 before the Honorable Fern Smith (ret.). On August 13, 2012, Judge Smith issued her Final Award finding that Ratto had breached the Solid Waste Disposal Agreement by failing to include PHLF in its 2010 bid to Sonoma County and awarding PHLF lost profits, attorney's fees and costs. Pursuant to this Final Award, on September 13, 2012, Ratto remitted to PHLF $3,537, which was recorded as Gain from litigation settlement.

17. COMMITMENTS AND CONTINGENCIES

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste industry, the Company is subject to various judicial and administrative proceedings involving federal, state or local agencies. In these proceedings, an agency may seek to impose fines on the Company or to revoke or deny renewal of an operating permit held by the Company. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills and transfer stations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the waste management business. Except as noted in the matters described below, as of September 30, 2012, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse impact on its business, financial condition, results of operations or cash flows.

Chaparral, New Mexico Landfill Permit Litigation

The Company's subsidiary, High Desert Solid Waste Facility, Inc. (formerly known as Rhino Solid Waste, Inc.) ("HDSWF"), owns undeveloped property in Chaparral, New Mexico, for which it sought a permit to operate a municipal solid waste landfill. After a public hearing, the New Mexico Environment Department (the "Department") approved the permit for the facility on January 30, 2002. Colonias Development Council ("CDC"), a nonprofit organization, opposed the permit at the public hearing and appealed the Department's decision to the courts of New Mexico, primarily on the grounds that the Department failed to consider the social impact of the landfill on the community of Chaparral, and failed to consider regional planning issues. On July 18, 2005, in Colonias Dev. Council v. Rhino Envtl. Servs., Inc. (In re Rhino Envtl. Servs.), 2005 NMSC 24, 117 P.3d 939, the New Mexico Supreme Court remanded the matter back to the Department to conduct a limited public hearing on certain evidence that CDC claimed was wrongfully excluded from consideration by the hearing officer, and to allow the Department to reconsider the evidence already proffered concerning the impact of the landfill on the surrounding community's quality of life. In July 2007, the Department, CDC, the Company and Otero County signed a stipulation requesting a postponement of the limited public hearing to allow the Company time to explore a possible relocation of the landfill to a new site. Since 2007, the Department has issued several orders postponing the limited public hearing, and on October 17, 2012, it granted a request by the parties to hold the limited public hearing in abeyance until further notice.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

In July 2009, HDSWF purchased approximately 325 acres of undeveloped land comprising a proposed new site from the State of New Mexico. HDSWF filed a formal landfill permit application for the new site with the Department on September 17, 2010. On September 12, 2011, the Department deemed the permit application complete and a public hearing on the matter had been tentatively scheduled for April 9, 2012 in Chaparral, New Mexico. On November 9, 2011, HDSWF filed a motion with the Department to hold in abeyance indefinitely the notice for public hearing and the permit hearing. As part of its motion, HDSWF agreed to provide the Department with at least 120 days' prior notice of any desired, future permit hearing. The Department issued a response in which it did not oppose the motion and agreed to the 120-day notice provision. HDSWF requested the abeyance to defer capital expenditures related to permitting the new site until mid to late 2014, when HDSWF expects to have a better understanding of several current market conditions and regulatory factors that affect the timing and feasibility of the project. These conditions and factors include: the status of the Company's Solid Waste Disposal and Operating Agreement for the collection and disposal of solid waste generated within the City of El Paso, effective April 28, 2004, which has a 10-year term; the status of El Paso Disposal, LP's Solid Waste Franchise Agreement for the collection of solid waste generated within the City of El Paso, effective September 1, 2011, which has a 40-month term; whether the City of El Paso implements flow control in September 2014 directing waste collected within its boundaries to City-owned disposal facilities; and whether certain closed or non-operating disposal facilities in the El Paso market area are reopened and whether those facilities are operated by private or public entities.

At September 30, 2012, the Company had $11,778 of capitalized expenditures related to this landfill development project. Depending on the outcome of the market conditions and regulatory factors described above, the Company may decide in mid to late 2014 to abandon the project and expense the $11,778 of capitalized expenditures, less the recoverable value of the undeveloped properties and other amounts recovered, which would likely have a material adverse effect on the Company's results of operations for that period. Alternatively, if the outcome of the market conditions and regulatory factors described above is such that the Company believes the market for disposal of solid waste generated in the City of El Paso will remain competitive, HDSWF may decide in mid to late 2014 to resume its permitting process for the new site. Under those circumstances, if the Department ultimately denies the landfill permit application for the new site, HDSWF intends to actively resume its efforts to enforce the previously issued landfill permit for the original site in Chaparral. If the Company is ultimately issued a permit to operate the landfill at the new site purchased in July 2009, the Company will be required to expense in a future period $10,324 of capitalized expenditures related to the original Chaparral property, less the recoverable value of that undeveloped property and other amounts recovered, which would likely have a material adverse effect on the Company's results of operations for that period. If the Company instead is ultimately issued a permit to operate the landfill at the original Chaparral property, the Company will be required to expense in a future period $1,454 of capitalized expenditures related to the new site purchased in July 2009, less the recoverable value of that undeveloped property and other amounts recovered. If the Company is not ultimately issued a permit to operate the landfill at either one of the two sites, the Company will be required to expense in a future period the $11,778 of capitalized expenditures, less the recoverable value of the undeveloped properties and other amounts recovered, which would likely have a material adverse effect on the Company's results of operations for that period.

Harper County, Kansas Landfill Permit Litigation

The Company opened a municipal solid waste landfill in Harper County, Kansas in January 2006, following the issuance by the Kansas Department of Health and Environment ("KDHE") of a final permit to operate the landfill. The landfill has operated continuously since that time. On October 3, 2005, landfill opponents filed a suit (Board of Comm'rs of Sumner County, Kansas, Tri-County Concerned Citizens and Dalton Holland v. Roderick Bremby, Sec'y of the Kansas Dep't of Health and Env't, et al.) in the District Court of Shawnee County, Kansas, seeking a judicial review of KDHE's decision to issue the permit, alleging that a site analysis prepared for the Company and submitted to KDHE as part of the process leading to the issuance of the permit was deficient in several respects. The action sought to stay the effectiveness of the permit and to nullify it. The Company intervened in this lawsuit shortly after it was filed. On April 7, 2006, the District Court issued an order denying the plaintiffs' request for judicial review on the grounds that they lacked standing to bring the action. The plaintiffs appealed that decision to the Kansas Court of Appeals, and on October 12, 2007, the Court of Appeals issued an opinion reversing and remanding the District Court's decision. The Company appealed the decision to the Kansas Supreme Court, and on July 25, 2008, the Supreme Court affirmed the decision of the Court of Appeals and remanded the case to the District Court for further proceedings on the merits. Plaintiffs filed a second amended petition on October 22, 2008, and the Company filed a motion to strike various allegations contained within the second amended petition. On July 2, 2009, the District Court granted in part and denied in part the Company's motion to strike. The District Court also set a new briefing schedule, and the parties completed the briefing during the first half of 2010. Oral argument in the case occurred on September 27, 2010.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

On June 12, 2012, the Honorable Larry D. Hendricks, District Judge, entered a Memorandum Decision and Order denying the petitioners' demand for revocation of the permit, and affirming KDHE's decision that the issuance of the permit met all applicable regulatory requirements. By its terms, the Memorandum Decision and Order is the District Court's final entry of judgment. However, on July 11, 2012, the attorney representing the plaintiffs filed a notice of appeal to the Kansas Court of Appeals. The plaintiffs filed a timely appeal and their appellate brief is due to be filed on or before October 24, 2012. The Company believes that it will prevail in this matter, and the Company will continue to have the right to operate the landfill during the pendency of the appeal. Only in the event that a final, materially adverse determination with respect to the permit is received would there likely be a material adverse effect on the Company's reported results of operations in the future. If as a result of this litigation, after exhausting all appeals, the Company was unable to continue to operate the landfill, the Company estimates that it would be required to record a pre-tax impairment charge of approximately $17,700 to reduce the carrying value of the landfill to its estimated fair value. In addition, the Company estimates the current annual impact to its pre-tax earnings that would result if it was unable to continue to operate the landfill would be approximately $4,600 per year.

Solano County, California Measure E/Landfill Expansion Litigation

The Company and one of its subsidiaries, Potrero Hills Landfill, Inc. ("PHLF"), were named as real parties in interest in an amended complaint captioned Sustainability, Parks, Recycling and Wildlife Legal Defense Fund v. County of Solano, which was filed in the Superior Court of California, County of Solano, on July 9, 2009 (the original complaint was filed on June 12, 2009). This lawsuit seeks to compel Solano County to comply with Measure E, a ballot initiative and County ordinance passed in 1984 that the County has not enforced against PHLF since at least 1992. Measure E directs in part that Solano County shall not allow the importation into the County of any solid waste which originated or was collected outside the County in excess of 95,000 tons per year. PHLF disposes of and accepts for beneficial reuse and recycling approximately 840,000 tons of solid waste annually, approximately 650,000 tons of which originate from sources outside of Solano County. The Sustainability, Parks, Recycling and Wildlife Legal Defense Fund ("SPRAWLDEF") lawsuit also seeks to overturn Solano County's approval of the use permit for the expansion of the Potrero Hills Landfill and the related Environmental Impact Report ("EIR"), arguing that both violate Measure E and that the EIR violates the California Environmental Quality Act ("CEQA"). Two similar actions seeking to enforce Measure E, captioned Northern California Recycling Association v. County of Solano and Sierra Club v. County of Solano, were filed in the same court on June 10, 2009, and August 10, 2009, respectively. The Northern California Recycling Association ("NCRA") case does not name the Company or any of its subsidiaries as parties and does not contain any CEQA claims. The Sierra Club case names PHLF as a real party in interest, and seeks to overturn the use permit for the expansion of the landfill on Measure E grounds (but does not raise CEQA claims). These lawsuits follow a previous lawsuit concerning Measure E that NCRA filed against PHLF in the same court on July 22, 2008, prior to the Company's acquisition of PHLF in April 2009, but which NCRA later dismissed.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

In December 2009, the Company and PHLF filed briefs vigorously opposing enforcement of Measure E on constitutional and other grounds. The Company's position is supported by Solano County, a co-defendant in the Measure E litigation. It is also supported by the Attorney General of the State of California, the National Solid Wastes Management Association ("NSWMA") and the California Refuse Recycling Council ("CRRC"), each of which filed supporting friend of court briefs or letters. In addition, numerous waste hauling companies in California, Oregon and Nevada have intervened on the Company's side in the state cases, subsequent to their participation in the federal action challenging Measure E discussed below. A hearing on the merits for all three Measure E state cases was held on February 18, 2010.

On May 12, 2010, the Solano County Superior Court issued a written opinion addressing all three cases. The Court upheld Measure E in part by judicially rewriting the law, and then issued a writ of mandamus directing Solano County to enforce Measure E as rewritten. The Court decided that it could cure the law's discrimination against out-of-county waste by revising Measure E to only limit the importation of waste into Solano County from other counties in California, but not from other states. In the same opinion, the Court rejected the requests from petitioners in the cases for a writ of administrative mandamus to overturn the use permit approved by Solano County in June 2009 for the expansion of PHLF's landfill, thereby leaving the expansion permit in place. Petitioners Sierra Club and SPRAWLDEF filed motions to reconsider in which they asked the Court to issue a writ of administrative mandamus and void PHLF's use permit for the expansion. The County, the Company and PHLF opposed the motions to reconsider and a hearing was held on June 25, 2010. On August 30, 2010, the Court denied the motions to reconsider and reaffirmed its ruling denying the petitions for writs to overturn PHLF's use permit for the expansion.

In December 2010, the Court entered final judgments and writs of mandamus in the three cases, and Solano County, the Company, PHLF and the waste hauling company intervenors filed notices of appeal, which stayed the judgments and writs pending the outcome of the appeal. Petitioners Sierra Club and SPRAWLDEF cross-appealed the Court's ruling denying their petitions for writs to overturn PHLF's use permit for the expansion. The appeals and cross-appeals were consolidated and the parties entered into a stipulated briefing schedule that was completed in August 2011. In addition, seventeen separate entities filed friend of court briefs on behalf of the Company and Solano County in September 2011, including the California Attorney General on behalf of the California Department of Resources Recycling and Recovery; the City and County of San Francisco; solid waste joint powers authorities serving the areas of Napa County, the City of Vallejo, the South Lake Tahoe Basin, Central Contra Costa County and the Salinas Valley; the California Association of Sanitation Agencies; sanitation districts serving Los Angeles County and Orange County; the NSWMA; the National Association of Manufacturers; the CRRC; the Los Angeles County Waste Management Association; the Solid Waste Association of Orange County; the Inland Empire Disposal Association; and the California Manufacturers and Technology Association. Sierra Club and SPRAWLDEF filed responses to these briefs in October 2011. No friend of court briefs were filed on behalf of the petitioners. The case is now fully briefed and all parties have requested oral argument.

As part of the final judgments, the Solano County Superior Court retained jurisdiction over any motions for attorneys' fees under California's Private Attorney General statute. Petitioners NCRA, SPRAWLDEF and Sierra Club each filed a bill of costs and a motion for attorney fees totaling $771. The Company vigorously opposed the award of attorney fees. The motions were heard in March 2011. On May 31, 2011, the court issued a final order awarding petitioners $452 in attorneys' fees, $411 of which relates to the SPRAWLDEF and Sierra Club cases in which the Company or PHLF is a named party. The court allocated 50% of the fee amount to PHLF, none of which the Company recorded as a liability at September 30, 2012. The Company and Solano County appealed this attorneys' fees order in July 2011. The Court of Appeal has not yet issued a briefing schedule. Once this procedural step is completed, the Company will request a stay of this appeal until the merits of the underlying Measure E cases have been finally determined. If the Company prevails on the appeals of the three underlying cases, then none of the Petitioners would be entitled to attorneys' fees and costs. If the Company is unsuccessful on these appeals and its future appeals of the attorneys' fees judgment, PHLF and the County would each ultimately be severally liable for $206 in attorneys' fees for the SPRAWLDEF and Sierra Club cases. However, in all three cases, the Company may reimburse the County for any such attorneys' fees under the indemnification provision in PHLF's use permit.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

On February 9, 2012, the California Department of Resources Recycling and Recovery (CalRecycle) concurred in the solid waste facilities permit related to the Potrero Hills Landfill's expansion, and the permit was approved and issued by the Solano County Department of Resource Management on February 14, 2012.

On September 25, 2012, Governor Jerry Brown signed into law Assembly Bill 845 ("AB 845"), an act of the California Legislature, effective January 1, 2013. AB 845 expressly prohibits counties from restricting or limiting the importation of solid waste into a privately owned facility in a county based on the waste's place of origin. Because the Company believes that neither the Court of Appeal nor the trial court can grant Petitioners any relief in light of AB 845, it filed a motion with the Court of Appeal on September 27, 2012. The motion seeks to dismiss the cross appeals and reverse and remand the portions of the judgments rendered in Petitioners' favor regarding enforcement and implementation of Measure E by Solano County, including Petitioners' recovery of costs, for mootness in light of AB 845, with instructions to the trial court to dismiss the underlying writ petitions with prejudice.

At this point, the Company is not able to determine the likelihood of any outcome in this matter. If the court grants the Company's motion to dismiss the appeals, the judgments requiring Solano County to enforce Measure E and for the Company to pay attorney's fees related to the Measure E litigation will be dismissed as moot. However, in the event that after all appeals are exhausted the Superior Court's writ of mandamus enforcing Measure E as rewritten is upheld, the Company estimates that the current annual impact to its pre-tax earnings resulting from the restriction on imports into Solano County would be approximately $5,000 per year. The Company's estimate could be impacted by various factors, including the County's allocation of the 95,000 tons per year import restriction among PHLF and the other disposal and composting facilities in Solano County. In addition, if the final rulings on Measure E do not limit the importation of waste into Solano County from other states, the Company could potentially offset a portion of the estimated reduction to its pre-tax earnings by internalizing waste for disposal at PHLF from other states in which the Company operates, or by accepting waste volumes from third party haulers operating outside of California.

In response to the pending three state court actions to enforce Measure E described above, the Company, PHLF and other waste hauling companies in California, Oregon and Nevada that are damaged by Measure E and would be further damaged if Measure E was enforced, filed a federal lawsuit to enjoin Measure E and have it declared unconstitutional. On September 8, 2009, the coalition brought suit in the United States District Court for the Eastern District of California in Sacramento challenging Measure E under the Commerce Clause of the United States Constitution, captioned Potrero Hills Landfill, Inc. et al. v. County of Solano. In response, SPRAWLDEF, Sierra Club and NCRA intervened in the federal case to defend Measure E and filed motions to dismiss the federal suit, or in the alternative, for the court to abstain from hearing the case in light of the pending state court Measure E actions. On December 23, 2009, the federal court abstained and declined to accept jurisdiction over the Company's case, holding that Measure E raised unique state issues that should be resolved by the pending state court litigation, and granted the motions to dismiss. The Company appealed this ruling and on September 23, 2011, the Ninth Circuit Court of Appeals reversed the district court's decision. On remand, the district court held a hearing on January 11, 2012 regarding the intervenors' alternative grounds for abstention or dismissal. The district court ruled on April 12, 2012, that it was dismissing the federal lawsuit, with leave granted to the Company and other plaintiffs to amend their complaint within 20 days to meet certain requirements set by the Court, including alleging additional facts regarding the enforcement of Measure E and its harm to the plaintiffs. After consideration of all the relevant factors, the Company and its co-plaintiffs notified the court that they would not file an amended complaint and final judgment was entered on May 29, 2012. On June 26, 2012, SPRAWLDEF filed a motion seeking attorney's fees, claiming that the underlying action was meritless and that an unidentified civil right had been vindicated. The motion was fully briefed and at a hearing on August 22, 2012, the court denied SPRAWLDEF's fee motion in its entirety.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

Individual members of SPRAWLDEF were also plaintiffs in a lawsuit filed in the Solano County Superior Court on October 13, 2005, captioned *Protect the Marsh, et al. v. County of Solano, et al.*, challenging the EIR that Solano County certified in connection with its approval of the expansion of the Potrero Hills Landfill on September 13, 2005. A motion to discharge the Superior Court's writ of mandate directing the County to vacate and set aside its certification of the EIR was heard in August 2009. On November 3, 2009, the Superior Court upheld the County's certification of the EIR and the related permit approval actions. In response, the plaintiffs in Protect the Marsh filed a notice of appeal to the court's order on December 31, 2009. On October 8, 2010, the California Court of Appeal dismissed Plaintiffs' appeal for lack of standing. SPRAWLDEF subsequently filed a petition for review of this decision with the California Supreme Court. On December 21, 2010, the Supreme Court denied the petition, concluding this litigation in favor of the County and the Company.

SPRAWLDEF additionally filed a lawsuit seeking a writ of mandate in Sacramento County Superior Court on August 20, 2009, captioned *SPRAWLDEF v. California Integrated Waste Management Board ("CIWMB"), County of Solano, et al.*, challenging a CIWMB decision to dismiss SPRAWLDEF's administrative appeal to the CIWMB seeking to set aside a 2006 solid waste facilities permit issued to Potrero Hills Landfill by the Solano County Local Enforcement Agency. The case names the Company and PHLF as real parties in interest. The appeal was dismissed by the CIWMB for failure to raise a substantial issue. The 2006 facilities permit authorizes operational modifications and enhanced environmental control measures. The case was tried in Sacramento County Superior Court in October 2010, and the Superior Court rejected all of SPRAWLDEF's claims and ordered the writ petition dismissed. SPRAWLDEF appealed the dismissal to the Third District Court of Appeal. The case has been fully briefed. On March 8, 2012, the Court of Appeal asked for supplemental briefing on two questions, one of which implicates the standing of SPRAWLDEF relative to a claim against the former CIWMB, and the Company responded with a letter brief. Both CIWMB and the County also filed letter briefs. The Company believes (and so advised the Court of Appeal) the case may be moot in light of the February 14, 2012 issuance of the new solid waste facilities permit for the landfill, which supersedes the 2006 permit at issue in the appeal. While the Company believes that the respondent agencies will prevail in this case, in the unlikely event that the 2006 permit was set aside, PHLF would continue to operate the Potrero Hills Landfill under the site's new 2012 solid waste facilities permit.

On December 17, 2010, SPRAWLDEF and one its members filed a petition for writ of mandate in San Francisco Superior Court seeking to overturn the October 2010 approval of the marsh development permit issued by the San Francisco Bay Conservation and Development Commission ("BCDC") for PHLF's landfill expansion, alleging that the approval is contrary to the Suisun Marsh Protection Act (the "Marsh Act"). Petitioners claim that BCDC abused its discretion by issuing the marsh development permit in contravention of the Marsh Act. The petition, captioned SPRAWLDEF v. San Francisco Bay Conservation and Development Commission, names BCDC as a respondent and the Company as the real party in interest. BCDC prepared the administrative record for its permit decision and the parties completed briefing on February 7, 2012. On its own motion, the San Francisco Superior Court stayed the action and, on April 5, 2012, transferred the case to Solano County Superior Court, citing that court's experience in the related CEQA case and judicial economy. On June 5, 2012, Solano County Superior Court assigned the case to Judge Beeman, who held a hearing for oral argument on October 4, 2012, but has not yet issued a ruling. At this point the Company is not able to determine the likelihood of any outcome in this matter.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

On June 10, 2011, June Guidotti, a property owner adjacent to PHLF, and SPRAWLDEF and one of its members, each filed administrative petitions for review with the State Water Resources Control Board ("State Board") seeking to overturn a May 11, 2011 Order No. 2166-(a) approving waste discharge requirements issued by the San Francisco Bay Regional Water Quality Control Board ("Regional Board") for PHLF's landfill expansion, alleging that the order is contrary to the State Board's Title 27 regulations authorizing waste discharge requirements for landfills, and in the case of the SPRAWLDEF petition, further alleging that the Regional Board's issuance of a Clean Water Act section 401 certification is not supported by an adequate alternatives analysis as required by the federal Clean Water Act. The Regional Board is preparing the administrative record of its decision to issue Order 2166-(a) to be filed with the State Board as well as its response to the petitions for review. It is anticipated that the Regional Board will vigorously defend its actions and seek dismissal of the petitions for review. A hearing date has not yet been set on either petition, and the State Board has held both the Guidotti and SPRAWLDEF petitions in abeyance at the petitioners' requests. At this point the Company is not able to determine the likelihood of any outcome in this matter.

If as a result of any of the matters described above, after exhausting all appeals, PHLF's use permit or marsh development permit is rescinded, and the Superior Court's writ of mandamus enforcing Measure E as rewritten is ultimately upheld, the Company estimates that it would be required to recognize a pre-tax impairment charge of approximately $42,000 to reduce the carrying value of PHLF to its estimated fair value, in addition to the approximately $5,000 annual impact to its pre-tax earnings described above. If PHLF's use permit or marsh development permit is rescinded but Measure E is ultimately ruled to be unenforceable, the Company estimates that it would be required to recognize a pre-tax impairment charge of approximately $30,000 to reduce the carrying value of PHLF to its estimated fair value.

Colonie, New York Landfill Privatization Litigation

One of the Company's wholly-owned subsidiaries, Capital Region Landfills, Inc. ("CRL") and the Town of Colonie, New York ("Colonie"), entered into a Solid Waste Facility Operating Agreement, dated August 4, 2011 ("Agreement"). CRL was selected to operate the Town's solid waste management operations, which include the Colonie Landfill, pursuant to a request for proposals initiated by Colonie pursuant to New York State General Municipal Law ("GML") section 120-w. CRL commenced operating the Town's solid waste management operations pursuant to the Agreement on September 19, 2011.

By notice of petition and petition, dated September 29, 2011, filed in New York State Supreme Court for the County of Albany, seven individuals commenced a proceeding pursuant to Article 78 of the New York State Civil Practice Law and Rules ("CPLR") against Colonie, its Town Board and its Supervisor, Paula A. Mahan ("Town Respondents"). The case is captioned, *Conners, et al. v. Town of Colonie, et al.,* Index No. 006312/2011 (Sup. Ct., Albany Co.). On October 17, 2011, an amended petition, dated October 11, 2011, was served on the Town, naming CRL and the Company as additional Respondents. The petition alleged that the petitioners are residents of Colonie, and own or reside on property abutting or in close proximity to the landfill, or which is affected by the Agreement. Petitioners claimed that the Agreement is the functional equivalent of a lease and therefore should have been subject to the permissive referendum requirements of New York State Town Law ("Town Law") sections 64(2) and 90. The petition, as amended, asserted that Respondents failed, within ten days of the Town Board's adoption of a July 28, 2011 resolution authorizing Colonie to enter into the Agreement with CRL, to post and publish notice setting forth the date of adoption of the resolution, an abstract of the Town Board's action and a statement that the resolution was adopted subject to a permissive referendum. Petitioners sought judgment (i) annulling and setting aside the resolution, (ii) declaring the Agreement invalid, unlawful and unenforceable, (iii) restraining and enjoining Respondents from attempting to enforce the resolution or the Agreement, and (iv) awarding petitioners costs, disbursements and attorneys' fees incurred in connection with this proceeding; and such other and further relief as the Court deems just and proper.

On October 31, 2011 and November 2, 2011, the Town Respondents, CRL and the Company filed motions to dismiss on various procedural and substantive grounds. On November 3, 2011, petitioners filed an opposition to the motions to dismiss and cross-moved to file a second amended petition seeking to add the Town Clerk and landfill employees' unions as Respondents.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

By decision, order and judgment dated April 5, 2012, the Albany County Supreme Court dismissed the petition, as amended, in its entirety on two separate grounds. The Court assumed for the purposes of the motions to dismiss that the Agreement could be construed as a lease, but determined that: (i) a lease entered into pursuant to GML section 120-w is not subject to the permissive referendum requirements of Town Law sections 64(2) and 90; and (ii) because the Town followed certain proscribed procedures of GML section 120-w, challenges to the Agreement were statutorily limited to specific categories of claims set forth in GML section 120-w(6) and petitioners' claims did not fall within any of the permitted categories of claims. Because the Court dismissed the petition on the merits, it determined that the petitioners' request to file a second amended petition was moot. On May 3, 2012, petitioners filed a notice of appeal with the Appellate Division of the New York State Supreme Court, Third Department. The notice of appeal raises two issues: (1) whether GML section 120-W preempts and supersedes the specific provision of Town Law section 64(2), which requires a permissive referendum notice to be served before a town may lease real property to a private company to operate a landfill; and (2) whether the lower court erred in "dismissing the petition on the merits prior to issue being joined." In order to perfect their appeal, the petitioners will need to file a record and brief, which they have not yet done.

At this stage, the Company is not able to determine the likelihood of any outcome in this matter. If, however, as a result of this litigation, after the parties have exhausted all appeals, the Agreement is nullified and CRL is unable to continue to operate Colonie's solid waste management operations, the Agreement requires Colonie to repay to CRL an amount equal to a prorated amount of $23,000 of the initial payment made by CRL to Colonie plus the amount of any capital that CRL has invested in the Colonie Landfill. The prorated amount owed to CRL by Colonie would be calculated by dividing the $23,000 plus the amount of invested capital by the number of years of remaining airspace at the Colonie Landfill, as measured from the effective date of the Agreement, and then multiplying the result by the number of years of remaining airspace at the Colonie Landfill, as measured from the date the Agreement is nullified. Furthermore, if the Agreement is nullified as a result of the litigation, Colonie would resume responsibility for all final capping, closure and post-closure liabilities for the Colonie Landfill.

Madera County, California Materials Recovery Facility Contract Litigation

The Company's subsidiary, Madera Disposal Systems, Inc. ("MDSI") was named in a complaint captioned County of Madera vs. Madera Disposal Systems, Inc., et al, which was filed in the Superior Court of California, County of Madera (Case No. MCV 059402) on March 5, 2012. In its complaint, Madera County alleges that from 2007 through 2010, MDSI breached a contract with the County for the operation of a materials recovery facility by withholding profits from facility operations in excess of those authorized by the contract. The County further alleges that the breach gives the County the unilateral right to terminate all of its contracts with MDSI, including contracts for (1) the collection of residential and commercial waste in the unincorporated parts of the County, (2) operation of the materials recovery facility, (3) operation of the North Fork Transfer Station and (4) operation of the Fairmead Landfill. In the complaint, the County seeks monetary damages of $2,962 from MDSI, plus pre-judgment interest at 10% per annum and a declaration that the County may terminate its contracts with MDSI effective November 1, 2012.

MDSI had been under contract with the County to collect residential and commercial waste and operate the county-owned Fairmead Landfill continuously since at least 1981. In 1994, MDSI contracted with the County to construct and operate a materials recovery facility for the County on the premises of the Fairmead Landfill. At the time it entered into the materials recovery facility contract, MDSI entered into new contracts with the County for waste collection and landfill operation that were to run concurrently with the materials recovery facility contract. In 1998, MDSI and the County agreed to extend the term of the materials recovery facility and the terms of the other County contracts until November 10, 2012, with MDSI holding a unilateral option to extend all of the contracts for an additional five-year term.

 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollar amounts in thousands, except share, per share, per gallon, tonnage and per ton amounts)

In March 2011, the County issued a Notice of Default to MDSI under the materials recovery facility contract and gave MDSI 30 days to cure the default. MDSI provided information that it believed demonstrated that it was not in default under the contract and had not withheld profits that it was obligated to deliver to the County under the terms of the contract. The County disagreed and in December 2011, MDSI and the County attempted to mediate the dispute. The mediation was unsuccessful.

On February 7, 2012, the County issued a formal Notice of Termination to MDSI terminating all of its contracts effective November 1, 2012, or such earlier date as the County may specify to MDSI by at least 90 days' prior written notice. The lawsuit followed on March 5, 2012. On March 26, 2012, MDSI filed a motion to transfer venue to a superior court in a neutral county. At the hearing on the motion on June 18, 2012, the Madera County Superior Court granted MDSI's motion and ordered the case transferred to Fresno County Superior Court. MDSI received notice from the Fresno County Superior Court that the transfer was complete on October 4, 2012, and MDSI now has until October 29, 2012 to file its response to the County's complaint.

At this point, the Company is not able to determine the likelihood of any outcome in this matter. The Company disputes Madera County's right to terminate the MDSI contracts effective November 1, 2012, and although the Company intends to cease providing services under the contracts and vacate all County-owned premises consistent with the County's demands, the Company also intends to file a cross-complaint for damages against the County for wrongful termination of the contracts. The Company estimates that the current annual impact to its pre-tax earnings resulting from the termination of MDSI's contracts with Madera County will be approximately $2,300 per year, not including any monetary damages and interest the Court could order MDSI to pay the County.

18. SUBSEQUENT EVENT

On October 22, 2012, the Company announced that its Board of Directors increased its regular quarterly cash dividend by $0.01, from $0.09 to $0.10 per share, and then declared a regular quarterly cash dividend of $0.10 per share on the Company's common stock. The dividend will be paid on November 19, 2012, to stockholders of record on the close of business on November 5, 2012.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q are forward-looking in nature, including statements related to our ability to provide adequate cash to fund our operating activities, our ability to draw on our credit facility or raise additional capital, the impact of global economic conditions on our volume, business and results of operations, the effects of landfill special waste projects on volume results, the effects of seasonality on our business and results of operations, demand for recyclable commodities and recyclable commodity pricing, the impact of the relocation of our corporate headquarters to The Woodlands, Texas, our expectations with respect to capital expenditures, our expectations with respect to our ability to obtain expansions of permitted landfill capacity, our expectations with respect to our stock repurchase program and future dividend payments, our expectations with respect to the outcomes of our legal proceedings and our expectations with respect to the purchase of fuel and fuel prices. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," or "anticipates," or the negative thereof or comparable terminology, or by discussions of strategy.

