

**EXTENSION OF AGREEMENT FOR THE OPERATION OF THE BAREFOOT ROAD
SANITARY LANDFILL, AND REFUSE AND RECYCLABLES COLLECTION,
SOUTHBRIDGE MASSACHUSETTS**

BY AND BETWEEN

SOUTHBRIDGE RECYCLING AND DISPOSAL PARK, INC.,

AND

TOWN OF SOUTHBRIDGE, MASSACHUSETTS

May 29, 2007

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**EXTENSION OF AGREEMENT FOR THE OPERATION
OF THE BAREFOOT ROAD SANITARY LANDFILL,
AND REFUSE AND RECYCLABLES COLLECTION,
SOUTHBRIDGE, MASSACHUSETTS**

This EXTENSION OF AGREEMENT FOR THE OPERATION OF THE BAREFOOT ROAD SANITARY LANDFILL AND REFUSE AND RECYCLABLES COLLECTION, SOUTHBRIDGE, MASSACHUSETTS (this "Extension Agreement"), dated as of the 29th day of May, 2007 (the "Execution Date"), is made by and between SOUTHBRIDGE RECYCLING AND DISPOSAL PARK, INC. a Massachusetts Corporation ("SRD"), and the TOWN OF SOUTHBRIDGE, Massachusetts ("Town"). All references herein to the "parties" or "Parties" shall mean the above-described Town and SRD.

WHEREAS, the Town presently owns a municipal sanitary landfill (the "Landfill Facility") located off Barefoot Road in the Town of Southbridge (the "Property");

WHEREAS, on December 9, 1996 the Town and Wood Recycling, Inc. ("WRI"), the corporate predecessor to SRD, entered into an Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection in Southbridge, Massachusetts (the "Existing Agreement"), pursuant to which WRI agreed to operate the Town's Landfill Facility;

WHEREAS; Section 25 of the Existing Agreement allows WRI to assign the Existing Agreement to another entity, provided that WRI obtains the Town's prior written consent, which consent shall not be unreasonably withheld;

WHEREAS, Casella Waste Systems, Inc. ("Casella") has purchased all of the stock of SRD, and now operates SRD as a corporate subsidiary;

WHEREAS, WRI has requested that the Existing Agreement be assigned to SRD, and the Town hereby grants its permission for that assignment;

WHEREAS, Section 28 of the Existing Agreement provides for an initial term of twenty (20) years, with an option to renew the Existing Agreement for up to four (4) additional periods of five (5) years each;

WHEREAS, the Landfill Facility and SRD's adjacent processing facility (the "Processing Facility") are currently permitted to dispose of 499,200 tons of waste per year, with the Landfill Facility being permitted to dispose of 180,960 tons of waste per year, of which only 80 tons per day may be municipal solid waste ("MSW").

WHEREAS, SRD has requested the Town to allow SRD to, among other things, increase the amount of MSW disposed of at the Landfill Facility to 180,960 tons per year, and to reallocate the disposal capacity currently permitted at the Processing Facility to the Landfill Facility so as to permit the Landfill Facility to operate at the level of 405,600 tons per year for MSW;

WHEREAS, SRD has agreed that it will maintain the total capacity delivered to the Processing Facility and the Landfill Facility from outside sources at or below the current total permitted level of 499,200 tons per year;

WHEREAS, in consideration of the Town approving SRD's request, SRD has agreed to provide financial and other direct and indirect benefits to the Town and its residents, including the assumption of the financial responsibility for all aspects of Closure and Post-Closure Activities (as defined below) of the Landfill Facility;

WHEREAS, the parties have negotiated and entered into this Extension Agreement to replace the Existing Agreement;

WHEREAS, the Southbridge Town Council voted on May 21, 2007 to authorize the Town Manager to execute this Extension Agreement, a certified copy of such vote is attached hereto as Exhibit A;

WHEREAS, the parties are authorized to enter into this Extension Agreement pursuant to Massachusetts General Laws c. 44, sec. 28C; and

WHEREAS, SRD, as WRI's assignee, agrees to assist the Town and the community as befitting a responsible corporate citizen, notwithstanding and in addition to SRD's obligations under this Extension Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, promises, covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. DEFINITIONS

For the purpose of this Extension Agreement, the following words and phrases shall have the following meanings:

"Acceptable Waste" shall mean "solid waste," as that term is now or hereafter defined in 310 C.M.R. 19.00, including but not limited to MSW, but shall not include Excluded Waste.

"ACOP" shall mean that certain Administrative Consent Order with Penalty ACO-CE-04-9001-246A, issued by the MADEP on January 1, 2004, as amended by that certain Administrative Consent Order with Penalty ACO-CE-04-9001-246A-AMEND1, issued by the MADEP on February 24, 2006.

"Annual Percentage Increase" shall have the meaning set forth in Section 30.3 herein.

"Average Annual Tipping Fee" shall have the meaning set forth in Section 30.3 herein.

"Base Tipping Fee" shall have the meaning set forth in Section 30.3 herein.

"Base Year" shall have the meaning set forth in Section 2.2 herein.

"BUD Material" shall mean waste material that has been approved by MADEP pursuant to 310 C.M.R. 19.130(15) for beneficial use at the Landfill Facility for daily cover or other purposes.

"Change in Law" shall mean the adoption, revocation or change (including a change in interpretation or enforcement) of any law after the Execution Date that materially and adversely affects a party's ability to fulfill its obligations hereunder, including, without limitation, such changes which have a material adverse effect on the cost of development, construction, operation or maintenance of the Landfill Facility; provided, however, that such term shall not include: (1) all matters related to securing the Required Approvals and the initial approvals necessary to achieve the Expanded Capacity, (2) Federal or state laws or regulations of general applicability (including but not limited to 310 CMR 16.000 and 19.000) that affect the management or disposal of solid waste, (3) any event related to the taxation of income by any Federal or state authority that affects a general class of taxpayers, or (4) Occupational, Safety and Health Administration ("OSHA") standards.

"Closure" shall mean those acts and activities required by 310 CMR 19.000 which result in a permanent cessation of use of a municipal solid waste landfill, as those requirements and regulations may be amended or modified, and which result in a stabilized municipal solid waste landfill which is not in active use, and excluding Post-Closure Activities (defined below).

"CPI" means the United States Bureau of Labor Statistics (the "Bureau") Consumer Price Index for Urban Wage Earners and Clerical Workers, Springfield/Hartford Metropolitan Area, All Items (1982-84=100). If the CPI is converted to a different standard reference base or otherwise revised, a determination of the CPI shall be made with the use of such conversion factor, formula or table as may be published by the Bureau or, if the Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by any nationally recognized publisher of statistical information, reasonably selected by the Town. If the CPI shall cease to be published, then there shall be substituted for the CPI any substitute or successor index published by the Bureau or other governmental agency, or if no such index is published, then such other index published by any nationally recognized publisher of statistical information as the parties shall reasonably select. The parties agree that when making any adjustment to a payment in this Extension Agreement to account for the CPI: (a) the adjustment will reflect only the increase, if any, between the CPI for the current year and the CPI for the immediately preceding year; (b) the maximum increase in any year to any payment herein as a result of the CPI shall be capped at two and one-half percent (2.5%); (c) the adjustment will take place on January 1st of the year; and (d) in no event shall the CPI adjustment in any payment due to the Town under this Extension Agreement result in a payment to the Town in any calendar year that is lower than the payment made to the Town for the preceding calendar year.

"Daily and Intermediate Cover" shall mean cover material applied to the Landfill Facility on an annual basis to cover waste in accordance with 310 C.M.R. 19.130(15). Daily and Intermediate Cover shall include compacted soil and alternative cover material approved by MADEP pursuant to 310 C.M.R. 19.130(15)(b)(4), and, if applicable, BUD Material. The amount of Daily and Intermediate Cover used at the Landfill Facility shall not count towards the total amount of MSW that may be disposed of at the Landfill Facility. Notwithstanding the above, SRD shall pay the Town the amount of \$5.53 for each ton of Daily and Intermediate

Cover that is received in the Landfill Facility in excess of twenty-five percent (25%) of the annual tons of MSW permitted for disposal in the Landfill Facility.