Our business and operations are subject to a variety of risks and uncertainties and, consequently, actual results may differ materially from those projected by any forward-looking statements. Factors that could cause actual results to differ from those projected include, but are not limited to, the following:

- Our acquisitions may not be successful, resulting in changes in strategy, operating losses or a loss on sale of the business acquired;
- A portion of our growth and future financial performance depends on our ability to integrate acquired businesses into our organization and operations;
- Competition for acquisition candidates, consolidation within the waste industry and economic and market conditions may limit our ability to grow through acquisitions;
- We may be unable to compete effectively with larger and better capitalized companies, companies with lower return expectations, and governmental service providers;
- We may lose contracts through competitive bidding, early termination or governmental action;
- Price increases may not be adequate to offset the impact of increased costs or may cause us to lose volume;
- Economic downturns adversely affect operating results;
- Our results are vulnerable to economic conditions and seasonal factors affecting the regions in which we operate;
- We may be subject in the normal course of business to judicial, administrative or other third party proceedings that could interrupt or limit our operations, require expensive remediation, result in adverse judgments, settlements or fines and create negative publicity;
- Increases in the price of fuel may adversely affect our business and reduce our operating margins;
- Increases in labor and disposal and related transportation costs could impact our financial results;
- Efforts by labor unions could divert management attention and adversely affect operating results;

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

- We could face significant withdrawal liability if we withdraw from participation in one or more underfunded multiemployer pension plans in which we participate;
- Increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings;
- Our indebtedness could adversely affect our financial condition; we may incur substantially more debt in the future;
- Each business that we acquire or have acquired may have liabilities or risks that we fail or are unable to discover, including environmental liabilities;
- Liabilities for environmental damage may adversely affect our financial condition, business and earnings;
- Our accruals for our landfill site closure and post-closure costs may be inadequate;
- The financial soundness of our customers could affect our business and operating results;
- We depend significantly on the services of the members of our senior, regional and district management team, and the departure of any of those persons could cause our operating results to suffer;
- Our decentralized decision-making structure could allow local managers to make decisions that adversely affect our operating results;
- We may incur charges related to capitalized expenditures of landfill development projects, which would decrease our earnings;
- Because we depend on railroads for our intermodal operations, our operating results and financial condition are likely to be adversely affected by any reduction or deterioration in rail service;
- Our financial results are based upon estimates and assumptions that may differ from actual results;
- The adoption of new accounting standards or interpretations could adversely affect our financial results;
- Pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements;
- If we are not able to develop and protect intellectual property, or if a competitor develops or obtains exclusive rights to a breakthrough technology, our financial results may suffer;
- Fluctuations in prices for recycled commodities that we sell and rebates we offer to customers may cause our revenues and operating results to decline;
- Our financial and operating performance may be affected by the inability to renew landfill operating permits, obtain new landfills and expand existing ones;
- Future changes in laws or renewed enforcement of laws regulating the flow of solid waste in interstate commerce could adversely affect our operating results;

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

- Extensive and evolving environmental, health, safety and employment laws and regulations may restrict our operations and growth and increase our costs;
- Climate change regulations may adversely affect operating results;
- Extensive regulations that govern the design, operation and closure of landfills may restrict our landfill operations or increase our costs of operating landfills;
- Alternatives to landfill disposal may cause our revenues and operating results to decline; and
- Unusually adverse weather conditions may interfere with our operations, harming our operating results.

These risks and uncertainties, as well as others, are discussed in greater detail in this Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission, or SEC, including our most recent Annual Report on Form 10-K. There may be additional risks of which we are not presently aware or that we currently believe are immaterial which could have an adverse impact on our business. We make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances that may change.

OVERVIEW

The solid waste industry is a local and highly competitive business, requiring substantial labor and capital resources. The participants compete for collection accounts primarily on the basis of price and, to a lesser extent, the quality of service, and compete for landfill business on the basis of tipping fees, geographic location and quality of operations. The solid waste industry has been consolidating and continues to consolidate as a result of a number of factors, including the increasing costs and complexity associated with waste management operations and regulatory compliance. Many small independent operators and municipalities lack the capital resources, management, operating skills and technical expertise necessary to operate effectively in such an environment. The consolidation trend has caused solid waste companies to operate larger landfills that have complementary collection routes that can use company-owned disposal capacity. Controlling the point of transfer from haulers to landfills has become increasingly important as landfills continue to close and disposal capacity moves further from collection markets.

Generally, the most profitable industry operators are those companies that are vertically integrated or enter into long-term collection contracts. A vertically integrated operator will benefit from: (1) the internalization of waste, which is bringing waste to a company-owned landfill; (2) the ability to charge third-party haulers tipping fees either at landfills or at transfer stations; and (3) the efficiencies gained by being able to aggregate and process waste at a transfer station prior to landfilling.

We are an integrated solid waste services company that provides solid waste collection, transfer, disposal and recycling services in mostly exclusive and secondary markets in the U.S. We also provide intermodal services for the rail haul movement of cargo and solid waste containers in the Pacific Northwest through a network of intermodal facilities. We also own and operate a facility in Southwest Louisiana where we treat and dispose of non-hazardous waste that is generated in the exploration and production of oil and natural gas. We seek to avoid highly competitive, large urban markets and instead target markets where we can provide either solid waste services under exclusive arrangements, or markets where we can be integrated and attain high market share. In markets where waste collection services are provided under exclusive arrangements, or where waste disposal is municipally funded or available at multiple municipal sources, we believe that controlling the waste stream by providing collection services under exclusive arrangements is often more important to our growth and profitability than owning or operating landfills. As of September 30, 2012, we served more than two million residential, commercial and industrial customers from a network of operations in 30 states: Alabama, Alaska, Arizona, California, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming. As of that date, we owned or operated a network of 149 solid waste collection operations, 62 transfer stations, seven intermodal facilities, 39 recycling operations, 46 municipal solid waste landfills, four construction and demolition landfills and one exploration and production waste treatment and disposal facility.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

On September 16, 2012, we entered into a Purchase and Sale Agreement to acquire the business of R360 Environmental Solutions, Inc. ("R360"). The aggregate purchase price, subject to adjustment, is approximately $1.33 billion in cash. R360 provides non-hazardous oilfield waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the United States, including the Permian, Bakken and Eagle Ford Basins. The acquisition of R360 remains subject to certain closing conditions. Closing is expected to occur in the fourth quarter of 2012.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the condensed consolidated financial statements. As described by the SEC, critical accounting estimates and assumptions are those that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on the financial condition or operating performance of a company. Such critical accounting estimates and assumptions are applicable to our reportable segments. Refer to our most recent Annual Report on Form 10-K for a complete description of our critical accounting estimates and assumptions.

NEW ACCOUNTING PRONOUNCEMENTS

For a description of the new accounting standards that affect us, see Note 2 to our Condensed Consolidated Financial Statements included under Part I, Item 1 of this Quarterly Report on Form 10-Q.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

The following table sets forth items in our condensed consolidated statements of net income as a percentage of revenues for the periods indicated.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenues	100.0%	100.0%	100.0%	100.0%
Cost of operations	57.1	56.6	57.6	56.6
Selling, general and administrative	11.3	10.2	11.8	10.7
Depreciation	9.9	9.6	9.8	9.7
Amortization of intangibles	1.5	1.3	1.5	1.3
Loss on disposal of assets	0.1	0.2	0.1	0.1
Gain from litigation settlement	(0.8)	—	(0.3)	—
Operating income	20.9	22.1	19.5	21.6
Interest expense	(2.8)	(3.0)	(3.0)	(2.8)
Interest income	0.1	—	—	—
Other income (expense), net	0.1	(0.2)	0.1	(0.1)
Income tax provision	(6.6)	(7.4)	(6.4)	(7.3)
Net income attributable to noncontrolling interests	(0.1)	—	—	(0.1)
Net income attributable to Waste Connections	11.6%	11.5%	10.2%	11.3%

Revenues. Total revenues increased $21.7 million, or 5.4%, to $425.7 million for the three months ended September 30, 2012, from $404.0 million for the three months ended September 30, 2011. Total revenues increased $87.2 million, or 7.7%, to $1.213 billion for the nine months ended September 30, 2012, from $1.126 billion for the nine months ended September 30, 2011.

Acquisitions closed during, or subsequent to, the three months ended September 30, 2011, increased revenues by approximately $34.3 million in the three months ended September 30, 2012. Operations divested during, or subsequent to, the three months ended September 30, 2011, decreased revenues by approximately $1.5 million. Acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, increased revenues by approximately $96.0 million in the nine months ended September 30, 2012. Operations divested during, or subsequent to, the nine months ended September 30, 2011, decreased revenues by approximately $6.3 million.

During the three months ended September 30, 2012, the net increase in prices charged to our customers from core price increases was $11.6 million. There was minimal impact on revenues from changes in fuel, materials and environmental surcharges. During the nine months ended September 30, 2012, the net increase in prices charged to our customers was $35.3 million, consisting of $34.1 million of core price increases and $1.2 million of fuel, materials and environmental surcharges.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Volume decreases in our existing business during the three and nine months ended September 30, 2012, decreased revenues by approximately $13.8 million and $22.3 million, respectively. The net decreases in volume were primarily attributable to decreases in landfill municipal solid waste volumes, due primarily to the decision to forego low-priced tonnage from one large hauler at one of our large landfills; lower landfill special waste volumes, due primarily to a decrease in large non-recurring projects; decreased commercial hauling revenue due primarily to service level declines with existing customers and a reduction in customer counts due to competition in our markets; and decreased roll off hauling activity due primarily to construction slowdowns affecting our markets, partially offset by increased exploration and production waste treatment and disposal activity due to increased drilling activity.

Decreased recyclable commodity prices during the three and nine months ended September 30, 2012, partially offset by increased recyclable commodity volumes collected, decreased revenues by $9.4 million and $15.9 million, respectively. The decrease in recyclable commodity prices was primarily due to decreased overseas demand for recyclable commodities.

Other revenues during the three and nine months ended September 30, 2012 increased by $0.5 million and $0.4 million, respectively. The increases were primarily due to an increase in cargo volume at our intermodal operations.

Cost of Operations. Total cost of operations increased $14.6 million, or 6.4%, to $243.2 million for the three months ended September 30, 2012, from $228.6 million for the three months ended September 30, 2011. The increase was primarily attributable to $17.6 million of additional operating costs associated with acquisitions closed during, or subsequent to, the three months ended September 30, 2011, and the following changes at operations owned in comparable periods in 2011 and 2012: an increase in employee benefit expenses of $1.1 million due to an increase in claims severity under our self-insured medical plan, an increase in third party trucking and transportation expenses of $0.9 million due to changes in the disposal internalization of collected waste volumes and increased trucking of purchased recyclable commodities, an increase in truck, container and equipment maintenance and repair expenses of $0.4 million, an increase in labor expenses of $0.3 million due to employee pay increases, an increase in leachate disposal costs of $0.3 million at certain landfills we own and an increase in rail transportation expenses of $0.3 million due to an increase in intermodal cargo volume, partially offset by a decrease in taxes on revenues of $2.7 million due primarily to lower landfill volumes, a decrease in disposal expense on collected volumes of $2.5 million due primarily to increased internalization of collected waste volumes in our New York markets and a decrease in diesel fuel expenses of $1.1 million resulting from the net impact of a decline in diesel fuel gallons consumed in our operations and higher market prices for fuel.

Total cost of operations increased $60.9 million, or 9.5%, to $698.4 million for the nine months ended September 30, 2012, from $637.5 million for the nine months ended September 30, 2011. The increase was primarily attributable to $47.2 million of additional operating costs associated with acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, and the following changes at operations owned in comparable periods in 2011 and 2012: an increase in labor expenses of $4.4 million due to employee pay increases, an increase in truck, container and equipment maintenance and repair expenses of $4.0 million, an increase in third party trucking and transportation expenses of $2.7 million due to changes in the disposal internalization of collected waste volumes and increased special waste projects that require us to transport the volume to our disposal sites, an increase in disposal expenses on collected volumes of $2.4 million due to disposal rate increases and re-directing collected waste volumes to alternative third party disposal sites, an increase in leachate disposal costs of $1.8 million at certain landfills we own, an increase in auto and workers' compensation expense under our high deductible insurance program of $1.4 million due to an increase in projected losses on open claims, an increase in equipment and real estate rental expense of $0.7 million, an increase in employee benefit expenses of $0.7 million due to an increase in claims severity under our self-insured medical plan, an increase in landfill monitoring and maintenance expenses of $0.6 million, an increase in diesel fuel expenses of $0.5 million resulting from the net impact of higher market prices for fuel and reduced fuel gallons consumed in our operations and $0.7 million of other net increases, partially offset by a decrease in taxes on revenues of $4.5 million due to lower landfill revenues at certain sites we own and an adjustment to a prior year tax liability, a decrease in the cost of recyclable commodities of $1.0 million due to declines in commodity values and a decrease in general liability and property insurance claims expense of $0.7 million under our high deductible insurance program due to adjustments to prior year claims.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Cost of operations as a percentage of revenues increased 0.5 percentage points to 57.1% for the three months ended September 30, 2012, from 56.6% for the three months ended September 30, 2011. The increase was comprised of a 0.5 percentage point increase from increased labor expenses, a 0.4 percentage point increase from increased benefits expenses, a 0.3 percentage point increase from increased third party trucking, a 0.3 percentage point increase from increased vehicle, container and equipment maintenance expenses and a 0.1 percentage point increase from increased rail transportation expenses, partially offset by a 0.5 percentage point decrease from decreased taxes on revenues, a 0.4 percentage point decrease from decreased disposal expense, a 0.1 percentage point decrease due to acquisitions closed during, or subsequent to, the three months ended September 30, 2011 having lower costs, as a percentage of revenue, relative to our company average and a 0.1 percentage point decrease from decreased fuel expense.

Cost of operations as a percentage of revenues increased 1.0 percentage points to 57.6% for the nine months ended September 30, 2012, from 56.6% for the nine months ended September 30, 2011. The increase was comprised of a 0.4 percentage point increase from increased vehicle, container and equipment maintenance expenses, a 0.3 percentage point increase from increased labor expenses, a 0.2 percentage point increase in disposal expenses, a 0.2 percentage point increase from increased leachate disposal expenses, a 0.2 percentage point increase from increased third party trucking expenses, a 0.1 percentage point increase in equipment and real estate rental expenses and a 0.1 percentage point increase from increased auto and workers' compensation expenses, partially offset by a 0.4 percentage point decrease from decreased taxes on revenues and a 0.1 percentage point decrease in the cost of recyclable commodities.

SG&A. SG&A expenses increased $7.0 million, or 16.9%, to $48.0 million for the three months ended September 30, 2012, from $41.0 million for the three months ended September 30, 2011. The increase was primarily the result of $2.2 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the three months ended September 30, 2011, and the following changes at operations owned in comparable periods in 2011 and 2012: $1.8 million of expenses associated with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, an increase in direct acquisition expenses of $1.3 million, an increase in deferred compensation expense resulting from deferred compensation liabilities to employees being increased as a result of increases in the market value of investments to which employee deferred compensation balances are tracked of $1.1 million, an increase in payroll and payroll-related expenses of $0.6 million related to pay increases, an increase in equity-based compensation expense associated with our annual grant of restricted stock units to our personnel of $0.3 million and $0.1 million of other net increases, partially offset by a decrease in expenses for uncollectible accounts receivable of $0.4 million.

SG&A expenses increased $22.8 million, or 18.9%, to $143.9 million for the nine months ended September 30, 2012, from $121.1 million for the nine months ended September 30, 2011. The increase was primarily the result of $6.3 million of additional SG&A expenses from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, and the following changes at operations owned in comparable periods in 2011 and 2012: $6.5 million of expenses associated with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, $3.6 million of equity-based compensation expense resulting from a grant of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts, an increase in payroll and payroll-related expenses of $2.4 million related to pay increases, an increase in direct acquisition expenses of $2.3 million, an increase in equity-based compensation expense associated with our annual grant of restricted stock units to our personnel of $1.0 million, an increase in deferred compensation expense resulting from deferred compensation liabilities to employees being increased as a result of increases in the market value of investments to which employee deferred compensation balances are tracked of $1.0 million, an increase in employee travel expenses of $0.5 million and $0.3 million of other net increases, partially offset by a decrease in cash incentive compensation expense of $1.1 million due to us not achieving certain budgeted financial targets, for which cash incentive compensation payments are based, during the nine months ended September 30, 2012.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

SG&A expenses as a percentage of revenues increased 1.1 percentage points to 11.3% for the three months ended September 30, 2012, from 10.2% for the three months ended September 30, 2011. The increase as a percentage of revenues was attributable to a 0.5 percentage point increase from expenses associated with the relocation of our corporate headquarters to The Woodlands, Texas, a 0.3 percentage point increase from increased direct acquisition expenses, a 0.3 percentage point increase from increased deferred compensation expense, a 0.3 percentage point increase from increased labor expenses and a 0.1 percentage point increase in equity-based compensation expense, partially offset by a 0.3 percentage point decrease due to acquisitions closed during, or subsequent to, the three months ended September 30, 2011 having lower SG&A expenses as a percentage of revenue than our company average and a 0.1 percentage point decrease due to a reduction in expenses for uncollectible accounts receivable.

SG&A expenses as a percentage of revenues increased 1.1 percentage points to 11.8% for the nine months ended September 30, 2012, from 10.7% for the nine months ended September 30, 2011. The increase as a percentage of revenues was attributable to a 0.6 percentage point increase from expenses associated with the relocation of our corporate headquarters to The Woodlands, Texas, a 0.4 percentage point increase from higher equity-based compensation expense, a 0.2 percentage point increase from the increase in direct acquisition expenses, a 0.2 percentage point increase from increased payroll and payroll-related expenses, a 0.1 percentage point increase from increased travel expenses and a 0.1 percentage point increase from increased deferred compensation expense, partially offset by a 0.4 percentage point decrease due to acquisitions closed during, or subsequent to, the nine months ended September 30, 2011 having lower SG&A expenses as a percentage of revenue than our company average and a 0.1 percentage point decrease due to the decrease in cash incentive compensation expense.

Depreciation. Depreciation expense increased $3.4 million, or 8.9%, to $42.3 million for the three months ended September 30, 2012, from $38.9 million for the three months ended September 30, 2011. The increase was primarily attributable to $1.5 million of depreciation and $3.2 million of depletion associated with acquisitions closed during, or subsequent to, the three months ended September 30, 2011, and an increase in depreciation expense associated with additions to our fleet and equipment purchased to support our existing operations of $0.3 million, partially offset by a $1.6 million decrease in depletion at our existing operations due primarily to a decrease in municipal solid waste and special waste landfill volumes.

Depreciation expense increased $10.5 million, or 9.6%, to $119.3 million for the nine months ended September 30, 2012, from $108.8 million for the nine months ended September 30, 2011. The increase was primarily attributable to $5.4 million of depreciation and $5.1 million of depletion associated with acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, and an increase in depreciation expense associated with additions to our fleet and equipment purchased to support our existing operations of $1.7 million, partially offset by a $1.7 million decrease in depletion at our existing operations due primarily to a decrease in municipal solid waste and special waste landfill volumes.

Depreciation expense as a percentage of revenues increased 0.3 percentage points to 9.9% for the three months ended September 30, 2012, from 9.6% for the three months ended September 30, 2011. The increase as a percentage of revenues was attributable to a 0.6 percentage point increase in depletion expense from landfills acquired during, or subsequent to, the three months ended September 30, 2011, which have a higher depletion rate per ton relative to our company average, partially offset by a 0.3 percentage point decrease in depletion expense at our existing operations.

Depreciation expense as a percentage of revenues increased 0.1 percentage points to 9.8% for the nine months ended September 30, 2012, from 9.7% for the nine months ended September 30, 2011. The increase as a percentage of revenues was attributable to a 0.3 percentage point increase in depletion expense from landfills acquired during, or subsequent to, the three months ended September 30, 2011, which have a higher depletion rate per ton relative to our company average, partially offset by a 0.2 percentage point decrease in depletion expense at our existing operations.

Amortization of Intangibles. Amortization of intangibles expense increased $1.2 million, or 22.0%, to $6.3 million for the three months ended September 30, 2012, from $5.1 million for the three months ended September 30, 2011, due primarily to the amortization of contracts and customer lists acquired during, or subsequent to, the three months ended September 30, 2011.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Amortization of intangibles expense increased $3.3 million, or 22.5%, to $18.1 million for the nine months ended September 30, 2012, from $14.8 million for the nine months ended September 30, 2011, due primarily to the amortization of contracts and customer lists acquired during, or subsequent to, the nine months ended September 30, 2011.

Amortization expense as a percentage of revenues increased 0.2 percentage points to 1.5% for the three months ended September 30, 2012, from 1.3% for the three months ended September 30, 2011. Amortization expense as a percentage of revenues increased 0.2 percentage points to 1.5% for the nine months ended September 30, 2012, from 1.3% for the nine months ended September 30, 2011. The increases in amortization expense as a percentage of revenues were due to the aforementioned amortization expense increases.

Gain from Litigation Settlement. Gain from litigation settlement of $3.5 million for the three and nine months ended September 30, 2012 consists of an award received from an arbitration we filed against a counter-party to a disposal agreement that breached that agreement.

Operating Income. Operating income decreased $0.2 million, or 0.2%, to $89.1 million for the three months ended September 30, 2012, from $89.3 million for the three months ended September 30, 2011. The decrease was primarily attributable to the $14.6 million increase in operating costs, $7.0 million increase in SG&A expense, $3.4 million increase in depreciation expense and $1.2 million increase in amortization of intangibles expense, partially offset by the $21.7 million increase in revenues, $0.8 million decrease in loss on disposal of assets and $3.5 million increase in gain from litigation settlement.

Operating income decreased $6.8 million, or 2.8%, to $235.9 million for the nine months ended September 30, 2012, from $242.7 million for the nine months ended September 30, 2011. The decrease was primarily attributable to the $60.9 million increase in operating costs, $22.8 million increase in SG&A expense, $10.5 million increase in depreciation expense and $3.3 million increase in amortization of intangibles expense, partially offset by the $87.2 million increase in revenues and $3.5 million increase in gain from litigation settlement.

Operating income as a percentage of revenues decreased 1.2 percentage points to 20.9% for the three months ended September 30, 2012, from 22.1% for the three months ended September 30, 2011. The decrease as a percentage of revenues was due to the previously described 0.5 percentage point increase in cost of operations, 1.1 percentage point increase in SG&A expense, 0.3 percentage point increase in depreciation expense and 0.2 percentage point increase in amortization expense, partially offset by the 0.8 percentage point increase in gain from litigation settlement and 0.1 percentage point increase for the decrease in loss on disposal of assets.

Operating income as a percentage of revenues decreased 2.1 percentage points to 19.5% for the nine months ended September 30, 2012, from 21.6% for the nine months ended September 30, 2011. The decrease as a percentage of revenues was due to the previously described 1.1 percentage point increase in SG&A expense, 1.0 percentage point increase in cost of operations, 0.2 percentage point increase in amortization expense and 0.1 percentage point increase in depreciation expense, partially offset by the 0.3 increase in gain from litigation settlement.

Interest Expense. Interest expense decreased $0.1 million, or 0.7%, to $11.9 million for the three months ended September 30, 2012, from $12.0 million for the three months ended September 30, 2011. The decrease was comprised of a $0.8 million reduction in the average outstanding balance on our credit facility, partially offset by a $0.4 million increase resulting from interest accretion expense recorded on long-term liabilities recorded at fair value associated with acquisitions closed during, or subsequent to, the three months ended September 30, 2011, a $0.2 million increase due to the commencement of a $150 million interest rate swap in April 2012 with a fixed rate of 0.80% and a $0.1 million increase in the amortization of debt issuance costs and increased commitment fees on the increased unused portion of our credit facility.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

Interest expense increased $4.2 million, or 12.9%, to $36.1 million for the nine months ended September 30, 2012, from $31.9 million for the nine months ended September 30, 2011. The increase was comprised of a $2.5 million increase from the April 2011 issuance of our 2016 Notes, 2018 Notes and 2021 Notes, $1.1 million from an increase in the amortization of debt issuance costs and increased commitment fees on the increased unused portion of our credit facility, $1.0 million from an increase in the applicable margin above the base rate or Eurodollar rate under our new senior revolving credit facility that we entered into in July 2011, a $1.0 million increase resulting from interest accretion expense recorded on long-term liabilities recorded at fair value associated with acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, and a $0.4 million increase due to the commencement of a $150 million interest rate swap in April 2012 with a fixed rate of 0.80%, partially offset by a $1.3 million decrease due to a reduction in the average outstanding balance on our credit facility, a $0.3 million decrease due to the expiration of a $50 million interest rate swap in June 2011 with a fixed rate of 4.29% and a $0.2 million decrease due to a reduction in the fixed interest rate paid on $175 million of interest rate swaps. In February 2011, three interest rate swaps with a combined notional amount of $175 million and a fixed interest rate of 4.37% expired and we commenced a new $175 million interest rate swap with a fixed interest rate of 2.85%.

Income Tax Provision. Income taxes decreased $1.5 million, or 5.1%, to $28.4 million for the three months ended September 30, 2012, from $29.9 million for the three months ended September 30, 2011 and decreased $4.4 million, or 5.4%, to $78.0 million for the nine months ended September 30, 2012, from $82.4 million for the nine months ended September 30, 2011, as a result of decreased pre-tax income.

Our effective tax rates for the three months ended September 30, 2012 and 2011, were 36.4% and 39.1%, respectively. Our effective tax rates for the nine months ended September 30, 2012 and 2011, were 38.7% and 39.2%, respectively.

Our reconciliation of the income tax provision to the 2011 federal and certain state tax returns, which were filed in the third quarter of 2012, decreased our tax expense by $1.8 million and reduced our effective tax rates by 2.3 percentage points for the three months ended September 30, 2012 and 0.9 percentage points for the nine months ended September 30, 2012.

Additionally, during the nine months ended September 30, 2012, income tax expense and our effective tax rate were increased by $1.1 million and 0.5 percentage points, respectively, due to $2.9 million of the $3.6 million equity-based compensation granted to certain executive officers, incurred at the time the executives agreed to modifications to their employment contracts, being non-deductible expenses.

SEGMENT RESULTS

General

Our revenues are derived from one industry segment, which includes the collection, transfer, recycling and disposal of non-hazardous solid waste. No single contract or customer accounted for more than 10% of our total revenues at the consolidated or reportable segment level during the periods presented. The table below shows for the periods indicated our total reported revenues attributable to services provided (dollars in thousands).

	Three months ended September 30,				Nine months ended September 30,			
	2012		2011		2012		2011	
Collection	$ 304,166	62.8%	$ 282,176	61.1%	$ 880,920	63.5%	$ 796,783	61.9%
Disposal and transfer	148,117	30.5	138,680	30.0	406,034	29.3	381,961	29.6
Intermodal, recycling and other	32,316	6.7	40,829	8.9	100,041	7.2	109,301	8.5
	484,599	100.0%	461,685	100.0%	1,386,995	100.0%	1,288,045	100.0%
Less: intercompany elimination	(58,945)		(57,723)		(174,180)		(162,431)	
Total revenue	$425,654		$ 403,962		$ 1,212,815		$1,125,614	

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Our Chief Operating Decision Maker evaluates performance and determines resource allocations based on several factors, of which the primary financial measure is operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement. Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. Our management uses operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments.

We manage our operations through three geographic operating segments, which are also our reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. For the nine month periods ended September 30, 2012 and 2011, our Western Region was comprised of operating locations in Alaska, California, Idaho, Montana, Nevada, Oregon, Washington and western Wyoming; our Central Region was comprised of operating locations in Arizona, Colorado, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, Utah and eastern Wyoming; and our Eastern Region was comprised of operating locations in Alabama, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, North Carolina, South Carolina and Tennessee.

Revenues, net of intercompany eliminations, for our reportable segments are shown in the following table for the periods indicated (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Western	$ 203,963	$ 197,260	$ 586,166	$ 559,377
Central	128,933	112,851	351,218	323,762
Eastern	92,758	93,851	275,431	242,475
	$ 425,654	$ 403,962	$ 1,212,815	$ 1,125,614

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement for our reportable segments is shown in the following table for the periods indicated (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Western	$ 61,119	$ 65,306	$ 173,810	$ 177,593
Central	49,194	40,174	128,699	115,261
Eastern	26,113	27,179	77,879	70,856
Corporate[(a)]	(1,992)	1,695	(9,823)	3,351
	$ 134,434	$ 134,354	$ 370,565	$ 367,061

(a) Corporate functions include accounting, legal, tax, treasury, information technology, risk management, human resources, training and other administrative functions. Amounts reflected are net of allocations to our three geographic operating segments.

A reconciliation of Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement to Income before income tax provision is included in Note 9 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Significant changes in revenue and operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement for our reportable segments for the three and nine month periods ended September 30, 2012, compared to the three and nine month periods ended September 30, 2011, are discussed below:

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Segment Revenue

Revenue in our Western segment increased $6.7 million, or 3.4%, to $204.0 million for the three months ended September 30, 2012, from $197.3 million for the three months ended September 30, 2011. The components of the increase consisted of revenue acquired from acquisitions closed during, or subsequent to, the three months ended September 30, 2011, of $18.7 million, net price increases of $4.5 million and intermodal revenue increases of $0.7 million, partially offset by decreases of $0.3 million from divested operations, volume decreases of $10.3 million, recyclable commodity sales decreases of $6.4 million and other revenue decreases of $0.2 million.

Revenue in our Western segment increased $26.8 million, or 4.8%, to $586.2 million for the nine months ended September 30, 2012, from $559.4 million for the nine months ended September 30, 2011. The components of the increase consisted of revenue acquired from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, of $42.0 million, net price increases of $13.4 million and intermodal revenue increases of $0.4 million, partially offset by decreases of $2.0 million from divested operations, volume decreases of $15.0 million, recyclable commodity sales decreases of $11.4 million and other revenue decreases of $0.6 million.

Revenue in our Central segment increased $16.0 million, or 14.3%, to $128.9 million for the three months ended September 30, 2012, from $112.9 million for the three months ended September 30, 2011. The components of the increase consisted of revenue acquired from acquisitions closed during, or subsequent to, the three months ended September 30, 2011, of $12.7 million, net price increases of $4.5 million and volume increases of $1.0 million, partially offset by decreases of $0.8 million from divested operations, recyclable commodity sales decreases of $1.3 million and other revenue decreases of $0.1 million.

Revenue in our Central segment increased $27.4 million, or 8.5%, to $351.2 million for the nine months ended September 30, 2012, from $323.8 million for the nine months ended September 30, 2011. The components of the increase consisted of revenue acquired from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, of $17.7 million and net price increases of $14.6 million, partially offset by decreases of $2.6 million from divested operations, volume decreases of $0.2 million, recyclable commodity sales decreases of $1.9 million and other revenue decreases of $0.2 million.

Revenue in our Eastern segment decreased $1.1 million, or 1.2%, to $92.8 million for the three months ended September 30, 2012, from $93.9 million for the three months ended September 30, 2011. The components of the decrease consisted of volume decreases of $4.5 million, recyclable commodity sales decreases of $1.7 million and decreases of $0.4 million from divested operations, partially offset by revenue acquired from acquisitions closed during, or subsequent to, the three months ended September 30, 2011, of $2.9 million, net price increases of $2.5 million and other revenue increases of $0.1 million.

Revenue in our Eastern segment increased $32.9 million, or 13.6%, to $275.4 million for the nine months ended September 30, 2012, from $242.5 million for the nine months ended September 30, 2011. The components of the increase consisted of revenue acquired from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, of $36.3 million, net price increases of $7.2 million and other revenue increases of $0.8 million, partially offset by decreases of $1.7 million from divested operations, volume decreases of $7.1 million and recyclable commodity sales decreases of $2.6 million.

Segment Operating Income before Depreciation, Amortization, Gain (Loss) on Disposal of Assets and Gain From Litigation Settlement

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Western segment decreased $4.2 million, or 6.4%, to $61.1 million for the three months ended September 30, 2012, from $65.3 million for the three months ended September 30, 2011. The decrease was primarily due to decreased recyclable commodity revenue, decreased collection and landfill municipal solid waste and special waste volumes, increased leachate disposal expenses, increased disposal expenses, increased third party trucking and transportation expenses, increased rail transportation expenses and increased employee benefits expenses, partially offset by price increases charged to our customers, decreased taxes on revenues, decreased fuel expenses, decreased expenses associated with the cost of recyclable commodities and income generated from acquisitions closed during, or subsequent to, the three months ended September 30, 2011.

 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Western segment decreased $3.8 million, or 2.1%, to $173.8 million for the nine months ended September 30, 2012, from $177.6 million for the nine months ended September 30, 2011. The decrease was primarily due to decreased recyclable commodity revenue, decreased collection and landfill municipal solid waste and special waste volumes, increased labor expenses, increased leachate disposal expenses, increased disposal expenses, increased third party trucking and transportation expenses and increased equipment rent expenses, partially offset by price increases charged to our customers, decreased taxes on revenues, decreased fuel expenses, decreased expenses associated with the cost of recyclable commodities and income generated from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Central segment increased $9.0 million, or 22.5%, to $49.2 million for the three months ended September 30, 2012, from $40.2 million for the three months ended September 30, 2011. The increase was primarily due to increased exploration and production waste treatment and disposal revenue, price increases charged to our customers, income generated from acquisitions closed during, or subsequent to, the three months ended September 30, 2011 and decreased diesel fuel expenses, partially offset by decreased collection and landfill municipal solid waste volumes, decreased recyclable commodity revenue, increased third party trucking and transportation expenses, increased truck, container and equipment maintenance and repair expenses, increased labor expenses and increased employee benefits expenses.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Central segment increased $13.4 million, or 11.7%, to $128.7 million for the nine months ended September 30, 2012, from $115.3 million for the nine months ended September 30, 2011. The increase was primarily due to increased exploration and production waste treatment and disposal revenue, price increases charged to our customers and income generated from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, partially offset by decreased collection and landfill municipal solid waste volumes, decreased recyclable commodity revenue, increased third party trucking and transportation expenses, increased truck, container and equipment maintenance and repair expenses, increased landfill monitoring and maintenance expenses, increased diesel fuel expenses and increased labor expenses.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Eastern segment decreased $1.1 million, or 3.9%, to $26.1 million for the three months ended September 30, 2012, from $27.2 million for the three months ended September 30, 2011. The decrease was primarily due to decreased collection and landfill municipal solid waste volumes, decreased recyclable commodity revenue, increased third party trucking and transportation expenses, increased truck, container and equipment maintenance and repair expenses, increased labor expenses and increased employee benefits expenses, partially offset by price increases charged to our customers, income generated from acquisitions closed during, or subsequent to, the three months ended September 30, 2011, decreased expenses for uncollectible accounts receivable and decreased disposal expenses on collected volumes.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement in our Eastern segment increased $7.0 million, or 9.9%, to $77.9 million for the nine months ended September 30, 2012, from $70.9 million for the nine months ended September 30, 2011. The increase was primarily due to price increases charged to our customers and income generated from acquisitions closed during, or subsequent to, the nine months ended September 30, 2011, partially offset by decreased collection and landfill municipal solid waste volumes, decreased recyclable commodity revenue, increased disposal expenses on collected volumes, increased diesel fuel expenses, increased third party trucking and transportation expenses, increased truck, container and equipment maintenance and repair expenses, increased auto and workers' compensation expense under our high deductible insurance program and increased labor expenses.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement at Corporate decreased $3.7 million, to a loss of $2.0 million for the three months ended September 30, 2012, from income of $1.7 million for the three months ended September 30, 2011. The decrease was primarily due to expenses associated with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas, increased direct acquisition expenses, increased payroll and payroll-related expenses, increased deferred compensation expense resulting from deferred compensation liabilities to employees being increased as a result of increases in the market value of investments to which employee deferred compensation balances are tracked and increased equity-based compensation expense. Our estimated recurring corporate expenses, which can vary from the actual amount of incurred corporate expenses, are allocated to our three geographic operating segments.

Operating income before depreciation, amortization, gain (loss) on disposal of assets and gain from litigation settlement at Corporate decreased $13.2 million, to a loss of $9.8 million for the nine months ended September 30, 2012, from income of $3.4 million for the nine months ended September 30, 2011. The decrease was primarily due to an increase in direct acquisition expenses, increased payroll and payroll-related expenses, increased deferred compensation expense resulting from deferred compensation liabilities to employees being increased as a result of increases in the market value of investments to which employee deferred compensation balances are tracked, increased employee travel expenses, expenses associated with the relocation of our corporate headquarters from Folsom, California to The Woodlands, Texas and increased equity-based compensation expense, including a grant of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts, partially offset by a decrease in cash incentive compensation due to us not achieving certain budgeted financial targets, for which cash incentive compensation payments are based, during the nine months ended September 30, 2012.

LIQUIDITY AND CAPITAL RESOURCES

The following table sets forth certain cash flow information for the nine month periods ended September 30, 2012 and 2011 (in thousands):

	Nine Months Ended September 30,	
	2012	2011
Net cash provided by operating activities	$ 326,739	$297,724
Net cash used in investing activities	(333,652)	(328,140)
Net cash provided by financing activities	97,802	57,103
Net increase in cash and equivalents	90,889	26,687
Cash and equivalents at beginning of period	12,643	9,873
Cash and equivalents at end of period	$ 103,532	$ 36,560

Operating Activities Cash Flows

For the nine months ended September 30, 2012, net cash provided by operating activities was $326.7 million. For the nine months ended September 30, 2011, net cash provided by operating activities was $297.7 million. The $29.0 million net increase in cash provided by operating activities was due primarily to the following:

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

1) An increase in cash flows from operating assets and liabilities, net of effects from acquisitions, of $31.0 million to cash provided by operating assets and liabilities of $32.4 million for the nine months ended September 30, 2012, from cash provided by operating assets and liabilities of $1.4 million for the nine months ended September 30, 2011. The significant components of the $32.4 million in net cash inflows from changes in operating assets and liabilities for the nine months ended September 30, 2012, include the following:

   a) an increase in cash resulting from an increase in accrued liabilities of $20.1 million due primarily to increased accrued interest expense due to the timing of interest payments, increased current taxes payable and increased liabilities for auto and workers' compensation claims;

   b) an increase in cash resulting from a $15.3 increase in accounts payable due primarily to the timing of payments;

   c) an increase in cash resulting from a $5.3 million decrease in prepaid expenses and other current assets due primarily to decreases in prepaid income taxes, partially offset by an increase in parts inventory and prepaid insurance expenses;

   d) an increase in cash resulting from a $2.4 million increase in other long term liabilities due primarily to increased deferred compensation plan liabilities resulting from employee contributions; less

   e) a decrease in cash resulting from a $9.8 million increase in accounts receivable due to an increase in revenues.

2) An increase in depreciation and amortization expense of $13.8 million;

3) An increase in equity-based compensation expense of $5.1 million due to a $3.6 million grant of immediately vested restricted stock units to certain executive officers at the time the executives agreed to modifications to their employment contracts during the three months ended March 31, 2012, a $1.0 million increase associated with our annual grant of restricted stock units to our personnel, and a $0.5 million increase in the fair value of warrants issued as compensation for acquisition-related services; less

4) A decrease in deferred taxes of $18.5 million due primarily to the recognition during the nine months ended September 30, 2011, of tax benefits associated with a change in our tax method for deducting depreciation expense for certain landfills as well as other tax deductible timing differences associated with depreciation; less

5) A decrease in net income of $4.4 million.

As of September 30, 2012, we had working capital of $29.7 million, including cash and equivalents of $103.5 million. Our working capital increased $64.2 million from a deficit of $34.5 million at December 31, 2011. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets. Our strategy in managing our working capital is generally to apply the cash generated from our operations that remains after satisfying our working capital and capital expenditure requirements, along with stock repurchase and dividend programs, to reduce the unhedged portion of our indebtedness under our credit facility and to minimize our cash balances.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Investing Activities Cash Flows

Net cash used in investing activities increased $5.6 million to $333.7 million for the nine months ended September 30, 2012, from $328.1 million for the nine months ended September 30, 2011. The significant components of the increase include the following:

1) An increase in capital expenditures for property and equipment of $26.9 million due to increases in expenditures for trucks, leasehold improvements, equipment and land, partially offset by a decrease in expenditures for buildings and site costs at various landfills;

2) An increase in other assets of $4.6 million due to increases in notes receivable, deferred compensation plan investments and other investments; less

3) A decrease in payments for acquisitions of $24.6 million primarily due to the cash consideration we paid for County Waste and Colonie Landfill during the nine months ended September 30, 2011, exceeding the cash consideration we paid for the 2012 acquisitions of Alaska Waste and SKB Environmental; less

4) An increase in cash provided of $2.5 million due to an increase in the liquidation of restricted asset accounts that were replaced with financial surety bonds during the nine months ended September 30, 2012.

Financing Activities Cash Flows

Net cash provided by financing activities increased $40.7 million to $97.8 million for the nine months ended September 30, 2012, from cash provided by financing activities of $57.1 million for the nine months ended September 30, 2011. The significant components of the increase include the following:

1) An increase in cash flows from the proceeds from our common stock offering of $369.6 million, net, due to the March 2012 sale of 12,000,000 shares of our common stock in a public offering;

2) A decrease in payments to repurchase our common stock of $66.5 million due to less shares repurchased;

3) A decrease in debt issuance costs of $5.6 million in conjunction with the credit agreement entered into during the nine months ended September 30, 2011; less

4) A decrease in net long-term borrowings of $382.8 million due primarily to the repayment of debt with proceeds from our common stock offering; less

5) An increase in cash dividends paid of $6.7 million due to an increase in our quarterly dividend rate per share to $0.09 and an increase in our total common shares outstanding; less

6) An increase in payments of contingent consideration of $4.0 million for the remaining payout related to the completion of earnings targets for acquisitions closed in 2011 and 2010; less

7) A decrease in proceeds from option and warrant exercises of $3.9 million due to a decrease in the number of options and warrants exercised in the nine months ended September 30, 2012; less

8) A change in book overdraft of $2.4 million resulting from fluctuations in outstanding cash balances at banks for which outstanding check balances can be offset; less

9) A decrease in the excess tax benefit associated with equity-based compensation of $1.1 million.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Our business is capital intensive. Our capital requirements include acquisitions and fixed asset purchases. We will also make capital expenditures for landfill cell construction, landfill development, landfill closure activities and intermodal facility construction in the future.

On February 27, 2012, we entered into an underwriting agreement with Morgan Stanley & Co. LLC, in connection with the offer and sale by us of 12,000,000 shares of our common stock, par value $0.01 per share. The shares of common stock were sold to Morgan Stanley & Co. LLC at a price of $30.83 per share. The offering closed on March 2, 2012. We received net proceeds from this offering of $369.6 million after deducting transaction expenses paid by us of approximately $0.4 million. We used $297.0 million of the net proceeds to repay the unhedged borrowings under our credit facility and intend to use the remaining proceeds for general corporate purposes, which may include acquisitions of additional assets or businesses, the repayment of other indebtedness and capital expenditures.

Our Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1.2 billion of our common stock through December 31, 2014. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including our capital structure, the market price of the common stock and overall market conditions. As of September 30, 2012 and 2011, we had repurchased in aggregate 39.9 million and 38.3 million shares, respectively, of our common stock at an aggregate cost of $784.0 million and $733.7 million, respectively. As of September 30, 2012, the remaining maximum dollar value of shares available for purchase under the program was approximately $416.0 million.

In October 2010, our Board of Directors authorized the initiation of a quarterly cash dividend of $0.075 per share. In October 2011, our Board of Directors authorized an increase to our regular quarterly cash dividend by $0.015, from $0.075 to $0.09 per share. Cash dividends of $32.2 million and $25.5 million were paid during the nine months ended September 30, 2012 and 2011, respectively. In October 2012, the Board of Directors authorized an increase to our regular quarterly cash dividend by $0.01, from $0.09 to $0.10 per share. We cannot assure you as to the amounts or timing of future dividends.

We made $111.0 million in capital expenditures during the nine months ended September 30, 2012. We expect to make capital expenditures of approximately $145 million in 2012 in connection with our existing business. We have funded and intend to fund the balance of our planned 2012 capital expenditures principally through cash on hand, internally generated funds and borrowings under our credit facility. In addition, we may make substantial additional capital expenditures in acquiring solid waste collection and disposal businesses. If we acquire additional landfill disposal facilities, we may also have to make significant expenditures to bring them into compliance with applicable regulatory requirements, obtain permits or expand our available disposal capacity. We cannot currently determine the amount of these expenditures because they will depend on the number, nature, condition and permitted status of any acquired landfill disposal facilities. We believe that our cash and equivalents, credit facility and the funds we expect to generate from operations will provide adequate cash to fund our working capital and other cash needs for the foreseeable future. However, disruptions in the capital and credit markets could adversely affect our ability to draw on our credit facility or raise other capital. Our access to funds under the credit facility is dependent on the ability of the banks that are parties to the facility to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time.

As of September 30, 2012, we had $325.0 million outstanding under our credit facility, exclusive of outstanding standby letters of credit of $88.9 million. As of September 30, 2012, we were in compliance with all applicable covenants in our credit agreement. Pursuant to interest rate swaps in place as of September 30, 2012, we intend to maintain a minimum balance of $325 million on our revolving credit facility. Our revolving credit facility matures in July 2016.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

On September 16, 2012, we entered into a Purchase and Sale Agreement to acquire the business of R360. The aggregate purchase price, subject to adjustment, is approximately $1.33 billion in cash and will be funded with the unsecured term loan facility described below, cash on hand and borrowings under our existing revolving credit facility. R360 provides non-hazardous oilfield waste treatment, recovery and disposal services in several of the most active natural resource producing areas in the United States, including the Permian, Bakken and Eagle Ford Basins. The acquisition of R360 remains subject to certain closing conditions. Closing is expected to occur in the fourth quarter of 2012.

On September 16, 2012, we entered into a Commitment Letter (the "Commitment Letter") with Bank of America, N.A., as a joint arranger, pursuant to which we may borrow an aggregate principal amount of up to $750 million under an unsecured term loan facility ("Senior Credit Facility") to partially fund the purchase of the business of R360, as described above. On October 1, 2012, JPMorgan Chase Bank, N.A., and Wells Fargo Bank, National Association, joined the Commitment Letter, as additional joint arrangers. The Senior Credit Facility will bear interest, at our option, at either the base rate plus the applicable base rate margin on base rate loans, or the Eurodollar rate plus the applicable Eurodollar margin on Eurodollar loans. The applicable margins under the Senior Credit Facility vary depending on our leverage ratio, as defined in the Commitment Letter. The Senior Credit Facility will require us to maintain specified financial ratios. The Senior Credit Facility will mature five years after the closing date. The Senior Credit Facility is subject to conditions precedent to closing, as defined in the Commitment Letter, and to be more fully set forth in the definitive loan documentation. We expect the Senior Credit Facility to close in the fourth quarter of 2012. We may increase the size of the Senior Credit Facility above $750 million subject to receipt of lender commitments. We can provide no assurance that the Senior Credit Facility will close, or that it will close on the terms described above.

As of September 30, 2012, we had the following contractual obligations:

	Payments Due by Period (amounts in thousands)				
Recorded Obligations	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Long-term debt	$980,574	$ 4,128	$ 9,439	$605,839	$361,168
Cash interest payments	$224,793	$44,600	$84,362	$ 49,475	$ 46,356

Long-term debt payments include:

1) $325.0 million in principal payments due July 2016 related to our credit facility. Our credit facility bears interest, at our option, at either the base rate plus the applicable base rate margin (approximately 3.53% at September 30, 2012) on base rate loans, or the Eurodollar rate plus the applicable Eurodollar margin (approximately 1.51% at September 30, 2012) on Eurodollar loans. As of September 30, 2012, our credit facility allowed us to borrow up to $1.2 billion.

2) $175.0 million in principal payments due 2015 related to our 2015 Notes. Holders of the 2015 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2015 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the Master Note Purchase Agreement. The 2015 Notes bear interest at a rate of 6.22%.

3) $100.0 million in principal payments due 2016 related to our 2016 Notes. Holders of the 2016 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2016 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the Master Note Purchase Agreement. The 2016 Notes bear interest at a rate of 3.30%.

4) $50.0 million in principal payments due 2018 related to our 2018 Notes. Holders of the 2018 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2018 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the Master Note Purchase Agreement. The 2018 Notes bear interest at a rate of 4.00%.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

5) $175.0 million in principal payments due 2019 related to our 2019 Notes. Holders of the 2019 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2019 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the Master Note Purchase Agreement. The 2019 Notes bear interest at a rate of 5.25%.

6) $100.0 million in principal payments due 2021 related to our 2021 Notes. Holders of the 2021 Notes may require us to purchase their notes in cash at a purchase price of 100% of the principal amount of the 2021 Notes plus accrued and unpaid interest, if any, upon a change in control, as defined in the Master Note Purchase Agreement. The 2021 Notes bear interest at a rate of 4.64%.

7) $37.5 million in principal payments related to our tax-exempt bonds, which bear interest at variable rates (between 0.21% and 0.31%) at September 30, 2012. The tax-exempt bonds have maturity dates ranging from 2014 to 2033.

8) $15.5 million in principal payments related to our notes payable to sellers. Our notes payable to sellers bear interest at rates between 2.50% and 10.35% at September 30, 2012, and have maturity dates ranging from 2013 to 2036.

9) $2.7 million in principal payments related to our notes payable to third parties. Our notes payable to third parties bear interest at rates between 6.7% and 10.9% at September 30, 2012, and have maturity dates ranging from 2012 to 2019.

The following assumptions were made in calculating cash interest payments:

1) We calculated cash interest payments on the credit facility using the Eurodollar rate plus the applicable Eurodollar margin at September 30, 2012. We assumed the credit facility is paid off when it matures in July 2016.

2) We calculated cash interest payments on our interest rate swaps using the stated interest rate in the swap agreement less the Eurodollar rate through the earlier expiration of the term of the swaps or the term of the credit facility.

	Amount of Commitment Expiration Per Period (amounts in thousands)				
Unrecorded Obligations(1)	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Over 5 Years**
Operating leases	$103,992	$14,195	$22,953	$17,591	$49,253

(1) We are party to operating lease agreements. These lease agreements are established in the ordinary course of our business and are designed to provide us with access to facilities at competitive, market-driven prices. These arrangements have not materially affected our financial position, results of operations or liquidity during the nine months ended September 30, 2012, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

We have obtained financial surety bonds, primarily to support our financial assurance needs and landfill operations. We provided customers and various regulatory authorities with surety bonds in the aggregate amounts of approximately $335.0 million and $312.0 million at September 30, 2012 and December 31, 2011, respectively. These arrangements have not materially affected our financial position, results of operations or liquidity during the nine months ended September 30, 2012, nor are they expected to have a material impact on our future financial position, results of operations or liquidity.

From time to time, we evaluate our existing operations and their strategic importance to us. If we determine that a given operating unit does not have future strategic importance, we may sell or otherwise dispose of those operations. Although we believe our reporting units would not be impaired by such dispositions, we could incur losses on them.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

The disposal tonnage that we received in the nine month periods ended September 30, 2012 and 2011, at all of our landfills during the respective period, is shown below (tons in thousands):

	Nine months ended September 30,			
	2012		2011	
	Number of Sites	Total Tons	Number of Sites	Total Tons
Owned landfills and landfills operated under life-of-site agreements	44	11,191	40	10,785
Operated landfills	6	422	5	499
	50	11,613	45	11,284

NON-GAAP FINANCIAL MEASURES

Reconciliation of Adjusted Free Cash Flow

We present adjusted free cash flow, a non-GAAP financial measure, supplementally because it is widely used by investors as a valuation and liquidity measure in the solid waste industry. We define adjusted free cash flow as net cash provided by operating activities, plus proceeds from disposal of assets, plus or minus change in book overdraft, plus excess tax benefit associated with equity-based compensation, less capital expenditures for property and equipment and distributions to noncontrolling interests. We further adjust this calculation to exclude the effects of items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP liquidity or financial measures. Management uses adjusted free cash flow as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. Other companies may calculate adjusted free cash flow differently. Our adjusted free cash flow for the nine month periods ended September 30, 2012 and 2011, is calculated as follows (amounts in thousands):

	Nine months ended September 30,	
	2012	2011
Net cash provided by operating activities	$ 326,739	$ 297,724
Less: Change in book overdraft	(3,383)	(937)
Plus: Proceeds from disposal of assets	2,107	3,238
Plus: Excess tax benefit associated with equity-based compensation	3,415	4,500
Less: Capital expenditures for property and equipment	(110,995)	(84,051)
Less: Distributions to noncontrolling interests	(94)	(675)
Adjustment:		
Corporate office relocation, net of taxes (a)	6,149	—
Adjusted free cash flow	$ 223,938	$219,799

(a) Reflects the addback of third party expenses and reimbursable advances to employees associated with the relocation of our corporate headquarters from California to Texas.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Adjusted Operating Income Before Depreciation and Amortization

We present adjusted operating income before depreciation and amortization, a non-GAAP financial measure, supplementally because it is widely used by investors as a performance and valuation measure in the solid waste industry. We define adjusted operating income before depreciation and amortization as operating income, plus depreciation and amortization expense, plus closure and post-closure accretion expense, plus or minus any gain or loss on disposal of assets. We further adjust this calculation to exclude the effects of items management believes impact the ability to assess the operating performance of our business. This measure is not a substitute for, and should be used in conjunction with, GAAP financial measures. Management uses adjusted operating income before depreciation and amortization as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. Other companies may calculate adjusted operating income before depreciation and amortization differently. Our adjusted operating income before depreciation and amortization for the three and nine month periods ended September 30, 2012 and 2011, is calculated as follows (amounts in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Operating income	$ 89,147	$ 89,314	$235,941	$ 242,688
Plus: Depreciation and amortization	48,580	44,006	137,446	123,631
Plus: Closure and post-closure accretion	645	484	1,870	1,451
Plus: Loss on disposal of assets	244	1,034	715	742
Adjustments:				
Plus: Acquisition-related transaction costs (a)	1,451	183	3,610	1,278
Plus: Corporate relocation expenses (b)	1,774	—	6,491	—
Plus: Named executive officers' one-time equity grants (c)	—	—	3,585	—
Less: Gain from litigation settlement (d)	(3,537)	—	(3,537)	—
Adjusted operating income before depreciation and amortization	$138,304	$135,021	$386,121	$369,790

(a) Reflects the addback of acquisition-related transaction costs.
(b) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.
(c) Reflects the addback of one-time equity compensation expense incurred at the time our named executive officers' employment contracts were modified.
(d) Reflects the elimination of a non-recurring gain from an arbitration award.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Reconciliation of Net Income to Adjusted Net Income and Adjusted Net Income per diluted share

We present adjusted net income and adjusted net income per diluted share, both non-GAAP financial measures, supplementally because they are widely used by investors as a valuation measure in the solid waste industry. We provide adjusted net income to exclude the effects of items management believes impact the comparability of operating results between periods. Adjusted net income has limitations due to the fact that it may exclude items that have an impact on our financial condition and results of operations. Adjusted net income and adjusted net income per diluted share are not a substitute for, and should be used in conjunction with, GAAP financial measures. Management uses adjusted net income and adjusted net income per diluted share as one of the principal measures to evaluate and monitor the ongoing financial performance of our operations. Other companies may calculate adjusted net income and adjusted net income per diluted share differently. Our adjusted net income and adjusted net income per diluted share for the three and nine month periods ended September 30, 2012 and 2011, is calculated as follows (amounts in thousands, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Reported net income attributable to Waste Connections	$49,385	$46,329	$ 123,104	$127,281
Adjustments:				
Acquisition-related transaction costs, net of taxes (a)	900	114	2,238	1,037
Loss on disposal of assets, net of taxes (b)	151	641	443	460
Corporate relocation expenses, net of taxes (c)	1,100	—	4,024	—
Named executive officers’ one-time equity grants, net of taxes (d)	—	—	3,315	—
Gain from litigation settlement, net of taxes (e)	(2,193)	—	(2,193)	—
Adjusted net income attributable to Waste Connections	$ 49,343	$ 47,084	$130,931	$128,778
Diluted earnings per common share attributable to Waste Connections common stockholders:				
Reported net income	$ 0.40	$ 0.41	$ 1.02	$ 1.12
Adjusted net income	$ 0.40	$ 0.42	$ 1.08	$ 1.13

(a) Reflects the elimination of acquisition-related costs.
(b) Reflects the elimination of a loss on disposal of assets.
(c) Reflects the addback of costs associated with the relocation of our corporate headquarters from California to Texas.
(d) Reflects the addback of one-time equity compensation expense incurred at the time our named executive officers’ employment contracts were modified.
(e) Reflects the elimination of a non-recurring gain from an arbitration award.

INFLATION

Other than volatility in fuel prices, inflation has not materially affected our operations in recent years. Consistent with industry practice, many of our contracts allow us to pass through certain costs to our customers, including increases in landfill tipping fees and, in some cases, fuel costs. Therefore, we believe that we should be able to increase prices to offset many cost increases that result from inflation in the ordinary course of business. However, competitive pressures or delays in the timing of rate increases under our contracts may require us to absorb at least part of these cost increases, especially if cost increases exceed the average rate of inflation. Management's estimates associated with inflation have an impact on our accounting for landfill liabilities.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

SEASONALITY

We expect our operating results to vary seasonally, with revenues typically lowest in the first quarter, higher in the second and third quarters and lower in the fourth quarter than in the second and third quarters. This seasonality reflects the lower volume of solid waste generated during the late fall, winter and early spring because of decreased construction and demolition activities during winter months in the U.S. We expect the fluctuation in our revenues between our highest and lowest quarters to be approximately 7% to 10%. In addition, some of our operating costs may be higher in the winter months. Adverse winter weather conditions slow waste collection activities, resulting in higher labor and operational costs. Greater precipitation in the winter increases the weight of collected waste, resulting in higher disposal costs, which are calculated on a per ton basis.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to market risk, including changes in interest rates and prices of certain commodities. We use hedge agreements to manage a portion of our risks related to interest rates and fuel prices. While we are exposed to credit risk in the event of non-performance by counterparties to our hedge agreements, in all cases such counterparties are highly rated financial institutions and we do not anticipate non-performance. We do not hold or issue derivative financial instruments for trading purposes. We monitor our hedge positions by regularly evaluating the positions at market and by performing sensitivity analyses over the unhedged fuel and variable rate debt positions.

At September 30, 2012, our derivative instruments included three interest rate swap agreements that effectively fix the interest rate on the applicable notional amounts of our variable rate debt as follows (dollars in thousands):

Date Entered	Notional Amount	Fixed Interest Rate Paid*	Variable Interest Rate Received	Effective Date	Expiration Date
March 2009	$175,000	2.85%	1-month LIBOR	February 2011	February 2014
August 2011	$ 150,000	0.80%	1-month LIBOR	April 2012	January 2015
December 2011	$175,000	1.60%	1-month LIBOR	February 2014	February 2017

* plus applicable margin.

Under derivatives and hedging guidance, the interest rate swap agreements are considered cash flow hedges for a portion of our variable rate debt, and we apply hedge accounting to account for these instruments. The notional amount and all other significant terms of the swap agreements are matched to the provisions and terms of the variable rate debt being hedged.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged floating rate debt. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. We are exposed to cash flow risk due to changes in interest rates with respect to the unhedged floating rate balances owed at September 30, 2012 and December 31, 2011, of $37.5 million and $382.5 million, respectively, including floating rate debt under our credit facility and floating rate municipal bond obligations. A one percentage point increase in interest rates on our variable-rate debt as of September 30, 2012 and December 31, 2011, would decrease our annual pre-tax income by approximately $0.4 million and $3.8 million, respectively. All of our remaining debt instruments are at fixed rates, or effectively fixed under the interest rate swap agreements described above; therefore, changes in market interest rates under these instruments would not significantly impact our cash flows or results of operations, subject to counterparty default risk.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

The market price of diesel fuel is unpredictable and can fluctuate significantly. We purchase approximately 28 million gallons of diesel fuel per year; therefore, a significant increase in the price of fuel could adversely affect our business and reduce our operating margins. To manage a portion of this risk, we entered into fuel hedge agreements related to forecasted diesel fuel purchases.

At September 30, 2012, our derivative instruments included two fuel hedge agreements as follows:

Date Entered	Notional Amount (in gallons per month)	Diesel Rate Paid Fixed	Diesel Rate Received Variable	Effective Date	Expiration Date
December 2008	400,000	$ 3.03	DOE Diesel Fuel Index*	January 2012	December 2012
June 2012	300,000	$ 3.60	DOE Diesel Fuel Index*	January 2014	December 2015

* If the national U.S. on-highway average price for a gallon of diesel fuel ("average price"), as published by the Department of Energy, exceeds the contract price per gallon, we receive the difference between the average price and the contract price (multiplied by the notional number of gallons) from the counterparty. If the average price is less than the contract price per gallon, we pay the difference to the counterparty.

Under derivatives and hedging guidance, the fuel hedges are considered cash flow hedges for a portion of our forecasted diesel fuel purchases, and we apply hedge accounting to account for these instruments.

We have performed sensitivity analyses to determine how market rate changes will affect the fair value of our unhedged diesel fuel purchases. Such an analysis is inherently limited in that it reflects a singular, hypothetical set of assumptions. Actual market movements may vary significantly from our assumptions. Fair value sensitivity is not necessarily indicative of the ultimate cash flow or earnings effect we would recognize from the assumed market rate movements. For the year ending December 31, 2012, we expect to purchase approximately 28 million gallons of diesel fuel, of which 23.2 million gallons will be purchased at market prices and 4.8 million gallons will be purchased at a price that is fixed under our fuel hedge. During the three month period of October 1, 2012 to December 31, 2012, we expect to purchase approximately 5.8 million gallons of unhedged diesel fuel at market prices; therefore, a $0.10 per gallon increase in the price of fuel over the remaining three months in 2012 would decrease our pre-tax income during this period by approximately $0.6 million.