“Effective Date” shall mean the date that all conditions precedent set forth in Section 2.1 herein have been achieved to the reasonable satisfaction of SRD and the Town, as applicable.

“Excluded Waste” shall mean, except to the extent any such wastes are included in ordinary household refuse, highly flammable substances, Hazardous Waste, liquid wastes, pathological and biological wastes, explosives, radioactive materials, oil, petroleum, municipal waste water sludge and industrial sludge material, asbestos containing materials, autoclaved infectious waste, lead-acid batteries, radioactive materials, hospital and laboratory wastes, loads containing dead animal carcasses, bulk quantities of recyclable glass and non-ferrous metals, sealed containers, drums, pressurized gas cylinders, infectious wastes, loads containing human wastes, motor vehicles, unprocessed “auto fluff”, motor vehicle parts including, but not limited to, transmissions, engines, rear ends, springs, fenders, radiators and tires, except shredded tires, explosives, including dynamite, blasting caps, shotgun shells, and fireworks, gasoline, kerosene, turpentine, liquid oil-based paints or any other waste excluded by an applicable environmental law or regulation, or excluded by any of the terms and conditions of any permits, licenses or approvals obtained with respect to the operation of the Landfill Facility. This term shall also include such other waste material that SRD finds, in its reasonable discretion, to pose an unreasonable risk or danger to the operation or safety of the Landfill Facility or the environment. Notwithstanding the above, the Parties agree that municipal waste water sludge and industrial sludge material shall not constitute Excluded Waste if the disposal of such wastes in the Landfill Facility is authorized by the MADEP and the Southbridge Board of Health.

“Expanded Capacity” shall have the meaning set forth in Section 4.1 herein.

“Financial Assurance Mechanism” or “FAM” shall mean the financial assurance required for Closure and Post-Closure Activities (defined below) by the MADEP pursuant to 310 C.M.R. 19.051.

“Force Majeure” shall mean any reasonably unforeseeable act, event or condition affecting the Landfill Facility, the Town or SRD that materially and adversely affects the ability of the Town or SRD to perform or comply with any obligation, duty or agreement required under this Extension Agreement, if such act, event, or condition is beyond the reasonable control of a party or its agents relying thereon, including, without limitation: (a) an act of God, epidemic, landslide, lightening, earthquake, fire, explosion, storm, flood or similar occurrence; (b) an act of public enemy, war, blockage, insurrection, riot, general arrest or restraint of government and people, civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence, interference by third parties with any solid waste disposal operations or any other duties of SRD or the Town; (c) a strike, work slowdown, or similar industrial or labor action; (d) an order or judgment (including, without limitation, a temporary restraining order, temporary injunction, preliminary injunction, permanent injunction, or cease and desist order), or the viable threat thereof, or other act of any federal, state, county or local court, administrative agency or governmental office or body, including without limitation, such an order or judgment limiting the duration of this Extension Agreement to less than the Term; (e) the denial, loss, suspension, expiration, termination or failure of renewal of any Permit required to operate the Landfill

Facility; or (f) the institution of a legal or administrative action or similar proceeding by any Governmental Authority, person, firm, corporation, other entity, including, without limitation, comments on or challenges to the consideration or issuance of any Permit, that delays or prevents any aspect of the development or operation of the Landfill Facility. Notwithstanding the above, the Parties agree that the term "Force Majeure" shall not include: (1) any judicial or administrative action requiring SRD to remediate conditions at the Landfill Facility caused by SRD's failure to manage and operate the Landfill Facility in accordance with all applicable laws and regulations; (2) any act, event or circumstance that would not have occurred if the affected Party had complied with its obligations under this Extension Agreement or complied with all applicable laws and regulations, and such failure to comply was not caused by an event of Force Majeure; (3) changes in interest rates, inflation rates, labor costs, insurance costs, commodity prices, currency values, exchange rates or other general economic conditions; (4) changes in the financial condition of the Town, SRD, the Guarantor, or their affiliates or subcontractors affecting the ability to perform their respective obligations; (5) the consequences of error, neglect or omissions by SRD, the Guarantor, the Town, any subcontractor, any of their affiliates or any other person in the management and operation of the Landfill Facility; (6) union or labor work rules, requirements or demands that have the effect of increasing the number of employees required to operate the Landfill Facility or otherwise increasing the cost to SRD of managing and operating the Landfill Facility; and (7) reasonably anticipated weather conditions for the northeastern region of the United States.

"Governmental Authority" shall mean all agencies, authorities, boards, bodies, commissions, courts, instrumentalities, legislatures and offices of any municipal, local, state or federal governmental unit or subdivision.

"Hazardous Waste" shall mean any pollutant, contaminant, chemical, industrial, toxic or other waste that constitutes hazardous waste as defined pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 *et seq.*, or M.G.L. c. 21E, or any regulations adopted thereunder at 310 C.M.R. 30.00.

"Initial Capacity" shall mean reallocation of the existing permitted capacity for the Solid Waste Management Areas so as to allow SRD to dispose of not more than 180,960 tons per year of MSW at the Landfill Facility.

"Initial Landfill Total Economic Benefit" means the initial total economic benefits, measured annually on a total cash or cash-equivalent/in-kind basis, that are provided by SRD to the Town under this Extension Agreement, as calculated and set forth in Exhibit L attached hereto.

"Landfill Benefit Competitive Market Survey" shall mean the survey conducted pursuant to the provisions set forth in Exhibit M attached hereto.

"Landfill Facility" means the municipal sanitary landfill located off Barefoot Road in the Town of Southbridge, all as further shown on Exhibit B attached hereto.

"Landfill Monitor" shall mean an individual that is retained by the Town to monitor the Landfill Facility, and who issues reports to the Southbridge Board of Health, with a copy to the

Town, Southbridge Town Manager, Southbridge Conservation Commission, and SRD, all as further specified in Exhibit C hereto.

“Life of Landfill” shall mean the length of time required to exhaust the Initial Capacity or the Expanded Capacity, as applicable at that time, and trigger an obligation to initiate Closure of the entire Landfill Facility under the Permits.

“MADEP” shall mean the Massachusetts Department of Environmental Protection.

“MSW” shall mean municipal solid waste, as that term is defined in the regulations of the MADEP.

“Permit” shall mean any and all permits, licenses, certificates, consents, registrations or other approvals required by any Governmental Authority to construct, operate, use, maintain, expand or close the entirety or any portion of the Landfill Facility, including without limitation all renewals and modifications thereof.

“Phase I Construction of the Industrial Park Road” shall mean that portion of the access road, sewer line, water line, and related power utilities proposed to service the Southbridge Industrial Development Park that is located starting at State Road 169 and continuing to a point of intersection adjacent to the Processing Facility, all as further set forth in Exhibit D hereto.

“Phase II Construction of the Industrial Park Road” shall mean that portion of the access road, sewer line, water line, and related power utilities proposed to service the Southbridge Industrial Development Park that is located starting at a point of intersection adjacent to the Processing Facility and continuing throughout the remainder of the said Industrial Development Park, all as further set forth in Exhibit D hereto.

“Post Closure Activities” shall mean those acts and activities which are required for post-closure care including monitoring, reporting and maintenance under the regulations of the MADEP at 310 C.M.R. 19.00, as amended from time to time.

“Property” shall mean the Town-owned parcel of land located on Barefoot Road in the Town of Southbridge, on which the Landfill Facility is located.

“Required Approvals” shall mean (1) all approvals necessary from any Governmental Authority to operate the Landfill Facility at the Initial Capacity, including, without limitation, a site assignment (or modifications thereto) from the Southbridge Board of Health, and the solid waste management facility permit from the MADEP, and (2) the approval by MADEP of the FAM required to be provided by SRD under Section 6.2 of this Extension Agreement.

“Required Submittals” shall mean the performance bond required under Section 3.4(e), the performance bond required under Section 25.1, the Certificates of Insurance required under Section 21.3, and the Guaranty required by Section 24.1.

“Royalty Payment” shall mean the payment due from SRD to the Town pursuant to Section 5.2 or 5.3 herein, as applicable.

“Solid Waste Management Areas” shall mean the Landfill Facility, the Processing Facility, and certain adjacent properties, all as shown on Exhibit E hereto.

“SRD” shall mean Southbridge Recycling and Disposal Park, Inc.

“Term” shall have the meaning set forth in Section 28.

“Total Landfill Economic Benefit” means the total economic benefits, measured annually on a total cash or cash-equivalent/in-kind basis and calculated in accordance with the provisions set forth in Exhibit M attached hereto, paid or provided by any private landfill operator to any municipality in connection with the long-term operation of a municipally-owned landfill located in the Commonwealth of Massachusetts.

“Ton(s)” shall mean 2000 pounds or the volume equivalent.

“Town” shall mean the Town of Southbridge, Massachusetts.

2. CONDITIONS PRECEDENT

2.1 Effectiveness of the Extension Agreement. The parties agree that the provisions of this Extension Agreement shall become effective, and supersede and replace the Existing Agreement, when: (a) SRD has received all the Required Approvals in a form reasonably satisfactory to SRD, and (b) the Town has received the Required Submittals, in a form reasonably satisfactory to SRD and the Town.

2.2 Effect of Effective Date on Payments. SRD acknowledges and agrees that the payments due by SRD under this Extension Agreement are valued as of January 1, 2007 (the “Base Year”), and that any and all payments to be made by SRD under Sections 5.2, 5.3 and 7.1(b) shall increase by the increase in the CPI, if any, between the Base Year and the Effective Date. If, for example, the CPI increases by 2% between the Base Year and the Effective Year, the \$10,000 to be paid by SRD pursuant to Section 7.1(b) below shall increase to \$10,200 for the first year.

2.3 Effectiveness of Additional Benefits under this Extension Agreement. The parties agree that the obligations of SRD under Section 5.3 (Expanded Capacity Royalty Payment), Section 7.6 (Increased Legal Fund Contribution), Section 7.7 (Increased Water and Sewer Line Construction Contribution), and Section 7.10 (Recycle Bank) of this Extension Agreement shall be contingent on the receipt by SRD of all approvals and authorizations, each in a form reasonably satisfactory to SRD, that are necessary or appropriate to reallocate and/or expand the permitted disposal volume of the Landfill Facility to 405,600 tons per year of MSW. SRD acknowledges and agrees that the payments due by SRD under Sections 5.2, 5.3 and 7.1(b) of this Extension Agreement are valued as of the Base Year, and that these payments shall increase by the increase in the CPI, if any, between the Base Year and the calendar year in which SRD obtains all permits necessary to operate the Landfill Facility at the Expanded Capacity (the “Expanded Capacity Year”). For example, if the CPI increases by 2% between the Base Year and the Expanded Capacity Year, the royalty payment to be paid by SRD under Section 5.3 for the first year shall increase from \$6.00 per ton to \$6.12 per ton.

2.4 Obligation to Cooperate. The Town shall reasonably and in good faith cooperate with SRD in its efforts to fulfill the conditions precedent set forth in Sections 2.1 and 2.3 above. This obligation shall not be construed as requiring the Town or any of its officers or boards to issue any necessary approval or permit, waive any fees or charges (other than the ones expressly set forth herein), or require the Town to incur any third party costs or expenses.

2.5 Continuation of Benefits under the Existing Agreement. Until the Effective Date, the parties shall continue to be bound by the terms of the Existing Agreement. Upon the Effective Date, the parties shall be bound solely by the terms of this Extension Agreement.

3. SRD'S RIGHTS AND OBLIGATIONS

3.1 Exclusive Use. The Town hereby grants SRD the exclusive right to occupy, operate and use, as further set forth herein, the Landfill Facility and to take all actions related thereto, commencing on the Effective Date and continuing during the Term of this Extension Agreement, including without limitation, the following.

a) The exclusive right to take possession of, occupy and have exclusive use of the Landfill Facility.

b) The exclusive right, franchise, license and privilege to take possession of, occupy, and have exclusive use of the Landfill Facility, including with respect to physical and management control. Nothing herein shall limit the right of SRD to use its own personal property, which right shall be unrestricted. Without limiting the foregoing, the Town shall not, during the Term of this Extension Agreement or any extension thereof, unless sooner terminated in accordance with Section 18 hereof, grant any other person or entity any right, franchise, license or privilege to operate, occupy, manage or otherwise utilize the Landfill Facility.

c) The exclusive franchise, license and privilege to manage and dispose of Acceptable Waste at the Landfill Facility, with the full right to accept such Acceptable Waste from any source, including but not limited to any person or entity other than the Town or the residents of the Town. In connection with the foregoing, the parties acknowledge that SRD shall have all right to and shall own all revenue generated from any disposal of Acceptable Waste at the Landfill Facility.

d) The use of any Permits that have been issued in the Town's name and are required for SRD to operate the Landfill Facility and fulfill its obligations under this Extension Agreement.

e) The exclusive right (but not the obligation) to utilize any and all landfill gas generated at or by the Landfill Facility, if any, including but not limited to the right to collect and utilize such gas in connection with a landfill gas-to-energy plant, regardless of whether such landfill gas is generated during or after the Life of Landfill.

f) The exclusive right to utilize at or remove as necessary or appropriate from the Landfill Facility excess soil, gravel, or other material that is generated as part of the construction, operation or Closure of the Landfill Facility. SRD shall pay to the Town fifty percent (50%) of the net revenue received by SRD from the sale of any such materials to any

entity, other than an affiliate of SRD. Notwithstanding the above, SRD agrees to notify the Town in advance of the potential for the removal of any such material from the Landfill Facility, and to cooperate with the Town in the potential use of such materials in connection with the development of the Industrial Development Park.

3.2 Permits. SRD shall use commercially reasonable and diligent good faith efforts to obtain, at its sole cost and expense, in phases as determined by SRD, a site assignment (or modification thereto) and all Permits, including preparing all necessary permit applications, reports and/or studies. The Town shall, to the extent permitted by law and necessary, transfer operational authority and/or the Permits held by the Town to SRD. The Town shall cooperate with SRD in providing information to SRD and in executing such forms and applications as SRD may reasonably require to obtain and thereafter maintain compliance with all such site assignments and Permits during the term of this Extension Agreement; provided, however, that the Town shall not be required to incur any third party costs or expenses.

3.3 Construction. SRD shall at its sole cost and expense construct portions of the Landfill Facility to the extent of the Permits so received and to the extent deemed appropriate by SRD to implement the terms of this Extension Agreement, including preparing the subgrade and constructing landfill cells in accordance with such Permits. SRD agrees to finance and construct expansions of the Landfill Facility to the extent permissible. SRD covenants that the design and construction of the Landfill Facility expansions will meet or exceed any and all applicable requirements pertaining to municipal solid waste landfills in the Commonwealth of Massachusetts. As the owner of a portion of the Landfill Facility, the Town shall have the right to review and comment on all plans developed by SRD for the design of any expansions to the Landfill Facility, and to inspect and comment on the construction prior to the completion and acceptance by SRD. In connection with the foregoing, SRD shall have the right to construct at the Landfill Facility, in SRD's sole discretion, such buildings or fixed resources as it deems necessary for the operation of the Landfill Facility including, but not limited to, recycling facilities, garages and other buildings or structures. The Town shall have the right at the expiration of the Term of this Extension Agreement or the earlier termination thereof to require SRD to remove all such buildings or fixed resources on the Property and to restore any area on the Property disturbed in connection with such removal to its condition as of the Execution Date.