We market a variety of recyclable materials, including cardboard, office paper, plastic containers, glass bottles and ferrous and aluminum metals. We own and operate 39 recycling processing operations and sell other collected recyclable materials to third parties for processing before resale. To reduce our exposure to commodity price risk with respect to recycled materials, we have adopted a pricing strategy of charging collection and processing fees for recycling volume collected from third parties. In the event of a decline in recycled commodity prices, a 10% decrease in average recycled commodity prices from the average prices that were in effect during the nine months ended September 30, 2012 and 2011, would have had a $5.5 million and $6.6 million impact on revenues for the nine months ended September 30, 2012 and 2011, respectively.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Item 4. Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of the end of the fiscal quarter covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of September 30, 2012, that our disclosure controls and procedures were effective at the reasonable assurance level such that information required to be disclosed in our Exchange Act reports: (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (2) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the quarter ended September 30, 2012, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding our legal proceedings can be found in Note 17 of our Condensed Consolidated Financial Statements included in Part I, Item 1 of this report and is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Board of Directors has authorized a common stock repurchase program for the repurchase of up to $1.2 billion of our common stock through December 31, 2014. Under the program, stock repurchases may be made in the open market or in privately negotiated transactions from time to time at management's discretion. The timing and amounts of any repurchases will depend on many factors, including our capital structure, the market price of our common stock and overall market conditions. As of September 30, 2012, we have repurchased approximately 39.9 million shares of our common stock at a cost of $784.0 million. The table below reflects repurchases we have made for the three months ended September 30, 2012 (in thousands, except share and per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
7/1/12 – 7/31/12	20,836	$ 29.14	20,836	$ 428,717
8/1/12 – 8/31/12	417,736	30.54	417,736	415,960
9/1/12 – 9/30/12	—	—	—	415,960
	438,572	30.47	438,572	

(1) This amount represents the weighted average price paid per common share. This price includes a per share commission paid for all repurchases.

Item 6. Exhibits

See Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WASTE CONNECTIONS, INC.

Date: October 23, 2012

BY: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt,
Chief Executive Officer

Date: October 23, 2012

BY: /s/ Worthing F. Jackman
Worthing F. Jackman,
Executive Vice President and
Chief Financial Officer

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Table of Contents

Exhibit Number	Description of Exhibits
2.1*	Purchase and Sale Agreement, dated as of September 16, 2012, by an among R360 Environmental Solutions, Inc. and the other Sellers named therein and WCI Holdings Co., Inc. and, for the limited purposes described therein, the Registrant
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to the exhibit filed with the Registrant's Form 10-K filed on February 8, 2012)
3.2	Third Amended and Restated Bylaws of the Registrant, effective May 15, 2009 (incorporated by reference to the exhibit filed with the Registrant’s Form 8-K filed on April 23, 2009)
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a)
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a)
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*	A copy of omitted schedules will be provided to the Securities and Exchange Commission upon request.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Exhibit 2.1

EXECUTION COPY

PURCHASE AND SALE AGREEMENT

by and among

the SELLERS named herein,

and

WCI HOLDINGS CO., INC.

Dated as of September 16, 2012

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

TABLE OF CONTENTS

		Page
	ARTICLE I DEFINITIONS; INTERPRETATION	
1.1	Defined Terms	1
1.2	Other Definitions	10
	ARTICLE II THE SALE AND PURCHASE	
2.1	Sale and Purchase of Securities	12
2.2	Purchase Price; Assumption of Liabilities	12
2.3	Closing Adjustment	12
2.4	Closing	13
2.5	Purchase Price Allocations	15
	ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS	
3.1	Organization and Qualification; Subsidiaries; Predecessor Status	16
3.2	Capitalization of the Transferred Group	16
3.3	Authority Relative to this Agreement	17
3.4	Consents and Approvals; No Violations; Preemptive and Other Rights	18
3.5	Financial Statements; Liabilities and Obligations; Disclosure	19
3.6	Absence of Certain Changes or Events	19
3.7	Litigation	19
3.8	Compliance with Laws	19
3.9	Permits	20
3.10	Employee Benefit Plans	20
3.11	Employees; Labor Matters	22
3.12	Real Property	23
3.13	Other Tangible Assets; Sufficiency of Assets	24
3.14	Taxes	25
3.15	Environmental Matters	26
3.16	Significant Contracts	27
3.17	Intellectual Property	28
3.18	Insurance	29
3.19	Brokers	29
3.20	Exclusivity of Representations and Warranties	30

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

4.1	Organization and Qualification	30
4.2	Authority Relative to this Agreement	30
4.3	Consents and Approvals; No Violations	31
4.4	Availability of Funds	31
4.5	Solvency	31
4.6	Litigation	32
4.7	Broker's Fees	32
4.8	Acquisition of Securities for Investment	32
4.9	Inspections; Limitation of Sellers' Warranties	32
4.10	No Regulatory Impediment	33

ARTICLE V

COVENANTS

5.1	Access and Reports	33
5.2	Confidentiality	34
5.3	Efforts	35
5.4	Conduct of Business	37
5.5	Consents	40
5.6	Public Announcements	41
5.7	Guarantees; Commitments	41
5.8	Insurance	42
5.9	Litigation Support	42
5.10	Directors and Officers	43
5.11	Real Estate Matters	43
5.12	Post-Closing Restrictions on Sellers	44
5.13	Cease of Use of R360 Name	45
5.14	Release of Claims	45
5.15	Further Assurances	45

ARTICLE VI

EMPLOYEE MATTERS

6.1	Treatment of Business Employees	46
6.2	Transfer of Benefit Plans	47
6.3	Unused Vacation, Sick Leave and Personal Time	47
6.4	WARN and Corresponding State Laws	47
6.5	Workers' Compensation	47
6.6	COBRA	47
6.7	2012 Annual Bonuses	47
6.8	No Third-Party Beneficiaries	47

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research[SM]

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE VII

TAX MATTERS

7.1	Cooperation and Exchange of Information	48
7.2	Tax Sharing Agreements	48
7.3	Certain Tax Elections	49
7.4	Transfer Taxes	49

ARTICLE VIII

CONDITIONS TO OBLIGATIONS TO CLOSE

8.1	Conditions to Obligation of Each Party to Close	49
8.2	Conditions to Purchaser's Obligation to Close	49
8.3	Conditions to Sellers' Obligation to Close	50
8.4	Frustration of Closing Conditions	50

ARTICLE IX

TERMINATION

9.1	Termination	51
9.2	Notice of Termination	52
9.3	Effect of Termination	52

ARTICLE X

GENERAL PROVISIONS

10.1	Survival	52
10.2	Interpretation; Absence of Presumption	52
10.3	Headings; Definitions	53
10.4	Governing Law; Jurisdiction and Forum; Waiver of Jury Trial	54
10.5	Entire Agreement	54
10.6	No Third-Party Beneficiaries	55
10.7	Expenses	55
10.8	Notices	55
10.9	Successors and Assigns	56
10.10	Amendments and Waivers	56
10.11	Severability	57
10.12	Specific Performance	57
10.13	No Admission	58
10.14	Counterparts	58
10.15	Relationship Among Sellers	58

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

EXHIBITS AND SCHEDULES

<u>Exhibits</u>

Exhibit A: Form of Assignment and Assumption Agreement

<u>Schedules</u>

Schedule I:	Sellers
Schedule II:	Transferred Companies
Schedule III:	Adjusted Working Capital
Schedule IV:	Business Acquisition Candidates

Seller Disclosure Schedule

Purchaser Disclosure Schedule

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "Agreement"), dated as of September 16, 2012, is by and among the Sellers named on Schedule I hereto ("Sellers" and each, a "Seller"), and WCI Holdings Co., Inc., a Delaware corporation ("Purchaser") (each of Purchaser and Sellers, a "Party" and collectively, the "Parties"), and, solely for the purposes set forth on its signature page to this Agreement, Waste Connections, Inc., a Delaware corporation of which Purchaser is a wholly owned subsidiary ("Waste Connections").

RECITALS

WHEREAS, Sellers will, as of the Closing, collectively hold, of record and beneficially, the outstanding equity interests (the " Securities") of the entities set forth on Schedule II hereto (each, a "Transferred Company" and, collectively, the "Transferred Companies" and, collectively with their Subsidiaries, the "Transferred Group"), including a new limited liability company ("NewCo"), which will in turn own the outstanding equity interests of operating subsidiaries of Sellers engaged in the Business;

WHEREAS, the Securities represent, directly or indirectly, all of the outstanding equity interests of the Transferred Companies;

WHEREAS, Sellers desire to sell and transfer, and Purchaser desires to purchase, all of the Securities for the consideration set forth in Section 2.2, subject to the terms and conditions of this Agreement;

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

1.1 Defined Terms. For the purposes of this Agreement, the following terms shall have the following meanings:

"Acquisition Agreements" shall mean, collectively, (a) the Stock Purchase Agreement, dated as of July 1, 2010, by and among Oilfields Holdings, Inc., TCR GP, L.L.C., TCR Friends III, L.P., Three Cities Fund III, L.P. and R3 Treatment Inc. (the "USLL Agreement"), (b) the Securities Purchase Agreement, dated as of July 1, 2010, by and among Controlled Recovery, Inc., CRI Holdings, LLC, Controlled Recovery Holdings LP, Blue Sage Capital, LP, Atreides Investment Partners II, Atreides Capital, LLC, the equity holders named therein, and R3 Treatment Inc., (c) the Securities Purchase Agreement, dated as of July 1, 2010, by and among Calpet, LLC, R&G, Inc., Garry B. Ellingford Revocable Trust, Kole T. Ellingford Revocable Trust, KTE Irrevocable Trust, Quinn T. Ellingford Revocable Trust, QTE Irrevocable Trust, Ellingford Irrevocable Trust, Kole T. Ellingford, Quinn T. Ellingford, and R3 Treatment Inc. (the "Calpet Agreement"), (d) the Asset Purchase Agreement, dated as of December 8, 2010, by and between R360 Claco, Inc. and Russell Clack (the "Clack Agreement"), (e) the Earnest Money Contract, dated as of January 19, 2011, by and between R360 Environmental Solutions, Inc. and Artesia Aeration, LLC, (f) the Membership Interest and Stock Purchase Agreement, dated as of March 15, 2012, by and among Vanneisa J. Hartmann, Bradley D. L. Krenz, Celeste D. Krenz, Courtney R. Krenz, Darwin D. Krenz, Jean E. Krenz, Julia A. Krenz, Prairie Disposal, Inc., Krenz Holdings, Inc., Prairie Liquids, LLC, R360 Environmental Solutions, Inc. and Courtney R. Krenz, as Seller Representative (the " Prairie Agreement"), and (g) the Junior Subordinated Promissory Note in the original principal amount of $10,000,000.00 issued by Prairie LLC to Courtney R. Krenz, as Seller Representative (the "Prairie Note").

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Action" shall mean any case, claim, complaint, action, suit, arbitration, litigation, grievance, investigation or proceeding conducted by or pending before any Governmental Entity or any binding arbitration or binding alternative dispute resolution proceeding.

"Adjustment Amount" shall mean an amount, positive or negative, equal to (a) the adjusted net working capital of the Transferred Group, on a combined and consolidated basis, on the Closing Date, calculated on the basis of the line items and principles set forth in Schedule III, *less* (b) $7,000,000.

"Affiliate" shall mean, with respect to any specified Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such specified Person; provided that: (a) from and after the Closing, no member of the Transferred Group shall be considered an Affiliate of Sellers or Sellers' Affiliates; and (b) from and after the Closing, none of Sellers or any of Sellers' Affiliates shall be considered an Affiliate of the Transferred Group, and (c) the Affiliates of the Sellers shall consist only of (i) the investment funds represented by designees on the board of directors of R3 Treatment Holdings Inc. (of which R360 Environmental Solutions, Inc. is a wholly owned Subsidiary), (ii) any Entities through which such investment funds hold interests in any of the Sellers, and (iii) the Subsidiaries of the Entities described in clause (ii); provided, however, that in no event shall any other Affiliates of any such investment fund (including without limitation, any of its underlying investors or other portfolio companies) be deemed an Affiliate of any Seller.

"Antitrust Law" shall mean the Sherman Antitrust Act, as amended, the Clayton Antitrust Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other applicable Laws enacted or issued by a Governmental Entity that are designed or intended to prohibit, restrict or regulate actions or transactions having the purpose or effect of monopolization, restraint of trade or lessening of competition through merger or acquisition.

"Assumed Liabilities" shall mean any and all of the following Liabilities of the Seller Group related to or arising out of the Business: (a) Liabilities relating to the protection or Remediation of, or prevention of harm to, the environment or natural resources, the protection of human and occupational health and safety, Environmental Law or Hazardous Substances resulting from any properties owned by a member of the Transferred Group; (b) Liabilities arising under or pursuant to the agreements and permits set forth on Section 5.4(c) of the Seller Disclosure Schedule; and (c) Liabilities (i) under the Transferred Benefit Plans, excluding, for the avoidance of doubt, any Liability with respect to the Incentive Units which shall be retained by the Sellers, (ii) relating to the employment or termination of employment of any Business Employee or any Former Business Employee, excluding, for the avoidance of doubt, any Liability with respect to the Incentive Units, all of which Liabilities shall be retained by the Sellers, and (iii) Liabilities expressly allocated to or assumed by Purchaser or a member of the Transferred Group pursuant to Article VI of this Agreement, but excluding any Debt (including accrued interest thereon) of any member of the Seller Group to any Person that is not a member of the Seller Group.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Blocker" shall mean each of (a) Paine & Partners Capital Fund III AIV II Blocker I, Inc., (b) Paine & Partners Capital Fund III AIVB II Blocker II, Inc., (c) Paine & Partners Capital Fund III AIV II Blocker III, Inc., and (d) Paine & Partners Capital Fund III AIV II Blocker IV, Inc.

"Business" shall mean the R360 Environmental Solutions business presently conducted by the members of the Transferred Group and their Affiliates, viewed as a single enterprise, including the treatment, storage, collection, transport, disposal and recycling of waste and byproducts directly or indirectly generated in the exploration and production (including well drilling and completion) of oil, natural gas and natural gas liquids and abandonment, spill remediation and reclamation activities, sale of certain waste treatment byproducts (including R3 RoadBase™), and rental of associated equipment, in each case, as conducted by the Transferred Group and their Affiliates, viewed as single enterprise.

"Business Acquisition Candidate" shall mean any Entity set forth on Schedule IV.

"Business Confidential Information" shall mean all trade secrets, know how and other confidential, nonpublic or proprietary information of any member of the Transferred Group, including any such information derived from reports, investigations, research, studies, work in progress, codes, marketing, sales or service programs, customer lists, records relating to past service provided to customers, capital expenditure projects, cost summaries, equipment or production system designs or drawings, pricing formulae, contract analyses, financial information, projections, present and future business plans, agreements with vendors, joint venture agreements, confidential filings with any Governmental Entity and all other confidential, nonpublic concepts, methods, techniques or processes of doing business, ideas, materials or information prepared or performed for, by or on behalf of any member of the Transferred Group; provided that "Business Confidential Information" does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the Sellers or their representatives or, prior to the Closing Date, by the Transferred Group, or (ii) becomes available to the Sellers or their representatives after the Closing on a non-confidential basis from a source other than the Transferred Group or its employees, agents or representatives, provided that such source is not known to the Sellers, after reasonable investigation, to be bound by a contractual, legal or fiduciary obligation of confidentiality to the Transferred Group.

"Business Day" shall mean any day that is not a Saturday, a Sunday or other day on which commercial banks in New York, New York or Houston, Texas are required or authorized by Law to be closed.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Business Employee" shall mean an individual who is employed by any member of the Transferred Group or otherwise employed in the Business (including any employees on short-term or long-term disability or other leaves of absence).

"Charter Documents" shall mean, with respect to any Entity at any time, in each case as amended, modified and supplemented at that time, (i) the articles or certificate of formation, incorporation or organization (or the equivalent organizational documents) of that Entity, (ii) the bylaws or limited liability company agreement or regulations (or the equivalent governing documents) of that Entity and (iii) each document setting forth the designation, amount and relative rights, limitations and preferences of any class or series of that Entity's capital stock or other equity interests or of any rights in respect thereof.

"Code" shall mean the U.S. Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" shall mean the confidentiality agreement, dated as of June 28, 2012, by and between R360 Environmental Solutions, Inc. and Waste Connections.

"Contingent and Deferred Consideration Obligations" shall mean the obligation to pay up to $25,000,000 under the Prairie Agreement, the obligation to pay up to $3.75 million under the Calpet Agreement, the obligation to pay up to $8.0 million under the USLL Agreement, and the expected payments to Russell Clack of up to $375,000 in respect of the Clack Agreement.

"Contract" shall mean any agreement, contract, obligation or undertaking, written or oral, excluding any Benefit Plan.

"control" shall mean, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise (and the terms "controlled by" and "under common control with" shall have correlative meanings).

"Credit Agreement" shall mean the Credit Agreement, dated as of July 1, 2010 and amended as of July 27, 2011, among R360 Environmental Solutions, Inc., R3 Treatment Holdings Inc., any Subsidiary Guarantor (as such term is defined in the Credit Agreement), the Lenders (as such term is defined in the Credit Agreement), UBS Securities LLC, Macquarie Capital (USA) Inc., Comerica Bank, UBS AG, Stamford Branch and UBS Loan Finance LLC, as may be amended or supplemented from time to time.

"Credit Agreement Payoff Amount" shall mean the amount of outstanding principal and accrued but unpaid interest, fees and other amounts payable (including any prepayment penalties, if any) in connection with the payoff of the term loans and revolving credit facility under the Credit Agreement as of the close of business on the Closing Date under the Credit Agreement; *provided* that, for the avoidance of doubt, the Credit Agreement Payoff Amount shall not include any amounts required, as a result of the Closing, to cash collateralize any letters of credit issued pursuant to the Credit Agreement.

"Debt" shall mean indebtedness of the Transferred Group of a type described in clause (a)(i) or (a)(ii) of the definition of "Indebtedness" herein (subject to the proviso in such definition) that would be required by GAAP to be accounted for as debt in a balance sheet of the Transferred Group; provided, however, that, for the avoidance of doubt, "Debt" of any member of the Transferred Group shall not include any of the Contingent and Deferred Consideration Obligations but shall include the Prairie Note.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Entity" shall mean any corporation, partnership of any kind having a separate legal status, limited liability company, business trust, unincorporated organization or association, mutual company, joint stock company or joint venture.

"Environment" shall mean (i) land, including surface land, sub-surface strata, sea bed and river bed under water and natural structures; (ii) water, including coastal and inland water, surface waters, and ground waters; (iii) air; and (iv) environmental media affecting human health and safety.

"Environmental Laws" shall mean any and all Laws relating to (i) Releases or threatened Releases of Hazardous Substances; or (ii) pollution damages to or the protection of natural resources, conservation of resources, waste management, the Environment, or protection of employee health or safety or the Environment.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean, with respect to any specified Entity, any other Entity, that is, or was at any relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the specified Entity or that is, or was at any relevant time, a member of the same "controlled group" (as defined in Section 4001(a)(14) of ERISA) as the specified Entity.

"Former Business Employee" shall mean an individual employed by the Business whose employment ceased prior to the Closing Date.

"GAAP" shall mean generally accepted accounting principles in the United States consistently applied throughout the periods involved.

"Governmental Entity" shall mean any foreign, domestic, federal, territorial, state or local governmental entity, quasi-governmental entity, court, tribunal, judicial or arbitral body, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department, agency, or any political or other subdivision, department or branch of any of the foregoing.

"Hazardous Substance" shall mean any substance that is listed, identified or otherwise designated as hazardous, toxic or dangerous under, or is regulated (or the handling, storage or disposal of which is regulated, or the cleanup of which can be required) under, any Law for the protection of health, safety or the Environment or relating to pollution; and without limiting the generality of the foregoing, Hazardous Substances shall include (i) "hazardous wastes," "solid wastes," "hazardous substances," "toxic substances," "pollutants," or "contaminants" or other similar identified designations in any Law for the protection of health, safety or the Environment or relating to pollution; (ii) petroleum, crude oil, refined petroleum products and fractions or by-products thereof; (iii) radioactive materials; (iv) asbestos or asbestos-containing materials; and (v) polychlorinated biphenyls.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Incentive Units" shall mean the equity incentive awards granted to Business Employees with respect to equity of R360 Operating Partners, L.P.

"Indebtedness" of any Person shall mean, without duplication: (a) the principal of or accrued and unpaid interest, or any prepayment penalty or premium, in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments the payment of which such Person is responsible or liable for; (b) all obligations of such Person arising out of any extension of credit to or for the account of that Person (including reimbursement or payment obligations with respect to surety bonds, performance bonds, letters of credit, bankers' acceptances and similar instruments), (c) all obligations for the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement; (d) all obligations in respect of leases of (or other agreements conveying the right to use) property or other assets which GAAP as in effect on the date of this Agreement requires to be classified and accounted for as capital leases; (e) all obligations in respect of interest rate swap, cap or collar agreements or similar arrangements providing for the mitigation of that Person's interest rate risks either generally or under specific contingencies between that Person and any other Person; and (f) all obligations of the type referred to in clauses (a) through (e) of this sentence of any Persons the payment of which such Person is responsible or liable for, directly or indirectly, as obligor, guarantor, surety or otherwise; provided that Indebtedness shall not include (A) trade payables, (B) any obligations under any surety bond, performance bond, letter of credit, bankers' acceptance or similar instrument to the extent undrawn or uncalled, (C) any intercompany Indebtedness within the Transferred Group, (D) any Indebtedness incurred by the Transferred Group (or Purchaser or its Affiliates and subsequently assumed by the Transferred Group) in connection with Purchaser's financing arrangements being entered into in connection with the Closing, (E) any endorsement of negotiable instruments for collection in the ordinary course of business, (F) any deferred revenue, and (G) any of the Contingent and Deferred Consideration Obligations.

"Independent Accounting Firm" shall mean Deloitte & Touche LLP or another nationally recognized independent accounting firm mutually agreeable to Sellers and Purchaser.

"Industry" shall mean the industry involving the treatment, storage, collection, transport, disposal and recycling of waste and byproducts directly or indirectly generated in the exploration and production of oil, natural gas and natural gas liquids, sale of related waste treatment byproducts, rental of associated equipment, and any business activity reasonably related thereto.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Intellectual Property" shall mean all right, title and interest in or relating to intellectual property, whether protected, created or arising under the Laws of the United States or any other jurisdiction, including: (a) patents and applications therefor; (b) trademarks, service marks, trade names, service names, corporate names, business names, brand names, all other names and slogans embodying business or product goodwill (or both), and trade styles or dress, together with the goodwill associated with any of the foregoing; (c) Internet domain names; (d) copyrights, whether or not registered or published; (e) moral rights of authorship, rights in designs, trade secrets, technology, inventions, invention disclosures, discoveries, improvements, know-how, program materials, processes, methods and confidential and proprietary information; (f) intellectual property rights in software and interactive platforms; (g) rights to limit the use or disclosure of confidential information by any Person; (h) all other proprietary information and rights, whether or not subject to statutory registration or protection and (i) with respect to each of the foregoing, all registrations and applications for registration, reversions, renewals, extensions, continuations, reissues, divisionals, improvements, modifications, derivative works, and common law rights, and causes of action relating to any of the foregoing.

"IRS" shall mean the U.S. Internal Revenue Service.

"Knowledge of Purchaser" shall mean the actual knowledge of the Persons listed in Section 1.1(a) of the Purchaser Disclosure Schedule, after reasonable inquiry.

"Knowledge of Sellers" shall mean the actual knowledge of the Persons listed in Section 1.1(a) of the Seller Disclosure Schedule, after reasonable inquiry.

"Law" shall mean (a) any federal, state, local or foreign law, statute, code, regulation, ordinance, rule, judgment, order, decree, award, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision or approval of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Entity in effect as of the date of this Agreement or (b) any obligation included in any Permit or resulting from binding arbitration, in effect as of the date of this Agreement, including any requirement under common law.

"Liability" shall mean any indebtedness, obligations and other liabilities (or claims or contingencies that have not yet become liabilities), whether absolute, accrued, matured, contingent (or based upon any contingency), known or unknown, fixed or otherwise, or whether due or to become due, including any fines, penalties, judgments, awards or settlements respecting any judicial, administrative or arbitration proceedings or any damages, Losses, claims or demands with respect to any Law.

"Liens" shall mean any liens, pledges, attachments, levies, charges, claims, mortgages, security interests, purchase agreements, options, restrictions on transfer or other encumbrances.

"Losses" shall mean any losses, costs, interest, charges, expenses (including reasonable attorneys' fees), obligations, Liabilities, settlement payments, awards, judgments, fines, penalties, damages, assessments or deficiencies.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Material Adverse Effect" shall mean an event, circumstance, development, change or effect that (a) materially impairs the ability of Sellers to consummate the transactions contemplated by this Agreement or (b) has had or would reasonably be expected to have a material adverse effect on the Transferred Group or its financial condition or results of operations, taken as a whole; provided, however, that, with respect to clause (b) above, no event, circumstance, development, change or effect resulting from any of the following shall be deemed to constitute, or shall be taken into account in determining whether there has been or would reasonably be expected to be, a Material Adverse Effect: (i) changes in global or national economic, monetary or financial conditions, including changes in prevailing interest rates, credit markets, currency exchange rates, market conditions, the price of commodities (including the prices of oil or natural gas or any differential between the price of oil and the prices of any products refined from oil, commonly referred to as "crack spreads") or raw materials used in the Business, (ii) changes in global or national political conditions, including the outbreak or escalation of war or acts of terrorism, (iii) earthquakes, hurricanes, tsunamis, typhoons, lightning, hailstorms, blizzards, tornadoes, droughts, floods, cyclones, arctic frosts, mudslides, wildfires and other natural disasters, weather conditions and other force majeure events unless of an unforeseeable, unprecedented and historic scope, (iv) changes generally affecting the Industry; (v) changes in applicable Law or the interpretation thereof or changes in GAAP or the interpretation thereof, (vi) any failure by the Transferred Group to meet any internal or published industry analyst projections or forecasts or estimates of revenue or earnings for any period (provided, however, that this clause (vi) shall not operate to exclude from the definition of "Material Adverse Effect" any set of facts or circumstances that cause or result in any such failure unless otherwise excluded hereunder); (vii) changes, including impacts on relationships with customers, suppliers, employees or Governmental Entities, in each case attributable to the execution, announcement or pendency of this Agreement or the transactions contemplated hereby, including as a result of the identity of Purchaser or plans or announced intentions of Purchaser with respect to the Business, (viii) any effect arising out of any action required to be taken by this Agreement or taken by Sellers or any of their respective Affiliates with the prior written and fully informed consent or at the request of Purchaser or (ix) effects resulting from any acts or omissions of Purchaser after the date of this Agreement (other than actions or omissions specifically contemplated by this Agreement); provided, however, that events, circumstances, developments, changes or effects set forth in clauses (i), (ii) and (iv) above may be taken into account in determining whether there has been or would reasonably be expected to be a Material Adverse Effect if and only to the extent such events, circumstances, developments, changes or effects have a materially disproportionate adverse effect on the Transferred Group taken as a whole, in relation to others in the Industry, and are not excluded by another of clauses (i) through (ix).

"Order" shall mean any outstanding order, judgment, writ, injunction, stipulation, award or decree.

"Permits" shall mean any licenses, permits, franchises, approvals, registrations, authorizations, consents or orders granted or issued by, or filings with, any Governmental Entity.

"Permitted Equity Liens" shall mean: (i) transfer restrictions caused by or created under federal or state securities Laws or the Charter Documents of any member of the Transferred Group; or (ii) Encumbrances caused or created by Purchaser.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Permitted Liens" shall mean the following Liens: (a) Liens disclosed in the Financial Statements; (b) Liens for Taxes, assessments or other governmental charges or levies that (i) are not yet due or payable; or (ii) are being contested by appropriate proceedings or that may thereafter be paid without penalty; (c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, workmen, repairmen and other Liens imposed by Law in the ordinary course of the Business for sums not yet due; (d) Liens incurred or deposits made in the ordinary course of business of the Business in connection with workers' compensation, unemployment insurance or other types of social security legislation (other than pursuant to ERISA or Section 430(k) of the Code); (e) Liens incurred in the ordinary course of business of the Business securing obligations or liabilities that are not material in connection with deposit accounts or to secure the performance of bids, tenders, trade contracts, statutory obligations, surety bonds, performance and return of money bonds and other obligations of like nature; (f) defects or imperfections of title, easements (including for gas pipelines and power lines), declarations, covenants, rights-of-way, surface leases, ground leases to utilities, restrictions and other charges, instruments or encumbrances that do not materially affect the present use of real estate as used by the Business as of the date hereof or that would be shown in an accurate survey or physical inspection of the Transferred Group's real property; (g) zoning ordinances, variances, conditional use permits and similar regulations, permits, approvals and conditions that do not materially affect the use of real estate as used by the Business as of the date hereof; (h) Liens not created by Sellers or any of their Subsidiaries that affect the underlying fee interest of any leased real property, including master leases or ground leases and any set of facts that an accurate up-to-date survey or physical inspection would show; provided, however, that (with respect to this clause (h) only) any such item does not materially interfere with the ordinary conduct of the Business as it is conducted on the date hereof; (i) Liens in connection with or in lieu of environmental remediation that do not materially interfere with the operation of any of the Transferred Group's real property as currently conducted; (j) Liens under the Credit Agreement that will be released concurrent with the Closing; and (l) Liens set forth in Section 1.1(b) of the Seller Disclosure Schedule.

"Person" shall mean any natural person, Entity, trust or other organization, including a Governmental Entity.

"Prairie LLC" shall mean R360 Williston Basin, LLC.

"Release" shall mean any release, spill, effluent, emission, leaking, pumping, pouring, injection, deposit, dumping, disposal, discharge, dispersal, leaching or migration into the Environment, or into or out of any property owned, operated or leased by the applicable party.

"Remedial Action" or "Remediation" shall mean all actions to (i) contain, clean up, remove, treat, or in any other way ameliorate or address any Hazardous Substances in the Environment; (ii) respond to the Release or threat of Release, or minimize the further Release, of any Hazardous Substance so it does not endanger or threaten to endanger human health, safety or the Environment; or (iii) perform any tests, studies, assessments, investigations, monitoring or care in response to a Release or threatened Release.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

"Seller Group" shall mean Sellers and their Affiliates (other than the Transferred Group).

"Subsidiary" shall mean, with respect to any specified Entity, any other Entity, of which (i) such specified Entity directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions or (ii) such specified Entity is a general partner or managing member.

"Tax" shall mean any tax of any kind, including any federal, state, local or foreign income, profits, license, severance, occupation, windfall profits, capital gains, capital stock, transfer, registration, social security (or similar), production, franchise, margin, gross receipts, payroll, sales, employment, unemployment, disability, use, real property, personal property (tangible and intangible), ad valorem, excise, value added, estimated, inventory, stamp, alternative or add-on minimum, environmental, customs, wealth, net wealth, or withholding tax, and any other governmental duty, assessment or Liability in the nature of a tax, together with all interest, penalties, additions to tax, fines or other additional amounts imposed on, or with respect to, such amounts, whether disputed or not.

"Tax Proceeding" shall mean any audit, investigation, inquiry, examination, contest, litigation or other regulatory, administrative or judicial proceeding by, with or against any Taxing Authority.

"Tax Return" shall mean any return, declaration, report, claim for refund or information return, statement or other document required or permitted to be filed with any Taxing Authority relating to Taxes and any amendment thereof and attachment thereto.

"Taxing Authority" shall mean any Governmental Entity having or purporting to exercise jurisdiction with respect to the administration, collection, assessment or imposition of any Tax.

"Transferred Group Intellectual Property" shall mean all Intellectual Property owned, used or held for use by the Transferred Group.

"Valuation Firm" shall mean Hill Schwartz Spilker Keller LLC.

1.2 Other Definitions. The following terms shall have the meanings defined in the Section indicated:

Aggregate Value Amount	Section 2.2(a)(i)
Agreement	Preamble
Allocation Schedule	Section 2.5
As-Adjusted Amount	Section 2.2(a)(i)
Benefit Plan	Section 3.10(a)
Calpet Agreement	Definition of Acquisition Agreement
Clack Agreement	Definition of Acquisition Agreement
Closing	Section 2.1
Closing Date	Section 2.4

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Closing Statement	Section 2.3(a)
Current Balance Sheet	Section 3.1(a)(iii)
Dispute Statement	Section 2.3(b)
DOJ	Section 5.3(a)(ii)(B)
Environmental Permits	Section 3.15(a)(ii)
Final Adjustment Amount	Section 2.3(b)
Final Allocation Schedule	Section 2.5
Financial Statements	Section 3.1(a)(vi)
FTC	Section 5.3(a)(ii)(B)
Governmental Approvals	Section 5.3(a)(i)
Indemnified Guarantees	Section 5.7(a)(i)
Leased Real Property	Section 3.12(b)
Monthly Balance Sheet	Section 5.1(c)
Multiemployer Plan	Section 3.10(a)
New Plans	Section 6.1(b)
NewCo	Recitals
Old Plans	Section 6.1(b)(i)
Outside Date	Section 9.1(b)(i)
Owned Real Property	Section 3.12(a)
Parties	Preamble
Party	Preamble
Prairie Agreement	Definition of Acquisition Agreement
Prairie Allocation Amount	Section 2.5
Prairie Note	Definition of Acquisition Agreement
Purchase Price	Section 2.2(a)(i)
Purchaser	Preamble
Purchaser Disclosure Schedule	Article IV
Qualified Plan	Section 3.10(c)
Reorganization	Section 3.1(c)
Reorganization Plan	Section 3.1(c)
Sale	Section 2.1
Securities	Recitals
Seller	Preamble
Seller Disclosure Schedule	Article III
Seller Indemnitees	Section 5.10(a)
Sellers	Preamble
Sellers' Representative	Section 10.15(a)
Significant Contracts	Section 3.16(a)
Solvent	Section 4.5(b)
Subject Assets	Section 5.3(c)
Substituted Guarantees	Section 5.7(b)
Transfer Taxes	Section 7.4
Transferred Benefit Plans	Section 6.2
Transferred Companies	Recitals
Transferred Company	Recitals
Transferred Group	Recitals
Transferred Group Insurance Policies	Section 3.18
Transferred Group Registered Intellectual Property	Section 3.17(a)
USLL Agreement	Definition of Acquisition Agreement
WARN	Section 3.11(a)(ii)(C)
Waste Connections	Preamble

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE II

THE SALE AND PURCHASE

2.1 Sale and Purchase of Securities. Upon the terms and subject to the conditions set forth in this Agreement, at the closing of the transactions contemplated by this Agreement (the "Closing"), each Seller shall transfer, convey, assign and deliver to Purchaser and/or its designees, and Purchaser and/or its designees shall purchase and acquire from each Seller, all of such Seller's right, title and interest in and to the Securities (the " Sale").

2.2 Purchase Price; Assumption of Liabilities. In consideration for the Securities, at the Closing, (a) Purchaser shall (or shall cause Waste Connections or one of its wholly owned Subsidiaries to) pay to Sellers (or to an Affiliate designated by Sellers) (i) (x) an aggregate of $1,316,000,000 in cash, *plus* (y) an amount in cash equal to interest that would accrue on $1,094,571,000, starting on and including June 30, 2012 through and including the Closing Date at a rate of 4% per annum (based on a 365-day year) (the aggregate amount described in this clause (i) being the " Aggregate Value Amount"), *plus* (ii) the Adjustment Amount (if the Adjustment Amount is positive), *less* (iii) the absolute value of the Adjustment Amount (if the Adjustment Amount is negative) (the result of such calculation of clauses (i), (ii) and (iii), the "As-Adjusted Amount)", *less* (iv) the Credit Agreement Payoff Amount, *less* (v) the aggregate outstanding principal and accrued but unpaid interest and any other amounts payable under the Prairie Note and any other Debt as of the Closing Date (the result of such calculation of clauses (i) through (v), the "Purchase Price") and (b) Purchaser shall assume and be responsible for all the Assumed Liabilities.

2.3 Closing Adjustment. (a) Not less than five Business Days prior to the anticipated Closing Date, Sellers shall provide Purchaser with a statement (the "Closing Statement") of the estimated Adjustment Amount and the calculation thereof in reasonable detail. The Adjustment Amount for purposes of the Closing shall be as set forth on the Closing Statement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) If Purchaser objects to the Closing Statement, Purchaser shall deliver to Sellers a statement reflecting its calculation of the Adjustment Amount (the "Dispute Statement") within 21 days after the Closing Date. Sellers shall consider such objections in good faith and may make changes to the Closing Statement in response thereto; provided, that if Purchaser continues to object to the Closing Statement, then Sellers and Purchaser shall submit all objections that remain outstanding to the Independent Accounting Firm, along with a copy of the Closing Statement (as used at the Closing) marked to indicate any line items that are not in dispute. The Parties shall instruct the Independent Accounting Firm to make, within 45 days after the submission of the objections to the Independent Accounting Firm, a final determination, binding on the Parties, of the appropriate amount of each of the line items in the Closing Statement which remain in dispute. The Independent Accounting Firm, based solely on the written submissions of Sellers, on the one hand, and Purchaser, on the other hand, and not by independent investigation, and in accordance with the standards and definitions in this Agreement (including the principles and policies set forth on Schedule III), shall select either the Adjustment Amount as calculated by Sellers in the Closing Statement (as used at the Closing) or by Purchaser in the Dispute Statement, which selected amount shall be the final Adjustment Amount binding on the Parties (the " Final Adjustment Amount "). Each of Purchaser and Sellers will be afforded the opportunity to present to the Independent Accounting Firm any information or documents such Party deems relevant to the determination of the Final Adjustment Amount. All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm shall be borne by Sellers if the Independent Accounting Firm selects the Adjustment Amount calculated by Purchaser, and shall be borne by Purchaser if the Independent Accounting Firm selects the Adjustment Amount calculated by Sellers.

(c) If the Independent Accounting Firm selects the Adjustment Amount calculated by Purchaser, then Sellers shall pay to Purchaser an amount equal to the excess of the Adjustment Amount as determined at Closing over the Final Adjustment Amount, together with interest on such excess at the rate of 4.0% per annum from (and including) the Closing Date to (but excluding) the date of such payment, and the As-Adjusted Amount shall be reduced by the amount of such excess. Any payment made pursuant to this Section 2.3(c) shall be made within five Business Days of the determination by the Independent Accounting Firm, by wire transfer, to an account or accounts designated by Purchaser, in immediately available funds.

2.4 Closing. (a) The Closing shall take place at the offices of Baker Botts L.L.P., 32nd Floor, 910 Louisiana, Houston, Texas at 9:00 a.m., Houston time, on the third Business Day after all of the conditions set forth in Article VIII (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions) are satisfied or waived, or at such other place, time or date as may be mutually agreed upon in writing by each Seller and Purchaser (the " Closing Date").

(b) At the Closing:

(i) Sellers shall:

(A) deliver to Purchaser certificates evidencing the Securities to the extent that such Securities are in certificate form, duly endorsed in blank or with stock powers duly executed in proper form for transfer, and with any required stock transfer stamps affixed thereto, or confirmations of book-entry transfer with respect to the Securities;

(B) deliver to Purchaser the certificate required to be delivered pursuant to Section 8.2(c); and

(C) deliver to Purchaser an executed counterpart to the Assignment and Assumption Agreement in the form attached as Exhibit A; and

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(D) deliver to Purchaser from each Seller, a properly completed and executed certification of non-foreign status satisfying the requirements of Treasury Regulation Section 1.1445-2(b) and in a form reasonably acceptable to Purchaser; provided that Paine & Partners Capital Fund III AIV II B, L.P. shall instead deliver to Purchaser a duly executed and acknowledged affidavit of each Blocker, in accordance with Treasury Regulation Sections 1.1445-2(c)(3) and 1.897-2(h), certifying that each "interest" (within the meaning of Section 897(c)(1) of the Code) in such Blocker is not a "United States real property interest" within the meaning of Section 897(c) of the Code;

(E) deliver to Purchaser a payoff letter for the Credit Agreement; and

(ii) Purchaser shall:

(A) pay to Sellers, by wire transfer, to an account or accounts designated by Sellers at least three Business Days prior to the Closing, in immediately available funds, an aggregate amount in cash equal to the Purchase Price;

(B) pay to the administrative agent under the Credit Agreement, by wire transfer, to the account or accounts specified in the payoff letter with respect to the Credit Agreement, in immediately available funds, an aggregate amount equal to the sum of (1) the Credit Agreement Payoff Amount and (2) an amount sufficient to cash collateralize, in accordance with the provisions of the Credit Agreement, each letter of credit issued and outstanding pursuant to the Credit Agreement that was either (x) listed in Section 3.2(c) of the Seller Disclosure Letter or (y) issued in the ordinary course of business consistent with past practice after the date of this Agreement, and (in the case of either (x) or (y)) with respect to which the Purchaser has not either (I) provided a backstop letter of credit satisfactory to the Issuing Bank (as defined in the Credit Agreement) of such letter of credit or (II) in accordance with Section 5.7(b), caused itself to be substituted for each Seller and its Affiliates (other than the members of the Transferred Group) and caused each Seller and its Affiliates (other than the members of the Transferred Group) to be released;

(C) deliver to Sellers an executed counterpart to the Assignment and Assumption Agreement in the form attached as Exhibit A; and

(D) deliver to Sellers the certificate required to be delivered pursuant to Section 8.3(c).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

2.5 Purchase Price Allocations. As promptly as practicable following the date hereof, Sellers and Purchaser shall jointly engage the Valuation Firm to determine, and shall use their reasonable best efforts to cause the Valuation Firm to determine prior to the Closing Date, the amount of the anticipated As-Adjusted Amount that would be allocated to the equity interests of Prairie LLC and any assets owned thereby (the " Prairie Allocation Amount"), which Prairie Allocation Amount shall not exceed $430,000,000. Following the determination of the Prairie Allocation Amount by the Valuation Firm, Sellers may amend the Reorganization Plan with respect to the pre-Closing transactions involving Prairie LLC; provided that such amendment shall not cause the Sellers to hold collectively less than all of the equity interests of Prairie LLC and shall not adversely affect the Purchaser and its Subsidiaries (including by decreasing Purchaser's tax basis in Prairie LLC or any assets owned by Prairie LLC), as of immediately following the Closing. Within 120 days after Closing, Purchaser shall engage the Valuation Firm to prepare an allocation of the As-Adjusted Amount and any assumed liabilities, for tax purposes, among the Securities and the assets of the Transferred Group (the "Allocation Schedule") and shall deliver such Allocation Schedule to Sellers; provided that the aggregate amount allocated to the equity interests of Prairie LLC and any assets owned thereby shall be the Prairie Allocation Amount. Sellers shall have the opportunity to review and comment upon the Allocation Schedule, and Sellers and Purchaser will attempt in good faith to agree upon the Allocation Schedule within 90 days of the delivery of the Allocation Schedule. If Sellers and Purchaser are unable to agree on the Allocation Schedule within such 90-day period, they shall promptly thereafter cause the Independent Accounting Firm to resolve any remaining disputes. All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm shall be borne equally by Sellers on the one hand, and Purchaser on the other hand. The Allocation Schedule, as agreed by the Parties or determined by the Independent Accounting Firm, as applicable (the " Final Allocation Schedule"), shall be conclusive and binding on all Parties. The Final Allocation Schedule shall be adjusted, as necessary, to reflect any subsequent adjustments to the As-Adjusted Amount. Any such adjustment shall be allocated to the asset or assets (if any) to which such adjustment is attributable; provided that, to the extent there are no such assets, such adjustment shall be allocated pro rata among the Securities, with any amount allocated to the equity interests of NewCo and Prairie LLC being further allocated pro rata among all of the assets of the Transferred Group. Except as provided in this Section 2.5, Sellers and Purchaser agree (and agree to cause their respective Affiliates) to prepare and file all relevant federal, state, local and foreign Tax Returns in accordance with the Final Allocation Schedule, if any. None of Sellers, Purchaser or any of their respective Affiliates shall take any position inconsistent with the Final Allocation Schedule, if any, on any Tax Return or in any Tax Proceeding, in each case, except to the extent otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any similar provision of state, local or foreign Law).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the corresponding section of the disclosure schedule delivered by Sellers to Purchaser concurrently with the execution and delivery of this Agreement (the "Seller Disclosure Schedule"), it being understood that any disclosure set forth in the applicable paragraph or section of the Seller Disclosure Schedule shall be deemed to be disclosed for any other section or paragraph of the Seller Disclosure Schedule or for any portion of this Agreement to which the relevance of such disclosure is reasonably apparent from the context of such disclosure, Sellers jointly and severally (except with respect to the representations and warranties in Sections 3.1(a), 3.2(a), and 3.3, which are made by each Seller only as to itself and on a several and not joint basis) represent and warrant to Purchaser as follows:

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.1 Organization and Qualification; Subsidiaries; Predecessor Status . (a) Each Seller is a corporation, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. Each member of the Transferred Group is a corporation, limited liability company or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. No breach or violation of any Charter Document of any member of the Transferred Group has occurred and is continuing.

(b) Each Seller and each member of the Transferred Group has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted and is qualified to do business and is in good standing as a foreign Person in each jurisdiction where the ownership, leasing or operation of its properties or assets or conduct of its business requires such qualification, except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Copies of the Charter Documents, each as in effect on the date hereof, of each member of the Transferred Group that are true, complete and correct in all material respects have been made available to Purchaser.

(c) Section 3.1(c) of the Seller Disclosure Schedule includes a materially accurate summary (the " Reorganization Plan") of the reorganization transaction involving the formation of NewCo, the issuances of units of limited liability company interests in NewCo and all related transfers, assignments or contributions to, and assumptions by, NewCo (the "Reorganization"). Sellers have, and NewCo will have prior to the Closing, all necessary power, legal capacity and authority to consummate the Reorganization, and such consummation has been duly and validly authorized by all necessary action on the part of each Seller, and will be duly and validly authorized prior to the Closing by all necessary action on the part of NewCo, in each case except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Entity is required for the execution, delivery and performance of the Reorganization Documents by the parties thereto or the consummation of the Reorganization, other than filings to effect the formation or conversion of Entities. The Reorganization will be completed prior to the Closing.

3.2 Capitalization of the Transferred Group. (a) Each Seller has good and valid title to the Securities held by it and, at the Closing, will transfer such Securities to Purchaser free and clear of all Liens (other than any Permitted Equity Liens).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) All the issued and outstanding shares of capital stock of, or other equity interests in, each member of the Transferred Group, including the Securities, (i) have been duly authorized and validly issued in accordance with the applicable Laws of that Entity's organizational jurisdiction and Charter Documents; (ii) are fully paid and nonassessable, (iii) are properly reflected in that Entity's books and records; (iv) are free and clear of all Liens, other than Permitted Liens; and (v) were not issued in violation of any preemptive rights. Except for the Securities held by the Sellers or any interest held by a member of the Transferred Group, there are no shares of common stock, preferred stock or other equity interests of any member of the Transferred Group reserved, issued or outstanding, and there are no preemptive or other outstanding rights, subscriptions, options, warrants, stock appreciation rights, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities or any other securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of any member of the Transferred Group, and no securities evidencing such rights are authorized, issued or outstanding. No member of the Transferred Group owns, of record or beneficially, directly or indirectly through any Person, or controls, directly or indirectly through any Person or otherwise, any capital stock of, or any other equity interest in, any Entity other than one or more members of the Transferred Group. No members of the Transferred Group have any outstanding bonds, debentures, notes or other obligations which provide the holders thereof the right to vote (or are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of such member of the Transferred Group on any matter.

(c) As of the time immediately prior to the Closing: (i) other than the Debt that is contemplated to be repaid by Purchaser at Closing pursuant to Section 2.4(b)(ii)(B) and the Debt outstanding under the Prairie Note, no member of the Transferred Group will have any outstanding Debt; and (ii) the maximum payment obligations arising out of, resulting from or relating to each of the Contingent and Deferred Consideration Obligations will not exceed the respective amounts set forth in the definition of "Contingent and Deferred Consideration Obligations" in Section 1.1. Section 3.2(c) of the Seller Disclosure Schedule contains a complete and accurate list of all letters of credit issued under the Credit Agreement and outstanding as of the date hereof and accurately specifies the face amount of each such letter of credit.

(d) Section 3.2(d) of the Seller Disclosure Schedule sets forth, (i) the Securities held by each Seller and (ii) with respect to each member of the Transferred Group, by each series within each class, the total number of shares of authorized capital stock or other equity interests and the total number of such shares or interests that have been issued and are now outstanding. At or prior to the Closing, the Sellers shall have caused the original stock book and stock ledger, minute books and seal (if any), or similar books and records, of each member of the Transferred Group, each as and to the extent currently maintained by and reasonably available to the Transferred Group, to be delivered to Purchaser. Except for the Securities held by the Sellers or any interest held by a member of the Transferred Group, there are no agreements, arrangements or commitments of any character relating to the issued or unissued share capital or other ownership interest in the Transferred Group.

3.3 Authority Relative to this Agreement. Each Seller has all necessary power, legal capacity and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement. The execution, delivery and performance by each Seller of this Agreement and the consummations of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary action on the part of each Seller and no other proceedings on the part of such Seller are necessary to authorize the execution and delivery and performance of this Agreement. This Agreement has been duly and validly executed and delivered by each Seller, and, assuming the due authorization, execution and delivery of this Agreement by the other Parties, constitutes a valid, legal and binding agreement of such Seller, enforceable against such Seller in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or at Law).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.4 Consents and Approvals; No Violations; Preemptive and Other Rights . No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Entity is required on the part of Sellers for the execution, delivery and performance by Sellers of this Agreement or the consummation by Sellers of the transactions contemplated by this Agreement, except (i) compliance with any applicable requirements of the HSR Act; (ii) compliance with the Permits relating to the Business listed in Section 3.4 of the Seller Disclosure Schedule; or (iii) any such filings, notices, permits, authorizations, registrations, consents or approvals, the failure to make or obtain has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Assuming compliance with the items described in clauses (i) through (iii) of the immediately preceding sentence, neither the execution, delivery and performance of this Agreement by Sellers nor the consummation by Sellers of the transactions contemplated by this Agreement will (A) conflict with or result in any breach, violation or infringement of any provision of the Charter Documents of any of Sellers or any member of the Transferred Group, (B) result in a breach, violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to the creation of any Lien, except for Permitted Liens, or any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any Significant Contract, (C) violate or infringe any Law applicable to the Transferred Group or the Business or any of its properties or assets or (D) result in the revocation, cancellation or suspension of any Permit possessed by any member of the Transferred Group at the date hereof and necessary for the ownership or lease or the operation of the properties and other assets of the Business or the carrying on of the Business as now conducted, including any necessary Permit under each applicable Environmental Law, except in the case of (B), (C) or (D) for breaches, violations, infringements, defaults, Liens or other rights that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each of Sellers either (i) does not own or otherwise have any statutory or contractual preemptive or other right of any kind (including any right of first offer or refusal) to acquire any of the Securities or (ii) hereby irrevocably waives each right of that type which such Seller does own or does otherwise have. No restrictions on “business combinations” under applicable Law or other takeover provisions under applicable Law or the organizational documents of any Seller or any member of the Transferred Group shall apply to the transactions contemplated by this Agreement. No member of the Transferred Group has any preferred share purchase rights plan or similar rights plan in effect. No vote of the holders of any class or series of capital stock of any Seller or any entity in the Transferred Group is necessary to consummate the transactions contemplated by this Agreement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.5 Financial Statements; Liabilities and Obligations; Disclosure . (a) Section 3.5(a) of the Seller Disclosure Schedule sets forth the following financial statements: (i) the audited combined balance sheets of Persons comprising the Transferred Group (or the predecessors of such Persons), as of December 31, 2011, 2010 and 2009, (ii) the audited combined statements of income of Persons comprising the Transferred Group (or the predecessors of such Persons) for each of the years ended December 31, 2011 and 2010, (iii) the audited combined statements of cash flows of Persons comprising the Transferred Group for each of the years ended December 31, 2011, 2010 and 2009, (iv) the unaudited combined balance sheets of the Transferred Group as of June 30, 2012 (the "Current Balance Sheet"), (v) the unaudited combined statements of income of the Transferred Group for the six-month periods ended June 30, 2012 and 2011 and (vi) the unaudited combined statements of cash flows of the Transferred Group for the six-month periods ended June 30, 2012 and 2011 (the items referred to in clauses (i) through (vi), with any notes thereto, being herein collectively referred to as the " Financial Statements"). The Financial Statements: (x) have been prepared in accordance with GAAP applied on a consistent basis (except as may be noted therein) in all material respects, and present fairly, in all material respects, the combined financial position and the combined results of operations and cash flows of the Transferred Group as of the respective dates thereof or the periods then ended; and (y) meet in all material respects the applicable requirements of Regulation S-X promulgated by the Securities and Exchange Commission.

(b) There are no present Liabilities, whether accrued, absolute, fixed, contingent or otherwise, of any member of the Transferred Group which (i) would have or would reasonably be expected to have a Material Adverse Effect and (ii) (A) had been incurred on or prior to June 30, 2012, but are not reflected on the Current Balance Sheet, or (B) were incurred after June 30, 2012 other than in the ordinary course of business of that member of the Transferred Group.

3.6 Absence of Certain Changes or Events. Except as contemplated by this Agreement, since June 30, 2012, (a) Sellers have conducted the Business in the ordinary course of business consistent with past practice, (b) no member of the Transferred Group has taken any action that would be prohibited by Section 5.4(b)(vi), 5.4(b)(viii), 5.4(b)(xi), 5.4(b)(xvi) or 5.4(b)(xvii) if such action were taken after the date hereof, and (c) there has not occurred any event, circumstance, condition or state of facts (either individually or in the aggregate) that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.7 Litigation. Section 3.7 of the Seller Disclosure Schedule sets forth a true and complete list, as of the date of this Agreement, of each civil, criminal or administrative Action pending, or to the Knowledge of Sellers, threatened, against any one or more members of the Transferred Group or with respect to which any of their respective properties or assets are reasonably likely to become subject, in each case involving amounts in excess of $100,000, and no such Action (disregarding the $100,000 threshold described above) has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. As of the date of this Agreement, no member of the Transferred Group (and none of their respective properties or assets) is subject to any outstanding Order, writ, or injunction, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.8 Compliance with Laws. Each member of the Transferred Group is in compliance with all Laws and Orders applicable to the Business, except where the failure to be in compliance has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No member of the Transferred Group has received any notice of the violation of any Laws applicable to the Business, except where such violation has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.9 Permits. Each member of the Transferred Group currently has all Permits which are required to permit, immediately following the Closing, the operation of the Business as presently conducted, other than those the failure of which to possess has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each member of the Transferred Group is not in default or violation (and no event has occurred or circumstances exist that, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of any Permit held by any member of the Transferred Group, except where such default or violation has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no member of the Transferred Group has received any notice from any Governmental Authority which asserts any noncompliance with any of those Permits and, to the Knowledge of Sellers, no condition or state of facts exists which would provide a valid basis for any such assertion. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no member of the Transferred Group has received any notice from any Governmental Entity of its intention to cancel, terminate or not renew any Permit held by any member of the Transferred Group.

3.10 Employee Benefit Plans. (a) For purposes of this Agreement, the term "Benefit Plan" shall mean each employee compensation and/or benefit plan, program, policy, practice, agreement or other arrangement, including any employee welfare plan within the meaning of Section 3(1) of ERISA, any employee pension benefit plan within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA), any employee benefit plan within the meaning of Section 3(3) of ERISA, and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, program or agreement (other than any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA, Section 414(f) of the Code or Section 3(37) of ERISA (a "Multiemployer Plan")), in each case that is sponsored, maintained or contributed to by any of the members of the Transferred Group, or by any of Sellers or any of their respective Affiliates, for the benefit of the Business Employees or Former Business Employees. Section 3.10(a) of the Seller Disclosure Schedule sets forth a complete and accurate list of each Benefit Plan.

(b) With respect to each Benefit Plan, Sellers have made available to Purchaser (i) correct and complete copies of the plan document, as amended from time to time or the current summary plan description and any modifications thereto; (ii) the most recent Form 5500 and any attached financial statement and any related trustee, custodian or actuarial reports (if applicable); and (iii) the most recent IRS determination or opinion letter (if applicable).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(c) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Benefit Plan has been maintained and administered in compliance with its terms and with applicable Law, including ERISA and the Code to the extent applicable thereto; (ii) each of the Benefit Plans intended to be "qualified" within the meaning of Section 401(a) of the Code (each, a " Qualified Plan") is so qualified and has received a favorable determination letter from the IRS or is entitled to rely upon a favorable opinion issued by the IRS, and, to the Knowledge of Sellers, there are no existing circumstances or any events that have occurred that would reasonably be expected to adversely affect the qualified status of any such plan; (iii) no Benefit Plan is subject to Title IV of ERISA; (iv) no Benefit Plan provides medical, dental, life insurance or other welfare benefits with respect to any of the Business Employees beyond their retirement or other termination of service, other than (A) coverage mandated by applicable Law or (B) benefits under any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), including any plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code; (v) no member of the Transferred Group nor any of their respective ERISA Affiliates maintains any Benefit Plan that is subject to Title IV or Section 302 of ERISA or Section 412, 430 or 4971 of the Code; (vi) none of the Benefit Plans is a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA), a "multiple employer plan" (as defined in Section 413(c) of the Code) or a Multiemployer Plan; (vii) no member of the Transferred Group or any other Entity (whether or not incorporated) that, together with any one or more members of the Transferred Group, would be treated as a single employer under Section 4001(b) of ERISA has during the past six years contributed to, been required to contribute to or otherwise had any obligation or Liability in connection with an employee pension benefit plan within the meaning of Section 3(2) of ERISA, including a multiple employer plan or Multiemployer Plan; (viii) there are no pending, threatened or, to the Knowledge of Sellers, anticipated Actions or claims (other than claims for benefits in accordance with the terms of the Benefit Plans) by, on behalf of or against any of the Benefit Plans, any trusts related thereto, any fiduciary, administrator or sponsor thereof (in their capacities as such) or any party-in-interest thereof that would reasonably be expected to result in any Liability of the Transferred Group; and (ix) each Transferred Benefit Plan may be unilaterally amended or terminated by a member of the Transferred Group without Liability to any member of the Transferred Group, except as to benefits accrued thereunder prior to that amendment or termination.

(d) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Benefit Plan that is a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has at all relevant times been operated and maintained in accordance with (as applicable) the requirements of IRS Notice 2005-1, the proposed and/or final regulations under Section 409A of the Code and a good faith, reasonable interpretation of Section 409A of the Code with respect to amounts deferred (within the meaning of Section 409A of the Code).

(e) None of Sellers, any Benefit Plan or any of the members of the Transferred Group has engaged in any transaction that is prohibited by Section 4975 of the Code or Section 406 of ERISA and not exempted by Section 4975 of the Code or Section 408 of ERISA. No circumstances exist as a result of which any member of the Transferred Group would reasonably be expected to have any material direct or indirect Liability (including being subject to any material statutory Lien to secure payment of any such Liability), to the IRS for any material excise tax or penalty with respect to any Benefit Plan maintained or contributed to by any member of the Transferred Group or any of their respective ERISA Affiliates.

(f) No termination, partial termination or discontinuance of contributions to any Qualified Plan has occurred without a determination by the IRS that such action does not adversely affect the tax-qualified status of that plan.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(g) The Financial Statements as of June 30, 2012 (A) reflect the approximate total pension, medical and other benefit Liability for all Benefit Plans as of that date and (B) do not reflect any material funding changes or irregularities that would cause those Financial Statements to be not representative of prior periods.

(h) No member of the Transferred Group has incurred Liability under Section 4062 of ERISA.

(i) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no act, omission or transaction has occurred which would result in the imposition on any member of the Transferred Group with respect to any Benefit Plan of (i) breach of fiduciary duty liability damages under Section 409 of ERISA or otherwise, (ii) a civil penalty assessed under subsection (c), (i) or (l) of Section 502 of ERISA or (iii) any excise tax under applicable provisions of the Code.

(j) Any trust funding a Benefit Plan, which is intended to be exempt from federal income taxation under Section 501(c)(9) of the Code, satisfies the requirements of that Section and has received a favorable determination letter from the IRS regarding that exempt status and has not, since receipt of the most recent favorable determination letter, been amended or operated in a way that would adversely affect that exempt status.

(k) The consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any Business Employee to severance pay, unemployment compensation or any other payment, except as provided in this Agreement or as required by applicable Law, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due to any such Business Employee, except as provided in this Agreement.

(l) It is agreed and understood that no representation or warranty is made in respect of employee benefits matters in any Section of this Agreement other than this Section 3.10.

3.11 Employees; Labor Matters. (a) The Business Employees include all the individuals required to operate the Business as presently conducted. Except for such matters that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) as of the date hereof, (A) there are no strikes or lockouts with respect to any Business Employees, (B) since January 1, 2008, no member of the Transferred Group or any ERISA Affiliate of any of the members of the Transferred Group has been a party to any agreement with any union, labor organization or collective bargaining unit or a member of any employers' collective bargaining association and, to the Knowledge of Sellers, there is no union organizing or similar effort pending or threatened involving the Business Employees, (C) there is no unfair labor practice, labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the Knowledge of Sellers, threatened with respect to the Business Employees, and (D) there is no slowdown, or work stoppage in effect or, to the Knowledge of Sellers, threatened with respect to the Business Employees, and (ii) with respect to the Business Employees, since January 1, 2011, Sellers and their Subsidiaries have been and are in compliance with all applicable Laws respecting (A) employment and employment practices,

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(B) terms and conditions of employment and wages and hours, workplace health and safety at its facilities and work sites and in other work areas, and (C) unfair labor practices or discrimination. No members of the Transferred Group has any Liabilities under the Worker Adjustment and Retraining Notification Act of 1998 or any similar state, local or foreign Law (collectively, "WARN") as a result of any action taken by Sellers or any of their Affiliates (other than at the written direction of Purchaser or as a result of any of the transactions contemplated hereby) that would have, individually or in the aggregate, a Material Adverse Effect. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no unfair labor practice charges or complaints or racial, color, religious, sex, sexual orientation, national origin, age, disability or handicap discrimination charges or complaints pending or, to the Knowledge of Sellers, threatened against any member of the Transferred Group before any Governmental Entity (nor, to the Knowledge of Sellers, does any valid basis therefor exist). Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each member of the Transferred Group has complied, and remains in compliance with, all applicable federal and state Laws mandating the provision of programs offering hazard recognition training to its employees or employees of its customers.

(b) It is agreed and understood that no representation or warranty is made in respect of labor matters in any Section of this Agreement other than this Section 3.11.