3.4 Operation. From and after the Effective Date:

a) SRD shall assume sole responsibility and control, and bear all costs, including all labor, equipment, and materials and all direct and indirect expenses, for the development, permitting, management and operation of the Landfill Facility for the Term of this Extension Agreement and for the Closure and Post-Closure Activities;

b) SRD shall at its sole cost and expense be responsible for the day-to-day operation of the Landfill Facility, including, without limitation, storm water management system, gas collection system, air quality monitoring devices, weighing waste, testing waste for nature and consistency, preparation of waste for disposal, cell construction, disposal of waste, preparing and applying daily interim and final cover, construction of temporary roads and other temporary access, installation and monitoring of ground water wells, maintenance and operation of a leachate collection and disposal system;

c) SRD shall at its expense be responsible for providing and maintaining all necessary facilities, including equipment, for the receiving and handling of waste to be disposed of at the Landfill Facility. Such responsibilities shall include without limitation (i) employing all necessary personnel to operate the Landfill Facility, and (ii) providing all services incidental to the business of operating the Landfill Facility (including security, accounting, legal, fire prevention and pollution control);

d) SRD shall perform or cause to be performed, at its sole cost and expense, a curbside collection program (which shall include both the collection and disposal of MSW) for the residents of the Town, as further set forth in Exhibit H hereto, for a period of twenty (20) years commencing on the Execution Date or for the Term of the Extension Agreement, whichever is longer; provided, however, that SRD shall have no obligation to provide the program to more than 7,000 residences (which includes multi-unit residential housing, in which each individual unit will count as an individual residence) in any calendar year during such period.

e) SRD shall furnish a performance bond to the Town in a form acceptable to the Town to cover the cost of services provided under Section 3.4(d) above. The bond shall be in the amount of six hundred twenty-five thousand dollars (\$625,000.00); provided, however, that said amount shall be increased by SRD every three (3) years, on the anniversary of the Effective Date, to take into account the increase in the cost of providing such services, to an amount reasonably acceptable to the Town. SRD shall deliver this bond to the Town prior to the Effective Date and shall renew this bond annually so long as SRD's obligations under Section 3.4(d) remain in effect. This bond shall become payable in the event that SRD is in material breach of its obligations under Section 3.4(d) above or as specified in Section 18.4 herein.

f) SRD shall at its sole cost and expense weigh all vehicles containing waste to be delivered to the Landfill Facility pursuant to this Extension Agreement. SRD shall utilize scales approved by the Commonwealth of Massachusetts to weigh all waste delivered to the Landfill Facility. SRD shall test and calibrate the scales every twelve (12) months. The Town or its authorized representative shall have the right to test the accuracy of scales located at the Landfill Facility at any time, provided that these tests are conducted at times when the Landfill Facility is not accepting Acceptable Waste and do not unreasonably interfere with the orderly operation of the Landfill Facility. For the avoidance of doubt, the parties agree that the Town, without prior notice to SRD, may test the accuracy of the scales by loading a truck to any legal weight desired, ascertaining the weight by obtaining a weight ticket at a certified scale maintained by an independent entity that has been calibrated within the last thirty (30) days, following a chain of custody protocol established by an independent consultant, and traveling directly to the scales at the Landfill Facility for weighing in accordance with the time of arrival at the Facility. In the event that the scales are determined to be accurate (as determined by reference to the manufacturer's recommended tolerances) as a result of an inspection by the Town, the Town shall bear the cost of such inspection. If the scales are determined to be inaccurate (as determined by reference to the manufacturer's recommended tolerances), SRD shall reimburse the Town for the cost of such test;

g) SRD will bear all costs, including all direct and indirect expenses, attributed to the operation of the Landfill Facility;

h) In conjunction with the Closure, SRD will be responsible for the collection and disposal of all landfill gases;

i) SRD will be responsible for the cost of all federal, state and local permits and fees associated with the operation of the Landfill Facility, including any fines, penalties, or other costs associated with compliance with MADEP notices, orders and/or regulations arising out of or related to SRD's operation of the Landfill Facility;

j) SRD shall use commercially reasonable efforts to ensure that truck routes contained in Exhibit F are utilized in the delivery of Acceptable Waste to the Landfill Facility and the Processing Facility. SRD shall post the truck routes contained in Exhibit F at the Landfill Facility and the Processing Facility sites. Such efforts shall include informing haulers of the routes required to be followed under this Extension Agreement. SRD agrees that it shall deny access to the Landfill Facility and the Processing Facility to any hauler that repeatedly fails to follow prescribed truck routes or other instructions required by this Section. Any changes in said truck routes shall be subject to approval by the Town Manager; and

k) SRD shall maintain the total capacity of Acceptable Waste delivered to the Processing Facility and the Landfill Facility from outside sources at or below the current total permitted level of 499,200 tons per year, and maintain the total capacity of MSW delivered to the Landfill Facility at the Initial Capacity or the Expanded Capacity, whichever is applicable.

3.5 Hours of Operation. SRD shall have the right to operate the Landfill Facility at hours of its choosing from 7:00 A.M. to 5:00 P.M. Monday through Friday, and from 7:00 A.M. to 5:00 P.M. Saturday, unless otherwise permitted by MADEP. The Landfill Facility shall be closed for operation on each of the following days: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day, unless requested by the Town and agreed to by SRD.

3.6 Inspection.

a) Except for the Landfill Monitor, his or her supervisor, and any person or entity designated by the Town Manager to perform such duties, who may freely access the Landfill Facility at any time, SRD expressly agrees that Town officials, as designated by the Town Manager, may visit the Landfill Facility during regular operating hours and with advance notification to SRD, except in the case of an emergency. All visits or inspections shall be conducted in such a manner so as not to interfere with SRD's operations and in compliance with all reasonable safety rules adopted by SRD. This Section shall not be in derogation of the right of any public official to carry out any public duty in accordance with any applicable laws, including Board of Health officials and authorized agents acting under Chapter 111 of the Massachusetts General Laws, or otherwise.

b) During the Term of this Extension Agreement, the Town shall have the right at any time to install, at its sole cost and expense, any video electronic device, including cameras, to monitor the operation of the scale house at the Landfill Facility.

c) During the Term of this Extension Agreement, SRD shall (at the Town's request and at the Town's sole cost and expense) construct and maintain a duplicate weigh

station screen in the scale house that replicates in real time all weight transactions from the scales at the Landfill Facility. In connection with the above, SRD shall provide all access required to allow the Town to staff such duplicate observation station in a manner as determined by the Town.

3.7 Limitations on Waste.

a) Rejection of Excluded Waste. SRD shall accept only Acceptable Waste at the Landfill Facility. SRD shall be responsible for the rejection of Excluded Waste delivered to the Landfill Facility after the Effective Date, which provision shall not limit SRD's right of recourse against the transporter or generator of the Excluded Waste. SRD shall have the right to detain and inspect the contents of all vehicles that are delivering waste to the Landfill Facility to ensure that Excluded Waste is not being delivered to the Landfill Facility. SRD shall have the right to refuse or reject such Excluded Waste in its sole discretion or, if not detected prior to entering the Landfill Facility, SRD shall remove the Excluded Waste and ensure its proper disposal, all at the hauler's expense. SRD shall have the right to ban haulers from disposing at the Landfill Facility until such time as the expenses for reimbursement for the removal of the Excluded Waste are paid to SRD. In connection with the foregoing, SRD agrees that as the designated operator of the Landfill Facility it will not, at the Landfill Facility, accept or dispose of Hazardous Waste. SRD shall take steps to assure that all waste is delivered in appropriate vehicles and is covered or contained in such manner that it will not spill or blow onto Town streets, roads or any other property. SRD shall bear all costs incurred from its failure to comply with this paragraph without recourse to the Town.

b) Tonnage. The annual tonnage of Acceptable Waste disposed of in the Landfill Facility shall be limited by any final, nonappealable conditions imposed by the Southbridge Board of Health and/or any Permits issued by MADEP for the Solid Waste Management Areas.

3.8 ACOP Implementation. Each party shall in good faith use its best efforts to promptly and timely address to the satisfaction of the MADEP all issues and items for which such party is responsible under the ACOP. In the event that a party fails to comply with its obligations under this section, the other party, upon thirty (30) days prior notice to the first party, may, at its election, take measures to address such issues and items that have not been performed, and the non-complying party shall pay the reasonable costs therefore promptly upon the presentation of invoices specifying the same. In the event a party fails to complete the work as required by the ACOP or otherwise fails to comply with the requirements of the ACOP, such party shall be responsible for paying any penalties required to be paid under the ACOP, and shall indemnify and hold the party harmless for any other liability or cost of compliance as a result of such non-compliance.