3.12 Real Property. (a) Section 3.12(a) of the Seller Disclosure Schedule sets forth a complete and accurate list of all of the real property owned by the Transferred Group that is material to the operation of the Business (the "Owned Real Property"). The Transferred Group has fee simple valid title to all Owned Real Property, free and clear of all Liens, except Permitted Liens (provided that, for purposes of this sentence, Permitted Liens shall not include any Liens securing any Debt obligations, other than such Liens that will be released on or prior to Closing with evidence thereof having been provided to Purchaser at or prior to Closing). Copies of all title reports and title insurance policies, in each case which copies are true, complete and correct in all material respects, that any of Sellers or any member of the Transferred Group possesses which relate to any of the Owned Real Property have been made available to Purchaser. Sellers have not received written notice of any, and to the Knowledge of Sellers, there is no, default under any restrictive covenants affecting, or any of the royalty obligations of any of the members of the Transferred Group pertaining to, any of the Owned Real Property and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default, except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) Section 3.12(b) of the Seller Disclosure Schedule sets forth a complete and accurate list of all of the real property leased by the Transferred Group that is material to the operation of the Business (the "Leased Real Property") and, for each of those properties, the name of its lessor, its address, and the expiration date of the lease. Sellers have provided Purchaser with copies, which copies are true, correct and complete in all material respects, of all lease agreements under which all the Leased Real Property is leased. The Transferred Group has a valid leasehold or subleasehold (as applicable) interest in all Leased Real Property, free and clear of all Liens, except Permitted Liens. All leases and subleases for the Leased Real Property under which the Transferred Group is a lessee or sublessee are in full force and effect and are enforceable in accordance with their respective terms (and the lessee party thereto has not sublet any of the leased space to any Person other than another member of the Transferred Group), subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law) except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Sellers have not received any written notice of any, and to the Knowledge of Sellers there is no, default under any such lease or sublease affecting the Leased Real Property (or any other Contract relating to any royalty obligations of any member of the Transferred Group pertaining to any of the Leased Real Property), except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Except as have not had and would not reasonably be excepted to have, individually or in the aggregate, a Material Adverse Effect, the fixed assets of each member of the Transferred Group are adequate for the purposes for which they presently are being used or held for use, ordinary wear and tear excepted.

3.13 Other Tangible Assets; Sufficiency of Assets. (a) In each case free and clear of all Liens except for Permitted Liens, the members of the Transferred Group, collectively, have (or will have as of the Closing) good and valid title to, or hold under leases that are valid and binding on the lessor party thereto, all tangible personal properties and assets used or held for use in the Business as currently conducted, except as would not be material to the Business, taken as a whole.

(b) Except as would not be material to the Business, taken as a whole, and except for equipment held for use as sources of spare parts, all the property, plant and equipment of the Business are adequate for the purposes for which they presently are being used or held for use. Except as would not be material to the Business, taken as a whole, all the assets of the Transferred Group, including the Owned Real Property, the Leased Real Property, the Transferred Group Intellectual Property, and the tangible personal property described in Section 3.13(a) and 3.13(b), are all the assets necessary for the continued operation of the Business as currently conducted.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.14 Taxes. (a) Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) all Tax Returns required to be filed by the Transferred Group have been timely filed (taking into account extensions) and all such Tax Returns are true, correct and complete; (ii) all Taxes with respect to each member of the Transferred Group or any asset of any member of the Transferred Group have been paid or will be timely paid by the due date thereof; (iii) as of the date of this Agreement, there is no pending or threatened in writing Action or other Tax Proceeding by any Taxing Authority with respect to any Taxes of any member of the Transferred Group or any asset of any member of the Transferred Group; (iv) each member of the Transferred Group has complied with all applicable Laws relating to the withholding of Taxes; (v) within the past two years no member of the Transferred Group has been a “distributing corporation” or a “controlled corporation” in a distribution intended to qualify under Section 355(a) of the Code; (vi) no member of the Transferred Group has participated in any “listed transaction” within the meaning of Treasury Regulation Section 1.6011-4; (vii) no member of the Transferred Group has Liability for Taxes of any Person (other than a member of the Transferred Group) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), or as a transferee or successor; (viii) all sales, use, transfer or similar Taxes required to be collected by each member of the Transferred Group have been duly and timely collected, or caused to be collected, and either duly and timely remitted to the proper Taxing Authority or properly set aside in accounts for such purpose in accordance with applicable Law; (ix) no member of the Transferred Group is subject to an election under Section 341(f) of the Code made prior to repeal of that section by the Jobs and Growth Tax Relief Act of 2003 (P.L. 108-27); (x) no member of the Transferred Group, Seller or Affiliate thereof has requested, or is the subject of or bound by, any private letter ruling, technical advice memorandum, closing agreement or similar ruling, memorandum or agreement with any Taxing Authority with respect to any Taxes of any member of the Transferred Group or any asset of any member of the Transferred Group, nor is any request related to the foregoing outstanding; (xi) no member of the Transferred Group will be required to include any item of income in, or exclude any item of deduction from, taxable income for any period, or portion thereof, ending after the Closing Date as a result of any (a) change in method of accounting made by Sellers or any member of the Transferred Group prior to the Closing Date, (b) installment sale or open transaction disposition made on or prior to the Closing Date or (c) prepaid amount received on or prior to the Closing Date; (xii) no member of the Transferred Group has granted any power of attorney with respect to any Taxes or Tax Return that will be in effect after the Closing Date; (xiii) no member of the Transferred Group has net operating losses or other Tax attributes presently subject (without regard to the transactions contemplated by this Agreement) to limitation under Sections 382, 383 or 384 of the Code or the U.S. federal consolidated Tax Return regulations (Treasury Regulation Section 1.1502-1 et seq.); (xiv) none of the assets of any member of the Transferred Group is (a) “tax-exempt use property” within the meaning of Section 168(h) of the Code or (b) directly or indirectly secures any debt the interest of which is exempt from Tax under Section 103(a) of the Code; (xv) since June 30, 2012, none of the following has occurred with respect to any member of the Transferred Group with respect to Taxes: (a) other than as expressly provided in this Agreement, any circumstance, condition, event or state of facts (either singly or in the aggregate) that has caused, will cause or would reasonably be expected to cause a material Tax Liability outside the ordinary course of business or that is inconsistent with past Tax accounting practices or (b) any waiver of any of rights or claims that individually is, or in the aggregate are, material to the Transferred Group; and (xvi) no member of the Transferred Group has agreed to any extension or waiver of the statute of limitations applicable to any Tax or Tax Return, or agreed to any extension of time with respect to a Tax assessment or deficiency, which period (after giving effect to such extension or waiver) has not expired.

(b) For U.S. federal tax purposes, R360 Environmental Solutions, Inc., was the employer of all holders of Incentive Units at the time such Incentive Units were issued to such holders. No member of the Transferred Group and neither Purchaser nor any Affiliate of Purchaser will have any Liability for or with respect to Taxes or obligation to reimburse any Person for or with respect to Taxes as a result of (i) the Reorganization, (ii) any other reorganization transaction occurring on or before the Closing Date and involving any member of the Transferred Group, any predecessor thereof or any Seller or Affiliate thereof or (iii) any Incentive Units.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(c) Since September 1, 2011 and prior to April 1, 2012, no member of the Transferred Group and no member of the Seller Group has (other than in connection with the acquisition of any Entity or business that is now a member of the Transferred Group or included in the Business) engaged any valuation or appraisal firm where such engagement was made for the specific purpose of producing any valuation report or appraisal with respect to the Transferred Group or the Business as a whole that indicated, at the time of filing with any Applicable Taxing Authority of any Tax Return containing any statements, assumptions or conclusions with respect to any such value, that any such value was greater than the amount reflected in or otherwise utilized for purposes of such Tax Return.

(d) It is agreed and understood that no representation or warranty is made by Sellers in this Agreement in respect of Tax matters, other than the representations and warranties set forth in Section 3.2, Section 3.4 (with respect to Liens), Section 3.5, Section 3.10, Section 3.12 (with respect to Liens), Section 3.13 (with respect to Liens), this Section 3.14 and Section 3.17 (with respect to Liens).

3.15 Environmental Matters. (a) Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(i) each of the members of Transferred Group and each of their respective predecessors (if any) has complied, during all relevant time periods specified in any applicable statutes of limitation, and remains in compliance with, and each of the facilities and operations of the Business, including those on the Owned Real Property and the Leased Real Property have been owned and operated in compliance during all relevant time periods specified in any applicable statutes of limitation, and remain in compliance with, all applicable Environmental Laws;

(ii) each of the members of the Transferred Group has obtained and is in compliance with all Permits required under all applicable Environmental Laws and is in compliance with all Orders (including consent decreases and notices of violation) under applicable Environmental Laws necessary to operate the Business (the "Environmental Permits"); each of the Environmental Permits is valid and in full force and effect; and no Action or proceedings are pending or, to the Knowledge of Sellers, threatened to suspend, modify, cancel, revoke or limit any of the Environmental Permits;

(iii) no member of the Transferred Group is subject to any consent decree or other Order related to the conduct of the Business or the condition of the Owned Real Property or Leased Real Property by any Governmental Entity, respecting applicable Environmental Laws, Remedial Action or any Release or threatened Release of a Hazardous Substance;

(iv) no member of the Transferred Group is subject to any pending, or to the Knowledge of Sellers, threatened, Action or claim alleging that the Business is in violation of any Environmental Law or any Environmental Permit or that the Transferred Group (with respect to the Business) has any Liability or obligation to take any Remedial Action under any applicable Environmental Law;

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(v) no member of the Transferred Group (and no agent or contractor of any member of the Transferred Group) has transported or arranged for the transportation of any Hazardous Substances to, or disposed or arranged for the disposition of any Hazardous Substances at, any off-site location that would reasonably be expected to lead to any Action against Purchaser or the any member of the Transferred Group for any clean-up costs, Remedial Action, damage to natural resources, personal injury or property damage; and

(vi) except for customary financial assurance and site closure obligations, none of the properties or other assets of any of the members of the Transferred Group (including the Owned Real Property and the Leased Real Property) are encumbered by any Lien arising or imposed under any Environmental Law.

(b) It is agreed and understood that no representation or warranty is made by Sellers in respect of environmental matters, other than the representations and warranties set forth in Section 3.5 and this Section 3.15

3.16 Significant Contracts. (a) Section 3.16(a) of the Seller Disclosure Schedule sets forth as of the date of this Agreement a true and complete list of the following Contracts (other than purchase orders and invoices) to which any of the Transferred Group is a party or is bound (together with the Acquisition Agreements, the "Significant Contracts"):

(i) Contracts material to the Business containing a minimum purchase requirement for the Transferred Group to purchase during the twelve (12)-month period immediately following, or pursuant to which the Transferred Group has purchased during the twelve (12)-month period immediately preceding, December 31, 2011, in the aggregate, a minimum of $3,000,000 of goods and/or services on an annual basis;

(ii) Contracts material to the Business containing a minimum supply commitment for the Transferred Group to sell during the twelve (12)-month period immediately following, or pursuant to which the Transferred Group has sold during the twelve (12)-month period immediately preceding, December 31, 2011, in the aggregate, a minimum of $3,000,000 of goods and/or services on an annual basis;

(iii) any Contract containing any future capital expenditure obligations of the Transferred Group (or otherwise relating to the Business) in excess of $4,000,000;

(iv) Contracts evidencing Indebtedness in an amount greater than $2,000,000, other than the Credit Agreement;

(v) any joint venture, partnership or other similar agreement involving co-investment between the Transferred Group and a third party;

(vi) any Contract relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) under which the Transferred Group will have an obligation with respect to an "earn out," contingent purchase price, or similar contingent payment obligation that is reasonably expected to be $1,000,000 or greater in amount;

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(vii) any Contract containing covenants that would restrict or limit in any material respect the ability of the Transferred Group after the Closing to engage in the Business or compete with respect to the Business with any Person or in any geographic area;

(viii) any Contract that is in effect as of the date hereof to purchase or sell real property after the date hereof; and

(ix) any Contract with any of Sellers or any of their respective Affiliates (other than members of the Transferred Group) under which payments to or from the Transferred Group are reasonably expected to be $1,000,000 or greater in amount.

(b) Copies of all written Significant Contracts, and written descriptions of all oral Significant Contracts, in each case that are true, correct and complete in all material respects, have been made available to Purchaser. Each Significant Contract (including, for the avoidance of doubt, the Acquisition Agreements) is a legal, valid and binding obligation of the Transferred Group, and, to the Knowledge of Sellers, on each counterparty thereto, and is in full force and effect and are valid and enforceable obligations of the parties thereto in accordance with their respective terms, except as that enforceability may be (i) limited by any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and (ii) subject to general principles of equity (regardless of whether that enforceability is considered in a proceeding in equity or at law), and no defenses, off-sets or counterclaims have been asserted or, to the Knowledge of Sellers, may be made by any party thereto (other than by any of the members of the Transferred Group), nor has any member of the Transferred Group waived any rights thereunder. No member of the Transferred Group or, to the Knowledge of Sellers, any other party thereto, is in breach of, or in default under, any such Significant Contract (including, for the avoidance of doubt, the Acquisition Agreements), and no event has occurred that with notice or lapse of time or both would constitute such a breach or default thereunder by any member of the Transferred Group, or, to the Knowledge of Sellers, any other party thereto, except for such failures to be valid, binding or in full force and effect and such breaches and defaults that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Except as set forth in Section 3.16(c) of the Seller Disclosure Schedule or as contemplated by this Agreement, as of the date of this Agreement, none of Sellers has knowledge of any plan or intention of any party to any Significant Contract that is material to the Business to exercise any right to cancel or terminate (before the end of its stated term, where applicable) that Significant Contract.

3.17 Intellectual Property. (a) Section 3.17(a) of the Seller Disclosure Schedule: (i) sets forth a list of all applications and registrations of Intellectual Property owned or used by the Transferred Group that is material to the Business as conducted as of the date of this Agreement (the " Transferred Group Registered Intellectual Property") and (ii) indicates the owner of each item of such Transferred Group Registered Intellectual Property.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) members of the Transferred Group own, free and clear of all Liens except for Permitted Liens, or are licensed or otherwise possess valid rights to the uninterrupted use of the Transferred Group Intellectual Property in the Business as currently conducted; (ii) to the Knowledge of the Sellers, the conduct of the Business as currently conducted does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any third party; (iii) there are no pending or, to the Knowledge of Sellers, any threatened claims with respect to any of the Transferred Group Intellectual Property or to the effect that the Business infringes the Intellectual Property of any third party; (iv) no consent of any Person will be required for the use of any of the Transferred Group Intellectual Property by Purchaser or any Subsidiary of Purchaser in connection with the conduct of the Business following the Closing; (v) no governmental registration of any of the Transferred Group Intellectual Property has lapsed or expired or been canceled, abandoned, opposed or the subject of any reexamination request and (vi) to the Knowledge of Sellers, no third party is currently infringing or misappropriating the Transferred Group Intellectual Property and the Business does not infringe the Intellectual Property of any third party. The registered Transferred Group Intellectual Property is in force and valid, or to the extent such items are applications, are pending (other than provisional patent applications which have been duly filed and are not expired) without challenge (other than office actions that may be pending before the United States Patent and Trademark Office or its foreign equivalents).

(c) Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not: (i) constitute a breach of any instrument or agreement governing any Transferred Group Intellectual Property; (ii) cause the forfeiture or termination or give rise to a right of forfeiture or termination of any Transferred Group Intellectual Property; or (iii) otherwise impair the right of any of the members of the Transferred Group to use or otherwise exploit, assert or enforce any Transferred Group Intellectual Property.

3.18 Insurance. Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Transferred Group is insured with reputable insurers against such risks and in such amounts as Sellers and the management of the Transferred Group reasonably has determined to be prudent and consistent with the general practice of institutions of comparable size of operations to the Transferred Group conducting operations substantially similar to the Business. Each member of the Transferred Group is in compliance with, and not in default under, the insurance policies held in respect of the Business or otherwise maintained by or for the Transferred Group (the " Transferred Group Insurance Policies") in all material respects, and each such policy is outstanding and in full force and effect, except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all premiums and other payments due under the Transferred Group Insurance Policies have been paid, and all claims thereunder have been filed in due and timely fashion.

3.19 Brokers. Except for the Persons set forth in Section 3.19 of the Seller Disclosure Schedule, whose fees with respect to the transactions contemplated by this Agreement will be borne by Sellers, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Sellers.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

3.20 Exclusivity of Representations and Warranties. Notwithstanding the delivery or disclosure to Purchaser or its officers, directors, employees, agents, representatives, lenders, Affiliates or any other Person acting on its behalf of any documentation or other information (including any financial projections or other supplemental data), except as otherwise expressly set forth in this Article III and any certificate or other instrument delivered by Sellers pursuant to this Agreement, Sellers expressly disclaim any representations or warranties of any kind or nature, express or implied, as to the condition, value or quality of the Transferred Group's businesses or assets, and specifically disclaim any representation or warranty of merchantability, usage, suitability or fitness for any particular purpose with respect to their assets, any part thereof, the workmanship thereof, and the absence of any defects therein, whether latent or patent.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES
OF PURCHASER

Except as set forth in the corresponding section of the disclosure schedule delivered by Purchaser to Sellers concurrently with the execution and delivery of this Agreement (the "Purchaser Disclosure Schedule"), it being understood that any disclosure set forth in the applicable paragraph or section of the Purchaser Disclosure Schedule shall be deemed to be disclosed for any other section or paragraph of the Purchaser Disclosure Schedule or for any portion of this Agreement to which the relevance of such disclosure is reasonably apparent from the context of such disclosure, Purchaser represents and warrants to Purchaser as follows:

4.1 Organization and Qualification. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of Delaware, and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted and is qualified to do business and is in good standing as a foreign Person in each jurisdiction where the ownership, leasing or operation of its properties or assets or conduct of its business requires such qualification.

4.2 Authority Relative to this Agreement. Purchaser has all necessary power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement. The execution, delivery and performance by Purchaser of this Agreement and the consummations of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary action on the part of Purchaser and no other proceedings on the part of Purchaser are necessary to authorize the execution and delivery and performance of this Agreement. This Agreement has been duly and validly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery of this Agreement by Sellers, constitutes a valid, legal and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or at Law).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

4.3 Consents and Approvals; No Violations. No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Entity is required on the part of Purchaser for the execution, delivery and performance by Purchaser of this Agreement or the consummation by Purchaser of the transactions contemplated by this Agreement, except compliance with the applicable requirements of the HSR Act. Assuming compliance with the items described in the immediately preceding sentence, and except as would not impair in any material respect the ability of Sellers or Purchaser, as the case may be, to perform their respective obligations under this Agreement or prevent or materially delay the consummation of the Sale, neither the execution, delivery and performance of this Agreement by Purchaser nor the consummation by Purchaser of the transactions contemplated by this Agreement will (A) conflict with or result in any breach, violation or infringement of any provision of the Charter Documents of Purchaser or any of its Subsidiaries, (B) result in a breach, violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default under, any of the terms, conditions or provisions of any Contract to which Purchaser or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound or (C) violate or infringe any Law applicable to Purchaser or any of its Subsidiaries or any of their respective properties or assets.

4.4 Availability of Funds. Purchaser will have available on the Closing Date funds sufficient to pay the Aggregate Value Amount and expenses and will be able to pay or otherwise perform the obligations of Purchaser under this Agreement. In no event shall the receipt or availability of any funds or financing by Purchaser or any Affiliate or any other financing or other transactions be a condition to any of Purchaser's obligations hereunder.

4.5 Solvency. Assuming (a) the satisfaction of the conditions to Purchaser's obligation to effect the transactions contemplated by this Agreement or waiver of such conditions and (b) the accuracy of the representations and warranties of Sellers contained herein and compliance in all material respects by Sellers with the covenants contained herein, immediately after giving effect to the consummation of the transactions contemplated by this Agreement, Purchaser will be Solvent. For purposes of this Section 4.5, "Solvent" shall mean, with respect to any Person, that:

(i) the fair saleable value (determined on a going concern basis) of the assets of such Person shall be greater than the total amount of such Person's Liabilities (including all Liabilities, whether or not reflected in a balance sheet prepared in accordance with GAAP, and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed);

(ii) such Person shall be able to pay its debts and obligations in the ordinary course of business as they become due; and

(iii) such Person shall have adequate capital to carry on its businesses and all businesses in which it is about to engage.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

4.6 Litigation. As of the date of this Agreement, (i) there is no civil, criminal or administrative Action pending, or to the Knowledge of Purchaser, threatened, against Purchaser or any of its Subsidiaries that would reasonably be expected to prevent, hinder or delay any of the transactions contemplated hereby and (ii) neither Purchaser nor any Subsidiary thereof is subject to any outstanding Order, writ, or injunction that would reasonably be expected to prevent, hinder or delay any of the transactions contemplated hereby.

4.7 Broker's Fees. Except for the Persons set forth in Section 4.7 of the Purchaser Disclosure Schedule, whose fees with respect to the transactions contemplated by this Agreement will be borne by Purchaser, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

4.8 Acquisition of Securities for Investment. Purchaser has such knowledge and experience in financial and business matters as is required for evaluating the merits and risks of its purchase of the Securities and is capable of such evaluation. Purchaser confirms that Sellers have made available to Purchaser and Purchaser's agents the opportunity to ask questions of the officers and management employees of Sellers and of the Transferred Group as well as access to the documents, information and records of Sellers and the Transferred Group and to acquire additional information about the business and financial condition of the Business, and Purchaser confirms that it has made an independent investigation, analysis and evaluation of the Transferred Group and its properties, assets, business, financial condition, prospects, documents, information and records. Purchaser is acquiring the Securities for the purpose of investment and not with a view toward or for resale in connection with any distribution thereof, or with any present intention of distributing or selling the Securities. Purchaser acknowledges that the Securities have not been registered under the Securities Act or any state securities Laws and agrees that the Securities may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from such registration available under the Securities Act, and without compliance with foreign securities Laws, in each case, to the extent applicable. Purchaser represents that it is an "accredited investor" as that term is defined in rule 501 of Regulation D of the Securities Act.

4.9 Inspections; Limitation of Sellers' Warranties. Purchaser acknowledges and agrees that it has conducted its own independent review and analysis of, and, based thereon and on the representations and warranties contained in Article III, has formed an independent judgment concerning, the business, assets, condition, operations and prospects of the Transferred Group. In entering into this Agreement, Purchaser has relied solely upon its own investigation and analysis and the representations and warranties contained in Article III. Except for the representations and warranties contained in Article III, Purchaser acknowledges that neither Sellers nor any other Person or entity on behalf of Sellers has made, and Purchaser has not relied upon, any representation or warranty, whether express or implied, with respect to Sellers, the Transferred Group or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to Purchaser or any of its officers, directors, employees, agents, representatives, lenders, Affiliates or any other Person acting on its behalf by or on behalf of Sellers' officers, directors, employees, agents, representatives, lenders or Affiliates.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

4.10 No Regulatory Impediment. To the Knowledge of Purchaser, there is no material fact relating to Purchaser or any of its Subsidiaries' respective businesses, operations, financial condition or legal status that would reasonably be expected to materially impair the ability of the Parties to this Agreement to obtain, on a timely basis, any authorization, consent, Order, declaration or approval of, or ability to contract with, any Governmental Entity necessary for the consummation of the transactions contemplated by this Agreement.

ARTICLE V

COVENANTS

5.1 Access and Reports. Except with respect to matters relating to Taxes (which shall be governed by Article VII), the Parties agree as follows.

(a) After the date of this Agreement until the Closing Date (or the termination of this Agreement in accordance with its terms), Sellers shall afford to representatives of Purchaser and its lenders or other financing sources reasonable access to the employees, properties, facilities, contracts and books and records of Sellers and the Transferred Group during normal business hours in a manner that does not contravene any applicable Law, upon reasonable notice; provided, however, that (i) none of Sellers or any member of the Transferred Group shall be required to violate any obligation of confidentiality to which a Seller, the Transferred Group or any of their respective Affiliates may be subject as of the date hereof in discharging their obligations pursuant to this Section 5.1(a) (it being understood that the Parties shall use commercially reasonable efforts to implement substitute arrangements in such circumstances); (ii) Sellers shall make available, or cause the Transferred Group to make available, Business Employee personnel files only after the Closing Date; and (iii) prior to the Closing Date, Purchaser shall not conduct any sampling of soil, sediment, surface water, ground water or building material at, on, under or within any facility on the Owned Real Property or the Leased Real Property.

(b) Purchaser agrees that any permitted investigation undertaken by Purchaser pursuant to the access granted under Section 5.1(a) shall be conducted in such a manner as not to interfere unreasonably with the operation of the Business by Sellers or the Transferred Group. Notwithstanding anything to the contrary in this Agreement, neither Sellers nor the Transferred Group shall be required to provide access to or disclose information where, upon the advice of counsel, such access or disclosure would jeopardize the attorney-client privilege of such Persons or contravene any applicable Law (it being understood that the Parties shall use commercially reasonable efforts (which efforts shall not require waiver of attorney-client privilege) to implement substitute arrangements in such circumstances).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(c) From the date of this Agreement until the Closing Date (or the termination of this Agreement in accordance with its terms), Sellers will furnish to Purchaser promptly after becoming available, monthly financial statements including an unaudited balance sheet (the " Monthly Balance Sheet"), income statement and statement of cash flows for each month through the month immediately preceding the month in which the Closing Date occurs, each as it may prepare for the internal use by the management of the Business consistent with the past accounting practices and policies of the Business, with respect to the Business.

(d) At and after the Closing, Purchaser shall, and shall cause its Subsidiaries (including the Transferred Group) to, afford to Sellers and their respective representatives, during normal business hours, in a manner that does not contravene any applicable Law, upon reasonable notice, access to the books, records, properties and employees of the Transferred Group to the extent that such access may be reasonably requested by Sellers, including in connection with financial statements, proceedings before the Independent Accounting Firm, taxes and regulatory obligations. At and after the Closing, Sellers shall, and shall cause their respective Subsidiaries to, afford to Purchaser and its representatives, during normal business hours, in a manner that does not contravene any applicable Law, upon reasonable notice, access to the books, records, properties and employees of the Sellers to the extent that such access may be reasonably requested by Purchaser, including in connection with financial statements, proceedings before the Independent Accounting Firm, taxes and regulatory obligations. Notwithstanding anything to the contrary in this Agreement, neither Purchaser, Seller nor any member of the Transferred Group or Seller Group shall be required to provide access to or disclose information where, upon the advice of counsel, such access or disclosure would jeopardize the attorney-client privilege of such Person or contravene any applicable Law. Nothing in this Agreement shall limit Sellers' or Purchaser's rights of discovery under applicable Law.

5.2 Confidentiality. (a) The terms of the Confidentiality Agreement are incorporated into this Agreement by reference and shall be applicable to Purchaser to the same extent as they are applicable to Waste Connections; provided, however, that (i) the Confidentiality Agreement shall not expire as a result of the parties thereto entering into this Agreement and shall instead continue in full force and effect until the earlier of the Closing or the date specified in clause (iii) of this sentence, (ii) upon Closing, Purchaser's and Waste Connections' confidentiality obligations shall terminate in respect of that portion of the Confidential Information (as defined in the Confidentiality Agreement) relating to the Business (except to the extent relating to the Seller Group) and shall otherwise continue in full force and effect until the second anniversary of the Closing Date, and (iii) if, for any reason, this Agreement is terminated in accordance with its terms prior to the Closing, the Confidentiality Agreement shall continue in full force and effect until the second anniversary of such termination.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) For a period of two years immediately following the Closing Date, except as may be required by applicable Law or as otherwise expressly contemplated herein or as necessary to enforce any of its rights hereunder or defend any Action hereunder, the Sellers shall (i) treat and hold, and shall cause its Affiliates (for all purposes under this Section 5.2(b), including investment funds that are Affiliates of such Seller and controlled Affiliates of such funds, but excluding any Entities that are portfolio companies of such investment funds as of the date hereof) to treat and hold, and not disclose (or permit to disclose) to any Person (including any portfolio companies of investment funds that are Affiliates of such Seller) any Business Confidential Information of any of the members of the Transferred Group relating to the Business and (ii) refrain, and shall cause its Affiliates to refrain, from using any of such Business Confidential Information except in connection with this Agreement; provided, however, that Sellers may disclose or use such Business Confidential Information to comply with any applicable Law or Order, provided that, to the extent permitted by applicable Law or Order, prior to making any such disclosure, the disclosing Person shall (A) provide written notification to Purchaser of any Action, of which it is aware, which may result in disclosure, the nature of such information to be disclosed, and a description of the Law or Order requiring such disclosure and (B) use reasonable best efforts to prevent or limit such disclosure to that portion of the Business Confidential Information that is legally required to be disclosed.

5.3 Efforts. (a) Subject to the terms and conditions herein provided (including paragraph (c) below), each of Purchaser and Sellers shall use their reasonable best efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under this Agreement and applicable Laws to consummate and make effective as promptly as practicable after the date hereof the transactions contemplated by this Agreement, including (i) preparing as promptly as practicable all necessary applications, notices, petitions, filings, ruling requests, and other documents and to obtain as promptly as practicable all consents, waivers, licenses, orders, registrations, approvals, permits, rulings, authorizations and clearances necessary or advisable to be obtained from any Governmental Entity in order to consummate the transactions contemplated by this Agreement (collectively, the "Governmental Approvals") and (ii) as promptly as practicable taking all steps as may be necessary to obtain all such Governmental Approvals. In furtherance and not in limitation of the foregoing, each Party hereto agrees to (A) make an appropriate and complete filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby within ten (10) Business Days of the date of this Agreement, and (B) not extend any waiting period under the HSR Act or any other Antitrust Law, nor enter into any agreement with the United States Federal Trade Commission (the "FTC") or the United States Department of Justice (the "DOJ") or any other Governmental Entity not to consummate the transactions contemplated by this Agreement, except with the prior written consent of the other Party (which shall not be unreasonably withheld, conditioned or delayed). Each Party shall supply as promptly as practicable any additional information or documentation that may be requested pursuant to the HSR Act or any other Antitrust Law and, subject to the terms and conditions herein provided (including paragraph (c) below), use its reasonable best efforts to take all other actions necessary, proper or advisable to cause the expiration or termination of the applicable waiting periods under the HSR Act and any other Antitrust Law as soon as possible.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) Each of Purchaser and Sellers shall, in connection with the actions referenced in Section 5.3(a) to obtain all Governmental Approvals for the transactions contemplated by this Agreement under the HSR Act or any other Antitrust Law, (i) cooperate in all respects with each other in connection with any communication, filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) keep the other Party and/or its counsel informed of any communication received by such party from, or given by such party to, the FTC, the DOJ or any other U.S. or other Governmental Entity and of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, unless any such Governmental Entity restricts the provision of such information to the other Party; (iii) consult with each other in advance of any meeting or conference with the FTC, the DOJ or any other Governmental Entity or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the FTC, the DOJ or such other Governmental Entity or other person, give the other party and/or its counsel the opportunity to attend and participate in such meetings and conferences; and (iv) permit the other party and/or its counsel to review in advance any submission, filing or communication (and documents submitted therewith) intended to be given by it to the FTC, the DOJ or any other Governmental Entity; provided that materials may be redacted to remove references concerning the valuation of the businesses of Sellers or Purchaser. Purchaser and Sellers, as each deems advisable and necessary, reasonably designate any competitively sensitive material to be provided to the other under this Section 5.3(b) as "Antitrust Counsel Only Material." Such materials and the information contained therein shall be given only to the outside antitrust counsel of the recipient and will not be disclosed by such outside counsel to employees, officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (Purchaser or Sellers, as the case may be) or its legal counsel.