3.9 Limitation. SRD agrees to assume liability for all costs associated with conducting a Comprehensive Site Assessment (CSA) and Corrective Action Alternative Analysis (CAAA) for the Phase I, II, IIIA and IIIB and as ordered by the MADEP. In the event MADEP or the Permits require that any work be performed in Cells I, II, IIIA and IIIB, and any Hazardous Waste is determined to be present, the Town will be responsible for remediation; provided, however, that if Hazardous Waste is found in any area in which SRD has disposed of any waste, SRD shall be responsible for any notices of noncompliance, and for the remediation of any Hazardous Waste or other conditions and/or fines which may be assessed. If SRD decides to voluntarily perform test borings or site evaluation, or to commence mining operations in Cell I, II, IIIA, and IIIB, SRD shall be responsible for remediation of any Hazardous Waste or other conditions in any area of the Landfill Facility.

3.10 Notice of Regulatory Meetings. SRD shall provide advanced notice to the Town of any meeting scheduled with a Governmental Authority that relates to the Landfill Facility. The Town shall have the right to attend such meetings.

3.11 Late or Inadequate Payments. In the event that any payment is not made as required by this Extension Agreement, interest shall accrue on such late payment at the annual rate of ten percent (10%) from the first day of the delinquency on the unpaid balance until payment has been made in full.

3.12 Interest on Refunded Disputed Payments. In the event that a party disputes any payment due under this Extension Agreement, it shall nevertheless remit the full amount of the payment due. In the event it is determined that the remitting party did not have to make to payment, in whole or in part, interest shall accrue on the amount of such payment that is required to be credited or refunded, if any, at the annual rate of three percent (3%) from the first day of the payment until credit or refund has been made in full.

4. EXPANSION OF LANDFILL FACILITY

4.1 Expansion of the Landfill Facility Capacity. SRD shall have the right to seek all approvals, authorizations, and site assignments (or modifications thereto) required to reallocate and/or expand the permitted disposal volume of the Landfill Facility to 405,600 tons per year of MSW (such capacity, the "Expanded Capacity"); provided that at no time shall SRD increase the total combined permitted capacity of the Landfill Facility and the Processing Facility above the capacity authorizations that exist as of the Effective Date of this Extension Agreement (which such site authorizations total the amount of 499,200 tons per year).

4.2 Lateral Expansion. SRD shall not be allowed to laterally expand the Solid Waste Management Areas without an amendment to this Extension Agreement and compliance with all necessary approvals, including, without limitation a Major Modification of the Site Assignment approved by the Southbridge Board of Health. For the avoidance of doubt, the parties acknowledge and agree that site assigned property currently owned by SRD or its affiliates and located adjacent to the Landfill Facility falls within the Solid Waste Management Areas, that SRD may utilize such property in connection with any and all of its activities under this Extension Agreement, and that such property to the extent so utilized shall be considered to be part of the Landfill Facility for the purposes of determining the scope of SRD's rights and

obligations under this Extension Agreement; provided, however, that title to such property shall at all times remain in SRD or its affiliates.

4.3 Level of Truck Traffic. SRD represents and warrants that the reallocation of the Landfill Facility capacity as contemplated in Section 4.1 shall not result in an increase in truck traffic accessing the Landfill Facility and the Processing Facility as permitted of the Execution Date. This representation is a material inducement for the Town's entering into this Extension Agreement.

5. ROYALTY PAYMENT

5.1 Continuation of Benefits. Upon the execution of this Extension Agreement and until the Effective Date, SRD shall continue to make all royalty and other payments to the Town required under the Existing Agreement; provided, however, that on and after the Effective Date, SRD shall make only those royalty and other payments to the Town that are set forth in this Extension Agreement.

5.2 Initial Capacity Royalty Payment. Commencing on the Effective Date and during the Term of this Extension Agreement, and thereafter for so long as SRD or any one acting by, through or under SRD remains in occupancy of the Property, SRD shall pay a royalty payment to the Town, on a monthly basis, for each ton of Acceptable Waste disposed in the Landfill Facility in any calendar year, not to exceed 180,969 tons of Acceptable Waste annually, in the amount that is the greater of (a) \$5.53 for each ton of Acceptable Waste that is disposed at the Landfill Facility or (b) the amount of \$83,333.33 per month; provided, however, that in no event shall the amount paid in any calendar year by SRD under this subsection exceed \$1 million. The parties agree that the payments set forth in this subsection shall be adjusted on an annual basis based on annual increases in the CPI. If (i) the Permits for the Landfill Facility authorize the disposal of more than 180,960 tons but fewer than 405,600 tons of Acceptable Waste per calendar year, or (ii) SRD disposes of more than 180,960 tons but fewer than 405,600 tons of waste at the Landfill Facility in any calendar year, then SRD shall pay the Town an additional \$5.53 for each ton of waste above 180,960 tons that is disposed of at the Landfill Facility during any calendar year. The payments in the initial and final calendar year of the Term shall be prorated if necessary. SRD shall make such payment to the Town on or before the 15th day of each calendar month.

5.3 Expanded Capacity Royalty Payment. In the event that SRD receives all approvals, authorizations, Permits and Site Assignments required to reallocate and/or expand the existing permitted capacity of the Landfill Facility to 405,600 tons per year of Acceptable Waste as set forth in Section 4.1 above, SRD shall pay to the Town, on a monthly basis, commencing on the date that the Landfill Facility may be operated at the Expanded Capacity and during the Term of this Extension Agreement, and thereafter for so long as SRD or any one acting by, through or under SRD remains in occupancy of the Property, a royalty payment for each ton of Acceptable Waste that is disposed at the Landfill Facility in any calendar year in the amount that is the greater of (a) \$6.00 for each ton of Acceptable Waste that is disposed at the Landfill Facility, or (b) the amount of \$83,333.33 per month. The parties agree that the payments set forth in this subsection shall be adjusted on an annual basis by the CPI, and that the payments in the calendar year in which the above Permits are obtained and the final calendar year of the Term

shall be prorated if necessary. SRD shall make such payment to the Town on or before the 15th day of each calendar month.

5.4 Right of Offset. It is understood between the parties that payment of the Royalty Payment is in lieu of (i) all taxes, fees, charges or other assessments with respect to the Landfill Facility, including but not limited to any statutory host fee, which may be otherwise chargeable by the Town to SRD pursuant to M.G.L. c. 150A or c. 16, § 24A, (ii) real estate taxes imposed solely upon the land on which the Landfill Facility (and any such expansion or LGE Project) is located, and (iii) betterment fees for the construction of the Industrial Development Park Road and related utilities, but excluding fees imposed routinely for permits, applications, water and sewer connection and usage fees, and the like. SRD shall be entitled to offset against any Royalty Payment due under this Extension Agreement the full amount of any such tax, fee, charge or assessment which is assessed against SRD, provided that SRD first submits to the Town any invoice, bill or other document evidencing the amount of such charge before paying the same, and the Town reasonably determines, in writing, no later than thirty (30) days from the receipt of all requested evidence, that SRD may offset that amount from the Royalty Payment. SRD may dispute the Town's conclusion by following the procedures set forth in Article 27, provided that SRD must continue to make its payments under this Extension Agreement until a final determination has been reached. If it is determined that SRD has the right to offset such amount, the funds so overpaid shall be credited (with interest as set forth in Section 3.12 above) to the next Royalty Payment(s) owed by SRD; provided, however, that if such credit would be insufficient to fully offset such charges, the Town shall promptly refund the remaining amount of such credit to SRD.

5.5 Change in Law or Event of Force Majeure and Reduction of Royalty Payment. SRD shall have the right to decrease the amount of any current and future Royalty Payment due under this Extension Agreement to reflect the additional costs imposed on SRD to the extent that a Change in Law or event of Force Majeure materially and adversely affects SRD's ability to fulfill its obligations hereunder, including, without limitation, such changes which have a material adverse effect on the cost of development, construction, operation or maintenance of the Landfill Facility, provided, however, that (a) SRD first submits to the Town a written notice specifying the nature of the Change in Law or event of Force Majeure, how such Change in Law or event of Force Majeure materially and adversely affects SRD's obligations hereunder, and by how much SRD proposes to decrease the amount of the Royalty Payment, and (b) the Town reasonably determines, in writing, no later than forty-five (45) days from the receipt of all requested evidence, that SRD may offset that amount from the Royalty Payment. SRD may dispute the Town's conclusion by following the procedures set forth in Article 27, provided that SRD must continue to pay the Royalty Payment due under this Extension Agreement until a final determination has been reached. If it is determined that SRD has the right to reduce the Royalty Payment, then any funds so overpaid to the Town shall be credited (with interest as set forth in Section 3.12 above) to the next Royalty Payment(s) owed by SRD; provided, however, that if such credit would be insufficient to fully offset such amount, the Town shall promptly refund the remaining amount of such credit to SRD. Notwithstanding the foregoing, SRD shall continue to perform all of its other obligations under this Extension Agreement, and to resume payment of the full Royalty Payment due under Sections 5.3 or 5.4, whichever is applicable, if SRD is able to successfully challenge the Change in Law, or after the period of Force Majeure has expired, whichever is applicable.

5.6 Change in Law or Event of Force Majeure and Suspension of Royalty Payment. SRD shall have the right to suspend the payment of the Royalty Payment if a Change in Law or event of Force Majeure causes SRD to suspend the operation of the Landfill Facility, provided, however, that SRD gives written notice to the Town specifying the nature of the Change in Law or event of Force Majeure. Notwithstanding the foregoing, SRD shall continue to perform all of its other obligations under this Extension Agreement, including, without limitation, its obligations under Sections 3.4(d), 3.4(e), 6.2, 7.3(d), 7.4(b), 7.7, and 25.1, and to resume payment of the full Royalty Payment due under Sections 5.3 or 5.4, whichever is applicable, if SRD is able to successfully challenge the Change in Law, or after the event of Force Majeure has expired, whichever is applicable, and resume the operation of the Landfill Facility.

5.7 Curbside Collection and Alternative Disposal Site. In the event that a Change in Law or event of Force Majeure renders the Landfill Facility temporarily unavailable for the disposal of Acceptable Waste, SRD shall immediately provide an alternative method for the disposal of Acceptable Waste that is generated by the Town and the residents of the Town and collected by SRD as part of the curbside collection program set forth in Section 3.4(d) herein, for the period of time that the Landfill Facility is temporarily unavailable to accept such Acceptable Waste for disposal.

6. LANDFILL FACILITY CLOSURE AND POST-CLOSURE

6.1 Responsibility. From and after the Effective Date, SRD shall be responsible, at its sole cost and expense, for all Closure and Post-Closure Activities required by the Permits or the MADEP's regulations at the Landfill Facility.

6.2 Financial Assurance. Prior to the Effective Date, SRD shall propose to the MADEP the substitution of an alternative FAM to replace the current FAM that the Town maintains. SRD shall provide a draft of its proposal to the Town prior to submitting it to the MADEP, and the Town shall have the right to submit comments on the proposal to SRD and MADEP. The alternative FAM shall be satisfactory to the MADEP and shall, in all respects, comply with the requirements of 310 CMR 19.051. The alternative FAM shall cover the full obligation of SRD for Closure and Post-Closure Activities of the entire Landfill Facility, including the Closure costs for those portions of the Landfill Facility operated by the Town prior to the Existing Agreement. Upon approval of the MADEP and the occurrence of the Effective Date, the alternative FAM shall relieve the Town of its entire obligation to maintain the current FAM. For the avoidance of doubt, the parties agree that the alternative FAM shall not take effect until the Effective Date. The Town shall have the right, at any time during the Term of this Agreement, to request DEP to adjust the amount of the FAM if the Town reasonably determines that the FAM is insufficient to cover SRD's Closure and Post-Closure obligations hereunder.

6.3 Existing Closure Funds.

a) Release of Funds. Upon the Effective Date and after the posting by SRD of the FAM as set forth in Section 6.2 above, the Town will take all steps necessary to obtain the release to SRD of certain of the funds currently held by the Town in a restricted account, as further specified in Exhibit G attached hereto, for the Closure and Post-Closure Activities at the Landfill Facility.

b) Payment and Use of Funds. The parties agree that the Town shall retain all rights to any funds, other than those specified in subsection (a) above, currently held by the Town which relate to payments of whatever kind from WRI under the Existing Agreement.

7. ADDITIONAL BENEFITS TO BE PROVIDED TO THE TOWN BY SRD

7.1 Landfill Monitor Reimbursement.

a) Salary and Direct Benefits. From the Effective Date and continuing until the expiration or earlier termination of this Extension Agreement, SRD shall reimburse the Town each calendar year for the actual salary and direct benefits paid by the Town in retaining the Landfill Monitor for the Landfill Facility; provided, however, that such reimbursement shall not exceed the amount of \$75,000 in the first (1st) full year of this Extension Agreement. The Town agrees that the salary and direct benefits of such employee (i) shall be set in accordance with the Town's procedures of general applicability for determining the compensation and benefits of its non-collective bargaining unit employees, and (ii) shall increase annually only at a rate that is equal to the rate of increase that is applicable to the most similar class of non-collective bargaining unit employees in that given year; provided, however, that the rate of any such increase may not exceed four percent (4%) in any given year. The Parties further agree that in the event that the Town retains a non-municipal employee as the Landfill Monitor, the amount of the salary and benefits of such non-municipal employee shall not exceed (except as a result of the application of the four percent (4%) escalation factor referenced above) the amount that was paid to the last municipal employee that held the position of Landfill Monitor. SRD shall make such payment in twelve installments of equal amount, each of which shall be due on or before 15th of each month; provided, however, that the payment in the initial and final calendar year of the Term shall be prorated if necessary.

b) Third Party Consulting. From the Effective Date, SRD shall pay to the Town on an annual basis and on or before January 15th of each calendar year, \$10,000 for use by the Town in hiring third-party consultants to provide assistance to the Landfill Monitor. The payments due under this subsection shall be adjusted on an annual basis based on annual increases in the CPI.

7.2 Legal Fund Contribution. On the Effective Date, SRD shall pay to the Town the amount of \$100,000 as contribution toward the Town's legal fees in negotiating this Extension Agreement.

7.3 Contribution towards Water Line and Sewer Line Construction.

a) Invitation for Bid. The Town agrees on a timely basis to issue an Invitation for Bid and award a contract for the design and construction of the Phase I Construction of the Industrial Park Road, and to arrange for the necessary financing of the project.

b) SRD Bid. The parties agree that Casella Construction, a related party to SRD, is eligible to and may submit a bid for the Phase I Construction of the Industrial Park Road. SRD acknowledges that the Town is required to award the contract to the lowest

responsible and eligible bidder in accordance with applicable Massachusetts public construction laws.

c) Phase II Construction of the Industrial Park Road. The parties agree that Casella Construction, a related party to SRD, is eligible, but shall not be obligated, to submit a bid for the Phase II Construction of the Industrial Park Road.

d) Contribution Payment. Upon the award of the contract set forth in subsection (a) above, SRD shall make an annual payment to the Town in the amount of \$341,000 for a period of twenty (20) years, in addition to all other sums that SRD is obligated to pay under this Extension Agreement. SRD shall make such payment on or before January 15th of each such year. SRD's obligation to make these payments shall survive the expiration of this Extension Agreement if the twenty (20) year period set forth herein exceeds the Term of this Extension Agreement, but shall not survive the earlier termination of this Extension Agreement unless otherwise specified herein.

e) In the event that the Town awards, through competitive bidding procedures, the construction contract for either the Phase I or Phase II Construction of the Industrial Park Road to Casella Construction or any person or entity related to or affiliated with SRD or the Guarantor, then SRD agrees to provide the SRD Good Road Guarantee set forth in Exhibit O attached hereto in connection with such construction.