(c) In furtherance and not in limitation of the covenants of the Parties contained in Sections 5.3(a) and 5.3(b), Purchaser shall use its reasonable best efforts to: (i) avoid the entry of, or to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that would restrain, prevent or delay the Closing on or before the Outside Date, including defending through litigation on the merits any claim asserted in any court with respect to the transactions contemplated by this Agreement by the FTC, the DOJ or any other applicable Governmental Entity or any private party; and (ii) avoid or eliminate each and every impediment under any Antitrust Law so as to enable the Closing to occur as soon as possible (and in any event no later than the Outside Date). Without limiting the immediately preceding sentence, the obligations set forth in the immediately preceding sentence to use reasonable best efforts shall require Purchaser to (x) propose, negotiate, commit to and effect, by consent decree, hold separate order, or otherwise, the sale, divestiture or disposition of any of the businesses, product lines or assets of Waste Connections or its Subsidiaries or the Transferred Group (collectively, the "Subject Assets"), (y) otherwise take or commit to take actions that after the Closing would limit Purchaser's and/or its Subsidiaries' freedom of action with respect to, or its or their ability to operate and/or retain, one or more of the Subject Assets, and (z) agree to divest, sell, dispose of, hold separate, or otherwise take or commit to take any action that limits its freedom of action with respect to, or Purchaser's or its Subsidiaries' freedom of action with respect to, or its or their ability to operate or retain, any of the Subject Assets; provided, however, that any action contemplated by clauses (x), (y) and (z) may be conditioned upon the consummation of the transactions contemplated by this Agreement. It shall not be deemed a failure to satisfy the conditions specified in Section 8.1(a) if, as a result of any suit brought by any Person or Governmental Authority challenging the transactions contemplated by this Agreement as violating any Antitrust Law, a court enters or the applicable Governmental Authority makes an order or decree permitting the transactions contemplated by this Agreement, but requiring that any of the Subject Assets be divested or held separate by Purchaser, or that would otherwise limit Purchaser's freedom of action with respect to, or its ability to operate and retain, the Subject Assets.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(d) Without limiting any other obligation under this Agreement, during the period from the date of this Agreement until the Closing Date, each of Purchaser and Sellers shall not, and shall cause its Subsidiaries and controlled Affiliates to not, take or agree to take any action that would reasonably be expected to prevent or materially delay the Parties from obtaining any Governmental Approval in connection with the transactions contemplated by this Agreement, or to prevent or materially delay or impede the consummation of the transactions contemplated herein.

(e) Purchaser agrees to provide such security and assurances as to financial capability, resources and creditworthiness as may be reasonably requested by any Governmental Entity or other third party whose consent or approval is sought in connection with the transactions contemplated hereby. Whether or not the Sale is consummated, Purchaser shall be responsible for all filing fees and payments to any Governmental Entity in order to obtain any consents, approvals or waivers pursuant to this Section 5.3.

(f) Sellers shall give prompt notice to Purchaser of any Action commenced or, to the Knowledge of Sellers, threatened against, relating to or otherwise affecting Sellers or any member of the Transferred Group arising out of the transactions contemplated by this Agreement. Purchaser shall give prompt notice to Sellers of any Action commenced or, to the Knowledge of Purchaser, threatened against, relating to or otherwise affecting Purchaser arising out of the transactions contemplated by this Agreement.

5.4 Conduct of Business. (a) During the period from the date of this Agreement to the Closing Date, except (i) as set forth in Section 5.4 of the Seller Disclosure Schedule, (ii) as expressly contemplated by this Agreement or (iii) as Purchaser shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), Sellers agree that they will, and will cause the Transferred Group and its Affiliates (in respect of the Business) to, (x) conduct the Business in all material respects in the ordinary course consistent with past practice, (y) comply in all material respects with all applicable Laws, Orders and Permits, and (z) use their commercially reasonable efforts to preserve intact the Business in all material respects and to cause the Transferred Group to retain the Business Employees and maintain the relationships of the Business with customers, suppliers, subcontractors, licensors, licensees and others having business relations with it.

(b) During the period from the date of this Agreement to the Closing Date, except (A) as set forth in Section 5.4(b) of the Seller Disclosure Schedule, (B) as Purchaser shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), (C) as expressly contemplated by this Agreement, (D) except with respect to clause (iii) below, for actions between a member of the Transferred Group on the one hand and another member of the Transferred Group on the other hand and (E) as required by applicable Law, Sellers covenant and agree that they shall not, and shall cause the members of the Transferred Group and their respective Affiliates not to, take any of the following actions (with respect to Sellers and their Affiliates other than the Transferred Group, solely with respect to the Securities and the Business):

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(i) (1) amend their respective Charter Documents, (2) split, combine or reclassify their outstanding capital stock or other equity interests, or (3) except as may be required by the Credit Agreement, declare, set aside or pay any dividend or distribution in kind or of noncash property to any Person other than a member of the Transferred Group except as set forth in the Reorganization Plan (as it may be amended in accordance with Section 2.5);

(ii) sell or otherwise transfer any of the Securities or issue, sell, pledge or dispose of, or agree to issue, sell, pledge or dispose of, any additional shares of, or any options, warrants or rights of any kind to acquire any shares of capital stock of any class or other equity interests of any of the members of the Transferred Group or any debt or equity securities which are convertible into or exchangeable for such capital stock or other equity interests;

(iii) effect any steps in connection with the Reorganization, including any mergers, consolidations, contributions, distributions, issuances, liquidations, dissolutions, combinations, sales, transfers, conveyances, assumptions, assignments, novations or similar actions in connection therewith, except as set forth in the Reorganization Plan (as it may be amended in accordance with Section 2.5);

(iv) engage in any practice (including (A) waiving rights or claims of the Business in exchange for cash or other current assets, or (B) practices that would have the effect of accelerating recognition of accounts receivable or other current assets to earlier periods or postponing recognition of accounts payable or other current liabilities to later periods, in each case outside the ordinary course consistent with past practice) the primary purpose of which is to artificially inflate the Adjustment Amount;

(v) incur any Indebtedness; provided that members of the Transferred Group may incur Indebtedness to the extent that such Indebtedness will be repaid at or prior to the Closing;

(vi) except as may be required by the Credit Agreement, make any acquisition of any assets or businesses, other than purchases in the ordinary course of business and consistent with past practice, for aggregate consideration in excess of $10,000,000;

(vii) fail to make capital expenditures in the ordinary course of business;

(viii) sell, assign, lease, transfer or dispose of any properties or assets of the Business, other than RoadBase and salvaged crude oil inventory;

(ix) voluntarily terminate or materially amend any Significant Contract or Permit;

(x) enter into any Contract that would have been a Significant Contract if it had been in effect as of the date of this Agreement, other than customer or supplier contracts, service contracts, product purchase agreements or renewals or extensions of existing agreements, in each case in the ordinary course of business and consistent with past practice;

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(xi) increase or agree to increase the compensation or severance payable or to become payable to any Business Employee or make any discretionary bonus or management fee payment to any Business Employee, except bonuses or salary increases to Employees at the times and in the amounts consistent with past practice;

(xii) (A) adopt, establish, amend or terminate any Benefit Plan or (B) take any discretionary action, or omit to take any contractually required action, if that action or omission would either (1) deplete the assets of any Benefit Plan or (2) increase the Liabilities or obligations under any Benefit Plan;

(xiii) enter into, amend or extend any collective bargaining or other labor agreements;

(xiv) create, assume or intentionally permit to be created or imposed any Lien (other than Permitted Liens) upon any of the properties or other assets of the Business, whether now owned or hereafter acquired;

(xv) destroy or remove any material records relating to the Business;

(xvi) enter into any settlement or release with respect to any material Action;

(xvii) make any material change in any present accounting or Tax methods, elections, principles or practices, except as required by changes in GAAP or applicable Law;

(xviii) amend any material Tax Return or settle or compromise any material Tax Liability or enter into any material agreement or preliminary settlement with any Governmental Entity concerning material Taxes; or make or change any material Tax election; or file with, or provide to, any Governmental Entity any waiver extending the statutory period for assessment or reassessment of material Taxes or any other waiver of restrictions on assessment or collection of any material Taxes; or change an annual accounting period for Tax purposes; or affirmatively surrender any right to claim a refund of material Taxes;

(xix) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, or other reorganization related to any member of the Transferred Group; or

(xx) agree or commit to take any action that, if taken, would constitute a breach of this Section 5.4(b).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(c) At or prior to the Closing, Sellers shall, subject to Section 5.5, assign, transfer and convey to Purchaser or one or more members of the Transferred Group all of their (and any of their Subsidiaries') right, title and interest in the agreements and Intellectual Property set forth on Section 5.4(c) of the Seller Disclosure Schedule, and Purchaser or such member(s) of the Transferred Group shall assume the obligations thereunder in accordance with the terms thereof. If Sellers are unable to obtain one or more required consents prior to the Closing from the applicable third party or Governmental Entity to transfer one or more of the agreements and Intellectual Property set forth in Section 5.4(c) of the Seller Disclosure Schedule, then Sellers shall pass through to Purchaser or the Transferred Companies (and any of their Subsidiaries), and the Transferred Companies shall accept and assume, the benefits and burdens of such agreements and Intellectual Property and shall continue to reasonably cooperate with Purchaser and the Transferred Group to obtain such consents after the Closing.

(d) At or prior to the Closing, Sellers shall, subject to Section 5.5, assign, transfer and convey to Purchaser or one or more members of the Transferred Group all of their right, title and interest in (i) the Permits set forth in Section 5.4(d) of the Seller Disclosure Schedule and (ii) performance bonds and leases associated therewith, and Purchaser or such member(s) of the Transferred Group shall assume the obligations thereunder in accordance with the terms thereof. For the avoidance of doubt, the treatment of any leases and Indemnified Guarantees related to the Permits set forth in Section 5.4(d) of the Seller Disclosure Schedule shall be governed by Section 5.7. If Sellers are unable to obtain one or more required consents prior to the Closing from the applicable Governmental Entity to transfer one or more of the permits set forth in Section 5.4(d) of the Seller Disclosure Schedule, then Sellers shall pass through to Purchaser or the Transferred Companies (and any of their Subsidiaries'), and the Transferred Companies shall accept and assume, the benefits and burdens of such Permits and shall continue to reasonably cooperate with Purchaser and the Transferred Group to obtain such consents after the Closing.

(e) Notwithstanding the foregoing, nothing in this Section 5.4 shall prohibit or otherwise restrict in any way the operation of the business of Sellers and their Affiliates except solely with respect to the conduct of the Business.

5.5 Consents. From the date of this Agreement until the Closing Date (or the termination of this Agreement in accordance with its terms), Sellers shall, and shall cause the Transferred Group to, reasonably cooperate with Purchaser to obtain any consents required from third parties in connection with the consummation of the transactions contemplated by this Agreement; provided that Sellers shall not be responsible for payment of any consent fee (or other payment to a counterparty) in connection with seeking such consents. For the avoidance of doubt, in no event shall Sellers have any Liability for the failure to obtain any consent or to assign, convey or transfer any Permit, agreement, Intellectual Property or other asset (including the Permits, agreements, Intellectual Property and assets listed on Sections 5.4(c) and 5.4(d) of the Seller Disclosure Schedule), nor shall such failure be deemed to be a default or breach of any covenant, representation or warranty of Sellers (it being understood that any action or omission by Sellers other than any such failure shall not be prevented by this sentence from being deemed a breach of Sections 3.4, 3.13, 3.16, or 5.4, this Section 5.5 and Section 5.15) or failure to satisfy any condition to any of Purchaser's obligations hereunder.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

5.6 Public Announcements. Prior to the Closing, no Party or any Affiliate or representative of any Party shall issue or cause the publication of the initial press release or public announcement in respect of this Agreement or make any other public communication (which, for the avoidance of doubt, shall not include any communication to limited partners or other investors in any investment fund directly or indirectly invested in the Transferred Group) regarding the transactions contemplated by this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by applicable Law or stock exchange rules, in which case the Party required to publish such press release or public announcement or make such other communication shall use commercially reasonable efforts to provide the other Party a reasonable opportunity to comment on such press release or public announcement in advance of such publication or such other communication in advance of the time it is made.

5.7 Guarantees; Commitments. (a) From and after the Closing, Purchaser and the Transferred Group, jointly and severally, shall indemnify and hold harmless each Seller and each of their respective Affiliates, directors, officers, employees, representatives, attorneys, accountants, advisors, agents and equity holders against any post-Closing Losses that Sellers and their respective Affiliates, directors, officers, employees, representatives, attorneys, accountants, advisors, agents and equity holders suffer, incur or are liable for by reason of or arising out of or in consequence of: (i) any of Sellers and their respective Affiliates, directors, officers, employees, representatives, attorneys, accountants, advisors, agents and equity holders issuing, making payment under, being required to pay or reimburse the issuer of, or being party to, any guarantee, indemnity, surety bond, letter of credit, bank guarantee, keepwell agreement, consumer financing arrangements, or other similar commitment, understanding, agreement or obligation relating to the Business listed in Section 5.7(a) of the Seller Disclosure Schedule and the Substituted Guarantees (collectively, the " Indemnified Guarantees"); (ii) any claim or demand for payment made on Sellers or any of their respective Affiliates with respect to any of the Indemnified Guarantees; or (iii) any Action, claim or proceeding by any Person who is or claims to be entitled to the benefit of or claims to be entitled to payment, reimbursement or indemnity with respect to any Indemnified Guarantees.

(b) Prior to the Closing, Purchaser shall use its reasonable best efforts to cause itself to be substituted in all respects for each Seller and its Affiliates (other than the members of the Transferred Group), and for each Seller and its Affiliates (other than the members of the Transferred Group) to be released, in each case effective as of the Closing or (if such substitution and release cannot be effected as of the Closing) as soon as possible after the Closing, in respect of all obligations of each Seller and any of its Affiliates (other than the members of the Transferred Group) under each of the guarantees, indemnities, surety bonds, letters of credit, bank guarantee, keepwell agreements, consumer financing arrangements and other similar commitments, understandings, agreements and other obligations of such Persons related to the Business listed on Section 5.7(b) of the Seller Disclosure Schedule (collectively, the "Substituted Guarantees"). In furtherance and not in limitation of the preceding sentence, at Sellers' request, Purchaser will, and will cause the Transferred Group to, assign or cause to be assigned, any lease underlying a Substituted Guarantee to an Affiliate of Purchaser meeting the applicable net worth and other requirements in such lease to give effect to the provisions of the preceding sentence. For any Substituted Guarantees for which Purchaser or the Transferred Group, as applicable, is not substituted in all respects for each Seller and its Affiliates (or for which each Seller and its Affiliates are not released) effective as of the Closing, Purchaser shall continue to use reasonable best efforts and shall cause the Transferred Group to use reasonable best efforts to effect such substitution and release after the Closing. For each letter of credit issued pursuant to the Credit Agreement for which Purchaser is not substituted in all respects for each Seller and its Affiliates (or for which each Seller and its Affiliates are not released) effective as of the Closing, Purchaser shall either (x) cash collateralize such letter of credit in accordance with the provisions of the Credit Agreement or (y) provide a backstop letter of credit satisfactory to the Issuing Bank (as defined in the Credit Agreement) of such letter of credit.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

5.8 Insurance. From and after the Closing Date, the Transferred Group shall cease to be insured under the insurance policies or self-insured programs of the Sellers and the Seller Group, and neither Purchaser nor its Subsidiaries shall have any access, right, title or interest to or in any such insurance policies (including to all claims and rights to make claims and all rights to proceeds) to cover any assets of the Transferred Group or any Liability arising from the operation of the Business on or after the Closing; provided, however, that Seller shall, upon Purchaser's request, make claims under insurance policies of the Sellers with respect to claims accruing before the Closing Date to the extent insurance coverage in respect of such claims is available (it being understood that Sellers shall have no obligation to continue, extend or renew any such policies or programs), and the Sellers shall take such actions as may be reasonably requested by Purchaser in connection with the tendering of such claims to the applicable insurers under such policies and shall provide Purchaser with the net proceeds they realize with respect to such claims; provided, further, that (a) Purchaser shall be liable for all uninsured or self-insured amounts in respect of such claims and (b) Purchaser agrees to reimburse, upon the request of Sellers, the Sellers for all reasonable out-of-pocket costs incurred by any member of the Seller Group associated with Purchaser-initiated claims, including costs of filing a claim, arbitration costs, any deductibles and premium increases under such insurance policies to the extent resulting from such claims. Each Seller may, to be effective as of the Closing, amend any insurance policies in the manner it deems appropriate to give effect to this Section 5.8. From and after the Closing, Purchaser shall be responsible for securing all insurance it considers appropriate for its operation of the Transferred Group and the Business. Purchaser further covenants and agrees not to seek to assert or to exercise any rights or claims of any member of the Transferred Group or the Business under or in respect of any past or current insurance policy under which any member of the Transferred Group or Affiliate thereof or the Business is an additional insured except in accordance with this Section 5.8.

5.9 Litigation Support. After the Closing, in the event and for so long as any Seller or its Affiliates is actively prosecuting, contesting or defending any Action by a third party (other than Purchaser, any member of the Transferred Group or any of their respective Affiliates) in connection with (a) any transactions contemplated under this Agreement, or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction relating to, in connection with or arising from the Business or the ownership of the Transferred Group prior to the Closing, Purchaser shall cause the members of the Transferred Group to use commercially reasonable efforts to provide (i) (at the cost and expense of the such Seller or Affiliate) reasonable cooperation to such Seller or Affiliate and its counsel in such prosecution, contest or defenses, including making available its personnel, and (ii) provide such testimony and access to its books and records as shall be reasonably necessary in connection with such prosecution, contest or defense; provided, however, that nothing in this Agreement shall require Purchaser to cause any member of the Transferred Group to provide any assistance, support, access or testimony to or for the benefit of any Seller or any of its Affiliates where, upon the advice of counsel, such assistance or support would jeopardize the attorney-client privilege of such Persons or contravene any applicable Law.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

5.10 Directors and Officers. (a) If the Closing occurs, until no earlier than the sixth anniversary of the Closing Date, Purchaser shall and shall cause the Transferred Group to take any necessary actions to provide that all rights to indemnification and all limitations on liability existing in favor of any current or former officers, directors, partners, members, managers or employees of the Transferred Group (or their respective predecessors) (collectively, the "Seller Indemnitees"), as provided in (i) the organizational documents of the Transferred Group in effect on the date of this Agreement or (ii) any agreement providing for indemnification by the Transferred Group of any of the Seller Indemnitees in effect on the date of this Agreement and set forth in Section 5.10 of the Seller Disclosure Schedule are not amended or modified in a manner adverse to the Seller Indemnitees with retroactive effect with respect to periods prior to the Closing Date.

(b) In the event that the Transferred Group, Purchaser or any of their respective successors or assigns (A) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (B) transfers or conveys all or a majority of their respective properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the Transferred Group or Purchaser, as the case may be, shall succeed to the obligations set forth in this Section 5.10.

(c) The obligations of Purchaser under this Section 5.10 shall not be terminated or modified in such a manner as to adversely affect any indemnitee to whom this Section 5.10 applies without the express written consent of such affected indemnitee (it being expressly agreed that the indemnitees to whom this Section 5.10 applies shall be third-party beneficiaries of this Section 5.10).

(d) From the date of this Agreement until the Closing Date (or the termination of this Agreement in accordance with its terms), Sellers shall reasonably cooperate with Purchaser in its efforts to obtain, from each officer and director of each of the Transferred Companies, a notice of resignation from their respective positions as officers or directors, as applicable.

5.11 Real Estate Matters . From the date of this Agreement until the Closing Date (or the termination of this Agreement in accordance with its terms), Sellers shall reasonably cooperate with Purchaser's efforts to obtain, at Purchaser's sole cost and expense, (a) current title commitments from a nationally recognized title insurance company to issue one or more owners' title policies with respect to the Owned Real Property and Leased Real Property, so long as neither Sellers nor representatives thereof shall be required to provide any indemnities, or any owner's affidavits or other documents which (i) expand or increase any of the covenants, representations or warranties of Seller herein, (ii) are given by an individual in an individual capacity, or (iii) are given other than to the best of Sellers' knowledge; (b) updates to surveys of the Owned Real Property and Leased Real Property to the extent necessary to permit issuance of the relevant title policy, and (c) landlord estoppel letters in customary form, reasonably approved in advance by Sellers, with respect to the Leased Real Property (provided that Purchaser shall not contact any landlord with respect to the Leased Real Property without the consent of Sellers), in each case, as Purchaser may reasonably request. For the avoidance of doubt, the failure to obtain any of the materials referred to in the preceding sentence shall in no event be a condition to the Closing.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

5.12 Post-Closing Restrictions on Sellers. (a) Each Seller agrees, severally and not jointly with any other Seller, that it will not and will cause its Affiliates (for all purposes under this Section 5.12, including investment funds that are Affiliates of such Seller and controlled Affiliates of such funds, but excluding any Entities that are portfolio companies of such investment funds as of the date hereof) not to, during the period beginning on the date hereof and ending on the second anniversary of the Closing Date, directly or indirectly, for any reason, without the prior written consent of Purchaser:

(i) hire any person who is at or prior to Closing employed by any member of the Transferred Group, including any of the Business Employees, or call on or otherwise solicit any such person with the purpose or intent of attracting that person from such employment; provided that each Seller and its Affiliates may make general solicitations not specifically targeted at persons employed by Purchaser or its Subsidiaries, or hire any person responding to such solicitation;

(ii) engage in the business of solid and non-injectable liquid waste disposal of exempt and non-exempt oilfield wastes derived from the exploration and production of hydrocarbons, as conducted by the Transferred Group, viewed as a single enterprise, as of the Closing Date, in the United States; provided that this Section 5.12(a)(ii) will not prohibit (A) the acquisition or ownership of any securities constituting less than 10% of the equity of any Entity or (B) the acquisition and resulting ownership of any Entity for which the revenues derived from such business constitute less than 10% of the consolidated revenues of such Entity and its Subsidiaries; or

(iii) call on or otherwise solicit any Business Acquisition Candidate or any owner of any Business Acquisition Candidate, for the purpose of acquiring such Business Acquisition Candidate or arranging the acquisition of such Business Acquisition Candidate by any Person other than Purchaser or one of its Subsidiaries.

(b) The Parties each acknowledge and agree that: (i) the provisions of this Section 5.12 impose reasonable restraints on Sellers in light of the activities and business of the members of the Transferred Group on the date hereof and the current business plans of Purchaser; (ii) the covenants in this Section 5.12 are intended by each Party to, and will, be construed as an agreement independent of any other provision in this Agreement and will not be affected by any breach of any other provision hereof by any Party, and the existence of any claim or cause of action of any Seller against Purchaser, whether predicated on this Agreement or otherwise, will not constitute a defense to the enforcement by Purchaser of any of the covenants in this Section 5.12; (iii) this Section 5.12 is a material and substantial part of the transactions contemplated by this Agreement; and (iv) the provisions of Section 10.12 shall be applicable to the enforcement of Purchaser's rights under this Section 5.12.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(c) It is the intention of each of the Parties that if any of the restrictions or covenants contained in Section 5.12(a)(ii) is held by a court of competent jurisdiction to cover a geographic area or to be for a length of time that is not permitted by Law, or is in any way construed by a court of competent jurisdiction to be too broad or to any extent invalid, such provision shall not be construed to be null, void and of no effect, but to the extent such provision would be valid or enforceable under Law, a court of competent jurisdiction shall construe and interpret or reform such Section 5.12(a)(ii) to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained in Section 5.12(a)(ii)) as shall be valid and enforceable under such Law. Each Seller acknowledges that any breach of the terms, conditions or covenants set forth in Section 5.12(a)(ii) shall be competitively unfair and may cause irreparable damage to Purchaser and the Transferred Group.

5.13 Cease of Use of R360 Name. Within twenty Business Days following the Closing (during which period the Sellers shall not sell (or otherwise provide) goods or services using the terms described below), R360 Operating Partners, L.P. and any other Seller that has the term "R360" or any similar term in its name shall change its name to delete any reference to "R360" or any similar term and shall take such actions as are necessary to consummate such name change, including the making of any filings with any appropriate Governmental Entity as shall be necessary to amend its Charter Documents or amend any of its qualifications in all applicable jurisdictions to reflect its change of name.

5.14 Release of Claims. Except for claims or payments arising under this Agreement, as of the Closing, each of the Sellers hereby agrees to forever waive, release and discharge any and all rights such Seller may have, whether known or unknown, to make a claim against or otherwise demand or receive payment from (a) the current and former officers, directors, employees and agents of any of the members of the Transferred Group, to the extent relating to or arising out of any act or omission of any such Person prior to the Closing in such Person's role as an officer, director, employee or agent of any member of the Transferred Group, and (b) any member of the Transferred Group, to the extent relating to or arising out of any dealings, relationships or transactions prior to the Closing by and between such Seller and any member of the Transferred Group other than this Agreement and the transactions contemplated hereby.

5.15 Further Assurances. At any time and from time to time after the Closing, each of the Sellers shall, at the request of Purchaser and without further consideration and to the extent permitted by applicable Law, execute and deliver such further instruments or documents and take all such further action as Purchaser may reasonably request in order to evidence or otherwise implement the consummation of the Sale; provided, however, that nothing in this Section 5.15 shall require Sellers to pay any consent fee (or make any other payment to a counterparty).

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE VI

EMPLOYEE MATTERS

6.1 Treatment of Business Employees. (a) At or prior to the Closing, Sellers shall (or shall cause their applicable Affiliates to) use their reasonable best efforts to transfer the employment of each Business Employee who is not employed by a member of the Transferred Group to a member of the Transferred Group (it being understood that any resignation, death or disability of a Business Employee shall not be deemed to be a breach of this sentence). For a period of one year following the Closing, Purchaser shall provide, or shall cause to be provided, to each Business Employee who remains employed in the Business (i) base compensation and target bonus opportunities that, in each case, are no less favorable than were provided to the Business Employee immediately before Closing and (ii) all other benefits that are no less favorable in the aggregate than were provided to the Business Employee immediately before the Closing. Notwithstanding any other provision of this Agreement to the contrary: (i) Purchaser shall or shall cause the Transferred Group to provide to each Business Employee whose employment terminates during the one-year period following the Closing severance benefits at least equal to the severance benefits for which other similarly situated employees of Purchaser are eligible from time to time, and (ii) during such one-year period following the Closing, severance benefits offered to each Business Employee shall be determined without taking into account any reduction after the Closing in compensation paid to such Business Employee.

(b) For all purposes (including purposes of vesting, eligibility to participate and level of benefits) under the employee benefit plans of Purchaser and its Subsidiaries providing benefits to any Business Employees after the Closing (the " New Plans"), each Business Employee shall be credited with his or her years of service with Sellers and their Subsidiaries and their respective predecessors before the Closing, to the same extent as such Business Employee was entitled, before the Closing, to credit for such service under any similar Benefit Plan in which such Business Employee participated or was eligible to participate immediately prior to the Closing (except that no such credit shall be provided for benefit accrual purposes under any defined benefit plan); provided that the foregoing shall not apply to the extent that its application would result in a duplication of benefits. In addition, and without limiting the generality of the foregoing, (i) each Business Employee shall be immediately eligible to participate, without any waiting time, in any and all New Plans to the extent coverage under such New Plan is comparable to a Benefit Plan in which such Business Employee participated immediately before the Closing (such plans, collectively, the "Old Plans") and (ii) for purposes of each New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Business Employee, Purchaser shall cause all pre-existing condition exclusions and actively-at-work requirements of such New Plan to be waived for such employee and his or her covered dependents, unless such conditions would not have been waived under the comparable plans of Sellers or their Subsidiaries in which such employee participated immediately prior to the Closing, and Purchaser shall cause any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the Old Plans ending on the date such employee's participation in the corresponding New Plan begins to be taken into account under such New Plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Plan.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

6.2 Transfer of Benefit Plans. On and after the Closing, Purchaser shall cause one or more member(s) of the Transferred Group to assume and be responsible for all Liabilities under the Benefit Plans described in Section 6.2 of the Seller Disclosure Schedule (the "Transferred Benefit Plans") and Sellers shall have no further Liability with respect to such Transferred Benefit Plans. At or prior to the Closing, Sellers shall (or shall cause their applicable Affiliates to) use their reasonable best efforts to assign, transfer and convey each Transferred Benefit Plan (together with the corresponding Liabilities under the Transferred Benefit Plans), which is not sponsored or maintained by a Transferred Company as of the date of this Agreement, to one or more members(s) of the Transferred Group, and such member(s) of the Transferred Group shall assume such Liabilities. For the avoidance of doubt, no member of the Transferred Group shall have any Liability with respect to the Incentive Units (any such Liability shall be fully performed or discharged by Sellers).

6.3 Unused Vacation, Sick Leave and Personal Time. Purchaser shall cause the members of the Transferred Group to honor all unused vacation, sick leave and other personal time off of each Business Employee during the calendar year in which the Closing occurs. Thereafter, the Business Employees shall be subject to, and commence to accrue benefits under, the vacation, sick leave and other personal time off policies of Purchaser applicable to the respective Business Employee, consistent with Section 6.1 of this Agreement.

6.4 WARN and Corresponding State Laws. Purchaser shall cause the applicable members of the Transferred Group to be responsible for any post-Closing Liability relating to Business Employees and Former Business Employees under WARN that may otherwise be imposed on Sellers.

6.5 Workers' Compensation. Purchaser shall cause the applicable members of the Transferred Group to be responsible for any workers' compensation claims as of the Closing Date or arising thereafter relating to their respective Business Employees and Former Business Employees that may otherwise be imposed on Sellers.

6.6 COBRA. Purchaser shall cause the applicable members of the Transferred Group to be responsible for all Liabilities as of the Closing Date or arising thereafter with respect to Business Employees and Former Business Employees and their respective eligible dependents in respect of health insurance coverage under the Consolidated Budget Reconciliation Action of 1985, as amended.

6.7 2012 Annual Bonuses. No later than February 15, 2013, Purchaser shall pay, or shall cause to be paid, to each Business Employee who is employed by a Transferred Company immediately prior to the Closing Date and who participates in an annual bonus or incentive plan of the Business in respect of calendar year 2012, such Business Employee's annual bonus in respect of calendar year 2012, with such bonus determined in the ordinary course of business consistent with past practice and in good faith consultation with Mr. Troy Thacker (other than with respect to Mr. Thacker's bonus); provided, however, that, with respect to any Business Employee whose employment with Purchaser and its Subsidiaries (including the Transferred Companies) terminates prior to December 31, 2012, such 2012 annual bonus may be reduced on a pro-rata basis to reflect the portion of calendar year 2012 following such termination of employment.

6.8 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other Persons any rights or remedies hereunder. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude Purchaser or any of its Affiliates, at any time after the Closing, from amending, merging, modifying, terminating, eliminating, reducing or otherwise altering in any respect any Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any Benefit Plan. No provision of this Agreement is or is intended to be an amendment to or establishment of any employee benefit plan, program, practice or procedure.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE VII

TAX MATTERS

7.1 Cooperation and Exchange of Information. (a) Not more than sixty (60) days after the receipt of a reasonable request from Sellers, Purchaser shall, and shall cause its Affiliates to, provide to Sellers Tax materials related to the Transferred Group, including schedules and work papers, requested by Sellers to enable Sellers to prepare and file all Tax Returns required to be prepared and filed by Sellers with respect to the Transferred Group. Purchaser shall prepare such package completely and accurately, in good faith and in a manner consistent with Sellers' past practice.

(b) Each Party shall, and shall cause its Affiliates to, provide to the other Party to this Agreement such cooperation, documentation and information as either of them reasonably may request in (i) filing any Tax Return, amended Tax Return or claim for refund related to the Transferred Group, (ii) determining a Liability for Taxes or an indemnity obligation under this Article VII or a right to refund of Taxes, or (iii) conducting any Tax Proceeding. Such cooperation and information shall include providing necessary powers of attorney, copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and Tax basis of property and other information, which any such Party may possess. Each Party shall make its employees reasonably available on a mutually convenient basis at its cost to provide an explanation of any documents or information so provided.