7.4 Landfill Gas to Energy Project.

a) Construction and Operation. Upon the Effective Date, SRD shall have the right to design, permit, develop, own and operate a landfill gas to energy project (the "LGE Project") at or adjacent to the Landfill Facility, and utilize any and all landfill gas generated by or at the Landfill Facility, if any, both during and after the Life of Landfill, to fuel the LGE Project. SRD shall be entitled to all renewable energy credits, fuel production credits, greenhouse gas, carbon emission, or climate change-based similar credits or offsets, and any other international, federal or state credits, offsets or incentives associated with the sale, generation, or use of landfill gas from the Landfill Facility, or other revenue, credits or other incentives received under any state, federal, or international renewable energy portfolio program (collectively, the "Renewable Attributes").

b) LGE Project Payment. SRD shall pay to the Town, on a monthly basis, the amount of ten percent (10.0%) of all revenues received by SRD from the sale to third-parties of electricity generated by the LGE Project (the "Energy Payment"). The Energy Payment shall be due and payable by the twentieth (20th) day following the end of each calendar month. SRD shall provide the Town with all revenue statements from purchasers of electricity and other documentation as is reasonably necessary to confirm the actual amount of electric sales revenues received by SRD during the preceding calendar month. For the avoidance of doubt, the parties agree that the Energy Payment shall not include any revenue related or attributable to the Renewable Attributes. The parties agree that the provisions of Article 12 shall apply to the Energy Payment required to be paid hereunder.

7.5 Intentionally Omitted.

7.6 Increased Legal Fund Contribution. Upon its receipt of the authorizations and approvals to operate the Landfill Facility at the Expanded Capacity, as set forth in Section 4.1 above, SRD shall pay the Town an additional \$100,000 as contribution toward the Town's legal fees.

7.7 Increased Water Line and Sewer Line Construction Contribution. Upon the award by the Town of the contract set forth in Section 7.3(a) above and the receipt by SRD of the authorizations and approvals set forth in Section 4.1 above, SRD shall increase the amount of the annual payment set forth in Section 7.3(d) above from \$341,000 to \$471,000 for the period of time remaining under Section 7.3(d) above (that is, the remainder of the period of twenty (20) years from the date of the award of the contract set forth in Section 7.3(d) above); provided, however, that in such event SRD shall decrease the Royalty Payment set forth in Section 5.3 above to \$5.42 per ton of Acceptable Waste for each ton of Acceptable Waste disposed in the Landfill Facility in any calendar year above the amount of 180,960 tons. SRD shall pay \$6.00 per ton (as such sum shall be adjusted by the CPI under Section 5.3) for the first 180,960 tons of Acceptable Waste that is disposed at the Landfill Facility in any calendar year.

7.8 Intentionally Omitted.

7.9 Intentionally Omitted.

7.10 RecycleBank. Contingent upon its receipt of the authorizations and approvals set forth in Section 4.1 above and the establishment by the Town of a single stream recycling requirement for the residents of the Town, and only as part of or in connection with the curbside collection program conducted pursuant to, and the limitations set forth herein, Section 3.4(d) above, SRD will (a) provide at no cost to the Town or the residents of the Town a single stream recycling program to the residents of the Town, and (b) offer to the residents of the Town, at a cost that represents the most competitive cost offered by SRD to other participants in the RecycleBank program, the opportunity to participate in SRD's RecycleBank program as it exists on such date and thereafter, all as further set forth in Exhibit I hereto

8. PROJECTS TO BE DEVELOPED BY SRD WITH THE TOWN

8.1 Steam and Waste Heat Project. Upon or in connection with achieving commercial operation of the LGE Project, SRD shall develop on commercially reasonable terms and within three (3) years from the Effective Date, a hydroponics or other project to utilize steam and/or waste heat produced from the LGE Project (the "Waste Heat Project").

8.2 Gasification Project. Upon the Effective Date of this Extension Agreement, SRD agrees to cooperate with the Town in seeking the development on commercially reasonable terms of a gasification project that uses waste wood and other similar items recovered from the Processing Facility or that otherwise are available in the marketplace (the "Gasification Project").

8.3 New Technologies. Upon the Effective Date of this Extension Agreement, SRD agrees to cooperate with the Town in seeking the development on commercially reasonable terms of new solid waste conversion technologies in connection with the operation of the Landfill Facility.

9. OBLIGATIONS OF THE TOWN

9.1 Cooperation. The Town shall execute at SRD's request all documents consistent with the purposes of this Extension Agreement and that are reasonably necessary to obtain the Required Approvals or any Permits required for the operation, Closure or performance of Post-Closure Activities by SRD at the Landfill Facility. In connection with the foregoing, the Town (including without limitation all agencies, boards, and commissions thereof) hereby appoints SRD as its agent or, alternatively, grants SRD a limited power of attorney (to the extent permissible by law) to (i) file documents; (ii) execute documents; (iii) submit permit applications (including without limitation applications for modifications and renewals); (iv) consult with the MADEP and the United States Environmental Protection Agency ("USEPA") or any other Governmental Authority with regard to the Landfill Facility; (v) represent the Town in front of the MADEP, USEPA or any other Governmental Authority with regard to the Landfill Facility unless the Town reasonably determines that its interests are materially adverse to the position being taken by SRD; and (vii) represent the Town at any public hearings or meetings relative to the obtaining, renewal or modification of the Permits. SRD agrees to provide the Town with copies of all documents signed by SRD under this Section 9.1 and to keep the Town apprised of all actions taken by SRD on behalf of the Town under this section.

9.2 Disposal of Leachate. In consideration of the obligations of SRD set forth herein, SRD shall have the right, at its sole cost and expense, to interconnect the Landfill Facility, the Processing Facility, the LGE Project, the Waste Heat Project, and the Gasification Project with the Town's sewer lines that are constructed as part of the Phase I Construction of the Industrial Park Road, and to subsequently discharge leachate and other wastewater to the Town's Waste Water Treatment Facility (the "WWTF") at no cost or expense to SRD; provided, however, that SRD (a) shall not discharge any leachate or wastewater to the WWTF that exceeds any influent limitations that are contained in the WWTF's discharge permits or applicable regulations, and (b) shall perform pretreatment of the leachate and/or wastewater if required by the MADEP. In consideration of the foregoing, SRD shall accept from the Town for disposal at the Landfill Facility during the Term of this Extension Agreement, at no cost to the Town, compost and grit and screenings from the WWTF, yard waste, and catch basin cleanings and street sweepings generated by the Town.

9.3 Access to Town Water. In consideration of the obligations of SRD set forth herein, SRD shall have the right, at its sole cost and expense, to connect the Landfill Facility, the Processing Facility, the LGE Project, the Waste Heat Project, and the Gasification Project with the Town's water lines constructed as part of the Phase I Construction of the Industrial Park Road, and to subsequently receive water service from the Town; provided, however, that SRD shall pay the Town the applicable, non-discriminatory industrial rate for such connection and water usage.

9.4 Acceptable Waste Activities. During the term of this Extension Agreement, the Town shall not make Town property available to any private party for the purpose of operating a for-profit transfer station or landfill for the processing or disposal of Acceptable Waste.

10. USE AND COMPLIANCE WITH LAW

10.1 The Landfill Facility shall be kept by SRD in substantial order and repair outside and inside at its sole cost and expense. SRD shall, at its sole cost and expense, operate and maintain the Landfill Facility in compliance with the Permits and with all orders, regulations, rules and requirements of every kind and nature, now and hereinafter in effect, of all Governmental Authorities having the power to enact, adopt, impose or require the same whether they be usual or unusual, ordinary or extraordinary or whether they or any of them relate to environmental requirements or otherwise.

10.2 SRD shall have the right, at its own cost and expense, to contest or review by legal proceedings the validity or legality of any law or Permit.