(c) Each Party shall retain all Tax Returns, schedules and work papers, and all material records and other documents relating to Tax matters, of the Transferred Group for their respective Tax periods ending on or prior to the Closing Date until the later of (i) the expiration of the statute of limitations for the Tax periods to which the Tax Returns and other documents relate or (ii) eight (8) years following the due date (without extension) for such Tax Returns. Thereafter, the Party holding such Tax Returns or other documents may dispose of them after offering the other Party reasonable notice and opportunity to take possession of such Tax Returns and other documents at such other Party's own expense.

7.2 Tax Sharing Agreements. To the extent relating to the Transferred Group, Sellers shall terminate or cause to be terminated, on or before the Closing Date, all Tax sharing, Tax allocation, Tax indemnification or similar agreements or arrangements, if any, to which any member of the Transferred Group, on the one hand, and any member of the Seller Group, on the other hand, are parties, and neither Sellers nor any of their respective Affiliates nor any member of the Transferred Group shall have any rights or obligations thereunder after the Closing.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

7.3 Certain Tax Elections. Except as provided in this Section 7.3, Purchaser shall not make, and shall cause its Affiliates (including the Transferred Group) not to make, any Tax election with respect to the Transferred Group (including any election pursuant to Treasury Regulation Section 301.7701-3), which election would be effective on or prior to the Closing Date. Purchaser shall cause NewCo to make a timely election under Section 754 of the Code for the year that ends on the Closing Date.

7.4 Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, Purchaser shall pay, when due, and be responsible for, any sales, use, transfer, documentary, stamp, value added or similar Taxes and related fees imposed on or payable in connection with the transactions contemplated by this Agreement ("Transfer Taxes"). The Party responsible under applicable Law for filing the Tax Returns with respect to such Transfer Taxes shall prepare and timely file such Tax Returns and promptly provide a copy of such Tax Return to the other Party. Sellers and Purchaser shall, and shall cause their respective Affiliates to, cooperate to timely prepare and file any Tax Returns or other filings relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes.

ARTICLE VIII

CONDITIONS TO OBLIGATIONS TO CLOSE

8.1 Conditions to Obligation of Each Party to Close. The respective obligations of each Party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver at or prior to the Closing Date of the following conditions:

(a) *Antitrust Approvals*. (i) The waiting period applicable to the transactions contemplated by this Agreement under the HSR Act shall have expired or early termination or approval shall have been granted, and (ii) all other Governmental Approvals shall have been obtained other than Governmental Approvals for which the failure to obtain such Governmental Approvals would not have, or reasonably be expected to have, a Material Adverse Effect.

(b) *No Injunctions*. There shall not be in effect any Order by a Governmental Entity of competent jurisdiction restraining, enjoining, having the effect of making the transactions contemplated by this Agreement illegal or otherwise prohibiting the consummation of the transactions contemplated hereby.

(c) *No Illegality*. No Law shall have been enacted, entered, promulgated, issued, adopted, decreed or otherwise implemented and remain in effect that prohibits or makes illegal consummation of the Sale.

8.2 Conditions to Purchaser's Obligation to Close. Purchaser's obligation to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver on or prior to the Closing Date of all of the following conditions:

(a) *Representations and Warranties*. Each of the representations and warranties of Sellers contained in this Agreement shall be true and correct in all respects (it being understood that, for purposes of determining satisfaction of this Section 8.2(a), all materiality and Material Adverse Effect qualifications contained in such representations and warranties (other than the dollar thresholds included in Section 3.16) shall be disregarded) as of the date of this Agreement and at and as of the Closing Date as though such representations and warranties were made at and as of such date (except for representations and warranties that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date), except for failures to be true and correct that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) *Covenants and Agreements*. The covenants and agreements of Sellers to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed or complied with in all material respects.

(c) *Officer's Certificate*. Purchaser shall have received a certificate, dated as of the Closing Date and signed on behalf of Sellers by an executive officer of Sellers, stating that the conditions specified in Sections 8.2(a) and 8.2(b) have been satisfied.

8.3 Conditions to Sellers' Obligation to Close. The obligations of Sellers to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver on or prior to the Closing Date of all of the following conditions:

(a) *Representations and Warranties*. (i) Each of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all respects (it being understood that, for purposes of determining satisfaction of this Section 8.3(a), all materiality qualifications contained in such representations and warranties shall be disregarded) as of the date of this Agreement and at and as of the Closing Date as though such representations and warranties were made at and as of such date (except for representations and warranties that are expressly made as of a specific date, which shall be true and correct in all material respects as of such specific date), except for failures to be true and correct that have not had, and would not reasonably be expected to have, a material adverse effect on Purchaser's ability to timely consummate the transactions contemplated hereby.

(b) *Covenants and Agreements*. The covenants and agreements of Purchaser to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed or complied with in all material respects.

(c) *Officer's Certificate*. Sellers shall have received a certificate, dated as of the Closing Date and signed on behalf of Purchaser by an executive officer of Purchaser, stating that the conditions specified in Sections 8.3(a) and 8.3(b) have been satisfied.

8.4 Frustration of Closing Conditions. Neither Sellers nor Purchaser may rely on the failure of any condition set forth in Section 8.1, 8.2 or 8.3, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

ARTICLE IX

TERMINATION

9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Sellers and Purchaser;

(b) by either Sellers or Purchaser, if:

(i) the Closing shall not have occurred on or before three months from the date of this Agreement (the " Outside Date"); provided, however, that the right to terminate this Agreement under this Section 9.1(b)(i) shall not be available to any Party to this Agreement whose failure or whose Affiliate's failure to perform any material covenant or obligation under this Agreement has been the cause of or has resulted in the failure of the transactions contemplated by this Agreement to occur on or before such date; and provided, further, that either Sellers or Purchaser may extend the Outside Date for up to three additional months if (x) all conditions to the obligations of the other Party(ies) set forth in Article VIII are satisfied other than the condition set forth in Section 8.1(a) and conditions that by their nature cannot be satisfied until the Closing and (y) such extending Party is still actively seeking in good faith approval under the HSR Act;

(ii) any Order issued, or Law enacted, entered or promulgated, by a Governmental Entity permanently restrains, enjoins or prohibits or makes illegal the consummation of the Sale in a manner that would give rise to the failure of a condition set forth in Section 8.1(b) or 8.1(c), and such Order becomes effective, final and nonappealable (except for Orders relating to Antitrust Laws, which shall be governed by Section 9.1(b)(iii)); provided, however, that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(ii) shall have used its reasonable best efforts to oppose such Order or Law in accordance with the provisions of Section 5.3; or

(iii) any Governmental Entity that must grant a Governmental Approval required by Section 8.1(a) shall have denied such grant in a manner that would give rise to the failure of a condition set forth in Section 8.1(a) and such denial shall have become final and nonappealable; provided, however, that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(iii) shall have used its reasonable best efforts to obtain such Governmental Approval in accordance with the provisions of Section 5.3.

(c) by Sellers if Purchaser shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 8.3(a) or 8.3(b), if continuing on the Closing Date and (ii) (A) cannot be cured prior to the Outside Date or (B) has not been cured prior to the date that is 30 days from the date that Purchaser is notified in writing by the Sellers of such breach or failure to perform; provided, however, that Sellers shall not have the right to terminate this Agreement pursuant to this paragraph (c) if they are then in breach of any representation, warranty, covenant or other agreement contained in this Agreement if such breach would give rise to the failure of a condition set forth in Section 8.2(a) or 8.2(b) if continuing on the Closing Date; and

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(d) by Purchaser if Sellers shall have breached or failed to perform in any material respect any of their respective representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 8.2(a) or 8.2(b), if continuing on the Closing Date and (ii) (A) cannot be cured prior to the Outside Date or (B) has not been cured prior to the date that is 30 days from the date that Sellers are notified in writing by Purchaser of such breach or failure to perform; provided, however, that Purchaser shall not have the right to terminate this Agreement pursuant to this paragraph (d) if it is then in breach of any representation, warranty, covenant or other agreement contained in this Agreement if such breach would give rise to the failure of a condition set forth in Section 8.3(a) or 8.3(b) if continuing on the Closing Date.

9.2 Notice of Termination. In the event of termination of this Agreement by either or both of Sellers and Purchaser pursuant to Section 9.1, written notice of such termination shall be given by the terminating Party to the other Party to this Agreement.

9.3 Effect of Termination. In the event of termination of this Agreement by either or both of Sellers and Purchaser pursuant to Section 9.1, this Agreement shall terminate and become void and have no effect, and there shall be no Liability on the part of any Party to this Agreement, except that the Confidentiality Agreement, Section 5.2(a) (Confidentiality) and Article X (General Provisions) shall survive any termination of this Agreement; provided, however, that nothing in this Agreement shall relieve either Party hereto from Liability for (a) failure to perform the obligations set forth in Section 5.2(a) (Confidentiality), or (b) any fraud or willful breach of this Agreement or willful failure to perform its obligations under this Agreement.

ARTICLE X

GENERAL PROVISIONS

10.1 Survival. The representations and warranties contained in this Agreement shall not survive the Closing, except that (i) the representations and warranties set forth in Sections 3.2(a) and 3.3 shall survive indefinitely, (ii) the representations and warranties set forth in clause (v) of the first sentence of Section 3.2(b) and in the second sentence of Section 3.2(b) shall survive until the third anniversary of the Closing Date, and (iii) the representations and warranties set forth in Section 3.1(a), the provisions of Section 3.2(b) not described in clause (ii) above, and Sections 3.2(c), 4.1 and 4.2 shall survive until the date that is 180 days immediately following the Closing Date. No covenant or agreement contained herein that by its terms is to be performed prior to the Closing Date shall survive the Closing Date unless otherwise expressly agreed by the Parties herein or to the extent that such covenant or agreement is by its terms to be performed after the Closing Date.

10.2 Interpretation; Absence of Presumption. (a) It is understood and agreed that the specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Seller Disclosure Schedule or Purchaser Disclosure Schedule is not intended to imply that such amounts or higher or lower amounts, or the items so included or other items, are or are not material, and no Party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Seller Disclosure Schedule or Purchaser Disclosure Schedule in any dispute or controversy between the Parties as to whether any obligation, item or matter not described in this Agreement or included in the Seller Disclosure Schedule or Purchaser Disclosure Schedule is or is not material for purposes of this Agreement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) For the purposes of this Agreement, (i) whenever the context requires, words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (ii) references to the terms Article, Section, paragraph, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (iii) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits to this Agreement; (iv) references to "$" shall mean U.S. dollars; (v) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified; (vi) the word "or" shall not be exclusive but shall be used in the inclusive sense of "and/or," unless the context otherwise requires; (vii) references to "written" or "in writing" include in electronic form; (viii) provisions shall apply, when appropriate, to successive events and transactions; (ix) Sellers and Purchaser have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties thereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement ; (x) unless the context otherwise requires, any reference to any Person includes such Person's successors and permitted assigns; (xi) any disclosure with respect to any section of the Seller Disclosure Schedule or Purchaser Disclosure Schedule or this Agreement, shall be deemed to be disclosed for any other section of the Seller Disclosure Schedule or Purchaser Disclosure Schedule or this Agreement, as applicable, to which the relevance of such disclosure is reasonably apparent from the context of such disclosure; (xii) any reference to "days" shall mean calendar days unless Business Days are expressly specified; (xiii) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is not a Business Day, the period shall end at the close of business on the next succeeding Business Day; (xiv) the words "shall" and "will" are used interchangeably and have the same meaning; (xv) any reference to the "members of the Transferred Group" or any similar phrase means the Transferred Companies and their respective Subsidiaries; and (xvi) the words "made available to Purchaser" or any similar phrase mean posted to the electronic data room, which was established by or on behalf of Sellers for the posting of documents for review by Purchaser in connection with the Sale prior to the date of this Agreement (and not removed prior to the date of this Agreement) or physically delivered to Purchaser. Any provision of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

10.3 Headings; Definitions. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

10.4 Governing Law; Jurisdiction and Forum; Waiver of Jury Trial. (a) This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware applicable to contracts executed and to be performed wholly within such State and without reference to any choice or conflict of law principles (whether of the State of Delaware or any other jurisdiction) that would result in the application of the Laws of a different jurisdiction.

(b) Each Party irrevocably submits to the jurisdiction of the Court of Chancery of the State of Delaware (or solely if such courts decline jurisdiction or do not have subject matter jurisdiction, in any federal court located in the State of Delaware) any Action arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such Action may be heard and determined in such court. Each Party hereby irrevocably waives, and agrees not to assert by way of motion, defense, counterclaim, or otherwise, the defense of an inconvenient forum to the maintenance of such Action. The Parties further agree, (i) to the extent permitted by applicable Law, that final and unappealable judgment against any of them in any Action contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment and (ii) that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 10.8. Each Party hereto irrevocably designates CT Corporation as its agent and attorney-in-fact for the acceptance of service of process and making an appearance on its behalf in any such action or proceeding and for the taking of all such acts as may be necessary or appropriate in order to confer jurisdiction over it and each party hereto stipulates that such consent and appointment is irrevocable and coupled with an interest.

(c) Each Party to this Agreement knowingly, intentionally, and voluntarily waives to the fullest extent permitted by applicable Law trial by jury in any action, proceeding or counterclaim brought by any of them against the other arising out of or in any way connected with this Agreement, or any other agreements executed in connection herewith or the administration thereof or any of the transactions contemplated herein or therein. No Party to this Agreement shall seek a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon, or arising out of, this Agreement or any related instruments or the relationship between the Parties. No Party will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. Each Party to this Agreement certifies that it has been induced to enter into this agreement or instrument by, among other things, the mutual waivers and certifications set forth above in this Section 10.4. No Party has in any way agreed with or represented to any other Party that the provisions of this Section 10.4 will not be fully enforced in all instances.

10.5 Entire Agreement. This Agreement, together with the Exhibits and Schedules hereto and the Confidentiality Agreement, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof and thereof and supersede any prior discussion, correspondence, negotiation, proposed term sheet, agreement, understanding or arrangement among the Parties with respect thereto and there are no agreements, understandings, representations or warranties between the Parties with respect to such subject matters other than those set forth or referred to in this Agreement and the Confidentiality Agreement. None of the Parties shall be liable or bound to any other Party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein or in the Exhibits and Schedules hereto or the Confidentiality Agreement.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

10.6 No Third-Party Beneficiaries. Except for Section 5.10, which is intended to benefit, and to be enforceable by, the parties specified therein, this Agreement, together with the Exhibits and Schedules hereto, is not intended to confer in or on behalf of any Person not a Party to this Agreement (and their successors and assigns) any rights, benefits, causes of action or remedies with respect to the subject matter or any provision hereof.

10.7 Expenses. Whether or not the Closing takes place, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the Party incurring such costs and expenses unless expressly otherwise provided in this Agreement. Purchaser, on the one hand, and Sellers, on the other hand, shall be responsible for the payment of any brokers', financial advisory, investment banking or finders' fees incurred by reason of any action taken by such Party or Parties or otherwise arising out of the transactions contemplated by this Agreement by any Person claiming to have been engaged by such Party or Parties.

10.8 Notices. All notices and other communications to be given to any Party hereunder (i) shall be in writing, (ii) shall be deemed to be given for all purposes hereunder upon delivery if delivered by hand, one Business Day after being sent by courier or overnight delivery service, three Business Days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when sent in the form of a facsimile or e-mail and receipt confirmation is received, and (iii) shall be directed to the address, facsimile number or e-mail set forth below (or at such other address or facsimile number as such Party shall designate by like notice):

(a) If to Sellers:

R360 Environmental Solutions, Inc.
c/o 461 Fifth Avenue, 17th Floor
New York, NY 10017
Attention: Mitchell S. Presser
Fax No.: (212) 379-7251
E-mail: mpresser@painepartners.com

c/o One Maritime Plaza, Suite 1650
San Francisco, CA 94111
Attention: Trip Zedlitz
Fax No.: (415) 391-7886
E-mail: TZedlitz@tinicum.com

c/o 800 Third Avenue, 40th Floor
New York, NY 10022
Attention: Seth Hendon
Fax No.: (212) 750-9264
E-mail: SHendon@tinicum.com

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Ante Vucic
DongJu Song
Fax No.: (212) 403-2000
E-mail: AVucic@wlrk.com
DSong@wlrk.com

(b) If to Purchaser or Waste Connections:

WCI Holdings Co., Inc.
c/o Waste Connections, Inc.
Waterway Plaza Two
10001 Woodloch Forest Drive
The Woodlands, Texas 77380
Attention: Patrick J. Shea
Fax No.: 916.357.9735
E-mail: PatS@WasteConnections.com

with a copy (which shall not constitute notice) to:

Baker Botts L.L.P.
910 Louisiana
Houston, Texas 77002-4995
Attention: Ted W. Paris
M. Breen Haire
Fax No.: 713.229.7738
E-mail: ted.paris@bakerbotts.com
breen.haire@bakerbotts.com

10.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns; provided, however, that no Party to this Agreement may directly or indirectly assign any or all of its rights or delegate any or all of its obligations under this Agreement without the express prior written consent of each other Party to this Agreement, except that either Party may assign its rights and benefits under this Agreement to any Affiliate of such Party; provided, however, that no such assignment shall release, limit or otherwise affect such assigning Party's obligations hereunder. Any attempted assignment in violation of this Section 10.9 shall be void.

10.10 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties hereto. Either Party to this Agreement may, only by an instrument in writing, waive compliance by the other Party to this Agreement with any term or provision of this Agreement on the part of such other Party to this Agreement to be performed or complied with. The waiver by any Party to this Agreement of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach. At any time prior to the Closing, either Sellers or Purchaser may (a) extend the time for performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any of the agreements or conditions contained in this Agreement. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party granting such extension or waiver.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

10.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement (or portions thereof) shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. If any provision of this Agreement (or any portion thereof) shall be held to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. Upon a determination that any term, provision, covenant or restriction of this Agreement is invalid, void or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

10.12 Specific Performance. The Parties hereto agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, would occur in the event that the Parties hereto do not perform any provision of this Agreement in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that, to prevent breaches or threatened breaches by the Parties of any of their respective covenants or obligations set forth in this Agreement and to enforce specifically the terms and provisions of this Agreement, the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled in law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction (and the other Parties hereby waive any such requirement). The foregoing is in addition to any other remedy to which any party is entitled at law, in equity or otherwise. The Parties further agree that nothing set forth in this Section 10.12 shall require any party hereto to institute any Action for (or limit any party's right to institute any Action for) specific performance under this Section 10.12 prior or as a condition to exercising any termination right under Article IX (and pursuing damages after such termination). If any party brings any action to enforce specifically the performance of the terms and provisions hereof by any other party, the Outside Date shall automatically be extended by (x) the amount of time during which such action is pending, plus 20 Business Days or (y) such other time period established by the court presiding over such action. The Parties hereto agree that, notwithstanding anything herein to the contrary, Sellers shall be entitled to specific performance (or any other equitable relief) to cause Purchaser to consummate the transactions contemplated hereby in accordance with the terms hereof. In the event that a court of competent jurisdiction fails to grant specific performance or other injunctive relief to Sellers as a remedy for any failure to perform or breach hereunder, or in any circumstance in which damages are recoverable by Sellers hereunder, the Parties hereby acknowledge and agree that Sellers shall be entitled to receive benefit of the bargain and lost profits damages as redress for such failure to perform or breach. In the event that a court of competent jurisdiction fails to grant specific performance or other injunctive relief to Purchaser as a remedy for any failure to perform or breach hereunder, or in any circumstance in which damages are recoverable by Purchaser hereunder, the Parties hereby acknowledge and agree that Purchaser shall be entitled to receive benefit of the bargain and lost profits damages as redress for such failure to perform or breach.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

10.13 No Admission. Nothing herein shall be deemed an admission by Sellers or any of its respective Affiliates, in any Action or proceeding involving a third party, that such third party is or is not in breach or violation of, or in default in, the performance or observance of any term or provision of any contract.

10.14 Counterparts. This Agreement may be executed in two or more counterparts, and by either of the Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement. If this Agreement is translated into another language, the English language text shall in any event prevail.

10.15 Relationship Among Sellers. (a) Each Seller hereby irrevocably appoints R360 Environmental Solutions, Inc. (the " Sellers' Representative") as the sole representative of Sellers to act as the agent and on behalf of such Sellers regarding any matter relating to or under this Agreement, including for the purposes of (i) making decisions with respect to the determination of the Purchase Price (and the components thereof) and any other amounts due under Article II; (ii) determining whether the conditions to closing in Article VIII have been satisfied and supervising the Closing, including waiving any condition, as determined by the Sellers' Representative, in its sole discretion; (iii) paying or accepting any funds due to or from Sellers; (iv) taking any action that may be necessary or desirable, as determined by the Sellers' Representative, in its sole discretion, in connection with the termination of this Agreement in accordance with Article IX; (v) taking any and all actions that may be necessary or desirable, as determined by the Sellers' Representative, in its sole discretion, in connection with the amendment of this Agreement in accordance with Section 10.10; (vi) accepting notices on behalf of Sellers in accordance with Section 10.8; (vii) delivering or causing to be delivered to Purchaser at the Closing certificates representing the Securities to be sold by Sellers hereunder or instructions as to the payment and allocation of the Purchase Price therefor; (viii) executing and delivering, on behalf of Sellers, any and all notices, documents or certificates to be executed by Sellers, in connection with this Agreement and the transactions contemplated hereby and (ix) granting any consent or approval on behalf of Sellers under this Agreement. As the representative of Sellers under this Agreement, the Sellers' Representative shall act as the agent for Sellers, shall have authority to bind Sellers in accordance with this Agreement, and Purchaser may rely on such appointment and authority until the receipt of notice of the appointment of a successor upon two Business Days' prior written notice to Purchaser. Purchaser may conclusively rely upon, without independent verification or investigation, all decisions made by the Sellers' Representative in connection with this Agreement in writing and signed by an officer of the general partner of the Sellers' Representative.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

(b) Each Seller hereby appoints the Sellers' Representative as such Seller's true and lawful attorney-in-fact and agent, with full powers of substitution and resubstitution, in such Seller's name, place and stead, in any and all capacities, in connection with the transactions contemplated by this Agreement, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with the sale of such Seller's Securities as fully to all intents and purposes as such Seller might or could do in person.

(c) The Sellers' Representative, in its capacity as such, shall have no liability to Purchaser for any default under this Agreement by any other Seller. Except for fraud or willful misconduct on its part, the Sellers' Representative shall have no liability to any Seller under this Agreement for any action or omission by the Sellers' Representative on behalf of Sellers.

(d) All of the immunities and powers granted to the Sellers' Representative under this Agreement shall survive the Closing Date and/or any termination of this Agreement. The grant of authority provided for herein (i) is coupled with an interest and shall be irrevocable and survive the bankruptcy, dissolution, winding up or liquidation of any of Sellers and (ii) shall survive the Closing.

[Remainder of page intentionally left blank]

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

IN WITNESS WHEREOF, this Agreement has been signed by or on behalf of each of the Parties as of the day first above written.

SELLERS:

R360 ENVIRONMENTAL SOLUTIONS, INC.

By: /s/ Troy W. Thacker
Name: Troy W. Thacker
Title: President and Chief Executive Officer

R360 OPERATING PARTNERS, LP

By: R360 Environmental Solutions, Inc.,
as General Partner

By: /s/ Troy W. Thacker
Name: Troy W. Thacker
Title: President and Chief Executive Officer

OILFIELDS LP HOLDINGS, LLC

By: Oilfields Environmental Services Corporation,
its sole member

By: /s/ Manuel F. Gonzalez
Name: Manuel F. Gonzalez
Title: President and Chief Executive Officer

[Signature Pages to Purchase and Sale Agreement]

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

OILFIELDS GP HOLDINGS, LLC

By: Oilfields Environmental Services Corporation,
its sole member

By: /s/ Manuel F. Gonzalez
Name: Manuel F. Gonzalez
Title: President and Chief Executive Officer

NEW CRI, INC.

By: /s/ John Barnidge
Name: John Barnidge
Title: President

NEW R&G, INC.

By: /s/ John Barnidge
Name: John Barnidge
Title: President

NEW HITCHCOCK, INC.

By: /s/ Manuel F. Gonzalez
Name: Manuel F. Gonzalez
Title: President

[Signature Pages to Purchase and Sale Agreement]

Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PAINE & PARTNERS CAPITAL FUND III
AIV II B, L.P.

By: Paine & Partners Capital Fund III GP, L.P.,
as General Partner,

By: Paine & Partners Capital Fund III GP, Ltd.,
its general partner

By: /s/ Mitchell S. Presser
Name: Mitchell S. Presser
Title: Director

[Signature Pages to Purchase and Sale Agreement]

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PURCHASER:

WCI HOLDINGS CO., INC.

By: /s/ Ron Mittelstaedt
Name: Ron Mittelstaedt
Title: CEO

WASTE CONNECTIONS, INC., a Delaware corporation of which Purchaser is a wholly owned subsidiary, hereby (a) joins in the execution, delivery and performance of this Agreement solely for the purpose of (i) guaranteeing the obligations of Purchaser under Article II, upon satisfaction of the conditions to such obligations set forth in Article VIII, (ii) making the representations and warranties set forth in Article IV, and (iii) complying with the covenants in Article X, Sections 5.2, 5.3, 5.6 and 9.3 hereof, in the case of each of clauses (ii) and (iii), such that each reference to "Purchaser," "Party" or "Parties" in such Articles and Sections shall be deemed to include a reference to Waste Connections, Inc. in addition to WCI Holdings Co., Inc., and (b) guarantees such obligations, makes such representations and warranties, and agrees to comply with such covenants.

By: /s/ Ron Mittelstaedt
Name: Ron Mittelstaedt
Title: CEO

[Signature Pages to Purchase and Sale Agreement]

Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is entered into as of [•], [•] by and among WCI Holdings Co., Inc., a Delaware corporation ("Purchaser") and the Sellers named on Schedule I hereto ("Sellers").

WHEREAS, pursuant to that certain Purchase and Sale Agreement, dated as September 16, 2012, by and among Purchaser and Sellers (the "Purchase Agreement"), Sellers have agreed, upon the terms and subject to the conditions set forth therein, to transfer, convey, assign and deliver to Purchaser, and Purchaser has agreed to purchase and acquire from each Seller, all of such Sellers' right, title and interest in and to the Securities;

WHEREAS, each of Sellers and Purchaser desires to execute and deliver this Agreement to effectuate and evidence (i) the sale, transfer and assignment by Sellers to Purchaser of the Securities and other assets set forth on Schedule II hereto and (ii) the assumption by Purchaser of the Assumed Liabilities.

NOW, THEREFORE, for good and valuable consideration paid or payable to Sellers by Purchaser pursuant to the Purchase Agreement and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Purchase Agreement.

2. Transfer of Securities and Assets and Assumption of Assumed Liabilities.

(a) Each Seller hereby transfers, conveys, assigns, and delivers to Purchaser, and Purchaser hereby purchases, acquires and accepts from each Seller, all of such Seller's right, title and interest in and to the Securities and in and to the assets set forth on Schedule II hereto.

(b) Purchaser hereby assumes all the Assumed Liabilities.

3. Relationship with Purchase Agreement. This Agreement is being delivered pursuant to, and subject to the terms and conditions of, the Purchase Agreement. Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Purchase Agreement, nor shall this Agreement reduce, expand or enlarge any remedies under the Purchase Agreement. In the event that any term or condition of this Agreement conflicts with any term or condition of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall prevail in all respects.

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

4. No Third Party Beneficiaries. This Agreement is not intended to confer in or on behalf of any Person not a Party to this Agreement (and their successors and assigns) any rights, benefits, causes of action or remedies with respect to the subject matter or any provision hereof

5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns; provided, however, that no Party to this Agreement may directly or indirectly assign any or all of its rights or delegate any or all of its obligations under this Agreement without the express prior written consent of each other Party to this Agreement, except that either Party may assign its rights and benefits under this Agreement to any Affiliate of such Party; provided, however, that no such assignment shall release, limit or otherwise affect such assigning Party's obligations hereunder. Any attempted assignment in violation of this Section 5 shall be void.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware applicable to contracts executed and to be performed wholly within such State and without reference to any choice or conflict of law principles (whether of the State of Delaware or any other jurisdiction) that would result in the application of the Laws of a different jurisdiction.

7. Headings. The section headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

8. Counterparts. This Agreement may be executed in two or more counterparts, and by either of the Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement. If this Agreement is translated into another language, the English language text shall in any event prevail.

{Remainder of page intentionally left blank.}

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

IN WITNESS WHEREOF, this Agreement has been signed by or on behalf of each of the Parties as of the day first above written.

SELLERS:

R360 ENVIRONMENTAL SOLUTIONS, INC.

By: ____
Name: Troy W. Thacker
Title: President and Chief Executive Officer

R360 OPERATING PARTNERS, LP

By: R360 Environmental Solutions, Inc.,
as General Partner

By: ____
Name: Troy W. Thacker
Title: President and Chief Executive Officer

OILFIELDS LP HOLDINGS, LLC

By: Oilfields Environmental Services Corporation,
its sole member

By: ____
Name: Manuel F. Gonzalez
Title: President and Chief Executive Officer

[Signature Pages to Assignment and Assumption Agreement]

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠
The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

OILFIELDS GP HOLDINGS, LLC

By: Oilfields Environmental Services Corporation,
its sole member

By:
Name: Manuel F. Gonzalez
Title: President and Chief Executive Officer

NEW CRI, INC.

By:
Name: John Barnidge
Title: President

NEW R&G, INC.

By:
Name: John Barnidge
Title: President

NEW HITCHCOCK, INC.

By:
Name: Manuel F. Gonzalez
Title: President

[Signature Pages to Assignment and Assumption Agreement]

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PAINE & PARTNERS CAPITAL FUND III AIV II B, L.P.

By: Paine & Partners Capital Fund III GP, L.P.,
as General Partner,

By: Paine & Partners Capital Fund III GP, Ltd.,
its general partner

By: ______________________________

Name: Mitchell S. Presser
Title: Director

[Signature Pages to Assignment and Assumption Agreement]

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

PURCHASER:

WCI HOLDINGS CO., INC.

By: ______________________________

Name:
Title:

[Signature Pages to Assignment and Assumption Agreement]

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

CERTIFICATION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

I, Ronald J. Mittelstaedt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Waste Connections, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2012

/s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chairman and Chief Executive Officer

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Worthing F. Jackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Waste Connections, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2012

/s/ Worthing F. Jackman

Worthing F. Jackman
Executive Vice President and Chief Financial Officer

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND

CHIEF FINANCIAL OFFICER

The undersigned, Ronald J. Mittelstaedt and Worthing F. Jackman, being the duly elected and acting Chief Executive Officer and Chief Financial Officer, respectively, of Waste Connections, Inc., a Delaware corporation (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of the Company on Form 10-Q for the three months ended September 30, 2012, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 23, 2012 By: /s/ Ronald J. Mittelstaedt
Ronald J. Mittelstaedt
Chief Executive Officer

Date: October 23, 2012 By: /s/ Worthing F. Jackman
Worthing F. Jackman
Executive Vice President and Chief Financial Officer

Source: WASTE CONNECTIONS, INC., 10-Q, October 23, 2012 Powered by Morningstar® Document Research℠

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.

The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.