10.3 The performance by each party of its obligations under this Extension Agreement shall be conditioned on the receipt in a form reasonably satisfactory to the party of all permits, approvals, and authorizations required under applicable laws. Each party shall perform its obligations under this Extension Agreement in full conformance with all applicable laws.

10.4 Nothing herein shall be construed to limit the power and authority of the Town or any of its officers, boards, or commissions (including but not limited to the Board of Health and the Conservation Commission) to promulgate bylaws and regulations, or, in any way, to limit the authority of the Town to exercise its statutory or regulatory power and authority.

10.5 SRD shall be obligated to comply with the terms of this Extension Agreement in addition to the requirements of any applicable Permits. To the extent that this Extension Agreement imposes obligations on SRD that are more stringent than any other applicable Permit, or that are more favorable to the Town, SRD shall be obligated to comply with the terms of this Extension Agreement in addition to the approvals or conditions imposed by such other officers, boards, or commissions.

11. GENERAL POWERS

11.1 In addition to the other powers granted to SRD, it is expressly acknowledged that in the exercise of the dominion and control of the Landfill Facility, SRD will be free, without restriction, to subcontract out those services that it deems appropriate in its sole discretion, including, but not limited to, Closure, Post-Closure Activities, or such other services that SRD deems necessary; provided, however, that SRD shall require that the subcontractors follow the provisions of this Extension Agreement. SRD acknowledges and agrees that it shall remain primarily liable for its obligations under this Extension Agreement.

12. RECORDS/AUDITS

12.1 The acceptance by the Town of Royalty Payments under this Extension Agreement shall be without prejudice to the Town's rights to an examination of SRD's books and records from the operation of the Landfill Facility in order to verify the amount of Acceptable Waste received at the Landfill Facility.

12.2 SRD shall, with each Royalty Payment made hereunder by SRD to the Town, deliver to the Town a written statement prepared and certified by SRD, showing in detail the calculation of the respective payment. In addition, no later than thirty (30) days from the termination of each calendar year, SRD shall submit an annual report providing a detailed accounting of the amount of Acceptable Waste and other materials received at the Landfill Facility and the Processing Facility during that calendar year.

12.3 SRD shall keep accurate and true records, books and data of account with respect to all Acceptable Waste and other materials of whatever kind received at the Landfill Facility and the Processing Facility, including without limitation all original invoices and payment schedules relating to the operation of the Landfill Facility and Processing Facility, all trucking records, weight slips, and any and all other documents pertaining to the amount of Acceptable Waste and other materials received at both facilities per day. The written statement required under Section 12.2 shall include a description of all materials brought into the Landfill Facility each month. Accurate books and other records and data of account shall be kept of such business whether payment was made for cash or otherwise and whether or not monies were actually received.

12.4 The Town and its agents and auditors shall have the right at all reasonable times, but in no event more than twice each calendar year, and on five (5) days prior written notice to SRD, to inspect and examine the accounts, records, books, contracts and other data concerning the gross volume of business conducted under this Extension Agreement to the extent relevant to the calculation of payments due the Town hereunder. In the event that such inspection and examination shall disclose that there is a discrepancy of more than two percent (2%) in any sub-account between the statements rendered by SRD as aforesaid and the amount calculated as being due by the Town's auditors or if the audit discloses that SRD has failed to make any payment (or increase the same) as is due under this Extension Agreement, the cost of the Town's examination shall be promptly reimbursed by SRD. SRD shall also promptly pay to the Town any deficiency which is established by such audit. Any information obtained by the Town as a result of such examination shall be treated as confidential, except as may be required by law. For the avoidance of doubt, the parties agree that the provisions of this Section 12.4 shall not apply to or otherwise modify the duties of the Landfill Monitor as set forth in Exhibit C hereto.

12.5 SRD shall not be obligated to hold the books and records for more than six (6) years, provided there is no material variation as aforementioned, in which case SRD will hold such books and records relating thereto for six (6) years from the date such material violation was discovered by the Town.

12.6 The Town shall have the same inspection rights, and SRD shall have the same obligations, as set forth in this Article 12 with respect to the Energy Payment to be paid by SRD under Section 7.4 above.

13. NO JOINT VENTURE

13.1 The Town is and will continue during the Term of this Extension Agreement to be the owner and permittee of record of the Landfill Facility. SRD will, in accordance with the terms of this Extension Agreement, be the Town's designated operator of the Landfill Facility. It

is further understood and agreed that neither this Extension Agreement nor the method set forth herein for computing payments to the Town by SRD, nor any other provision of this Extension Agreement, are intended nor shall ever be construed as to create a legal partnership by and between the Town and SRD, make SRD and the Town joint venturers, or make the Town in any way responsible for debts and/or losses of SRD.

14. REPRESENTATIONS AND WARRANTIES OF THE TOWN

14.1 The Town represents and warrants to SRD as follows.

a) The Town is a Town in the Commonwealth of Massachusetts with full legal right, power and authority to enter into and to fully and timely perform its obligations under this Extension Agreement pursuant to the authority granted in Massachusetts General Laws, Chapter 44, Section 28C.

b) The Town, acting through its Town Council, is duly authorized to execute and deliver this Extension Agreement, and this Extension Agreement constitutes a legal, valid binding obligation of the Town and enforceable against the Town in accordance with its terms.

c) Neither the execution or the delivery by the Town of this Extension Agreement nor the performance by the Town of its obligations in connection with the transactions contemplated hereby or the fulfillment by it of the terms and conditions hereof conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to it or materially conflicts with, violates or results in a breach of any term or condition of any order, judgment or decree or any agreement or instrument to which the Town is a party or by which the Town or by any of its properties or personal property are bound or constitutes a default.

d) No approval, authorization, order, consent, declaration, registration or filing with any Governmental Authority or referendum of voters which has not been obtained is required for the valid execution and delivery by the Town of this Extension Agreement or the performance by the Town of its obligations hereunder.

e) There are no pending, or to the best of the Town's knowledge, threatened actions, suits or proceedings at law or in equity before or by any Governmental Authority against the Town in which an unfavorable decision, ruling or finding would materially adversely affect the performance by the Town of its obligations hereunder or other transaction contemplated hereby or that in any way would materially adversely affect the validity and enforceability of this Extension Agreement.

f) There are no contracts or agreements, other than the Existing Agreement, whereby any person, firm, Governmental Authority or other entity has any right over the Landfill Facility.

g) The portions of the Landfill Facility that are owned by the Town, as shown on Exhibit E hereto, are not subject to a security interest, mortgage, deed of trust, lien, encumbrance or similar interest, except as set forth in Exhibit J hereto, and the Town owns fee simple good insurable title to such portions of the Landfill Facility.

15. REPRESENTATIONS AND WARRANTIES OF SRD

15.1 SRD represents and warranties to the Town as follows.

a) SRD is a corporation duly incorporated, validly existing and authorized to do business under the laws of the Commonwealth of Massachusetts with full legal right, power and authority to enter into and fully and timely perform its obligations under this Extension Agreement.

b) SRD has duly authorized, executed and delivered this Extension Agreement and this Extension Agreement constitutes a legal, valid and binding obligation enforceable against SRD in accordance with its terms.

c) Neither the execution or delivery by SRD of this Extension Agreement nor the performance by SRD of its obligations in connection with the transactions contemplated hereby or the fulfillment of the terms and conditions hereof conflicts with, violates or results in a breach of any law or governmental regulation applicable to it or materially conflicts with, violates or results in a breach of any term or condition of any order, judgment or decree or any agreement or instrument to which SRD is a party or which SRD or any of its properties or personal property are bound or constitutes a default thereunder.

d) No approval, authorization, order, consent, declaration, registration or filing with any Governmental Authority is required for the valid execution and delivery by SRD of this Extension Agreement.

e) There are no pending, or to the best of SRD's knowledge, threatened actions, suits, administrative actions or proceedings at law or in equity before or by any Governmental Authority against SRD in which an unfavorable decision, ruling or finding would materially and adversely affect the performance of SRD of its obligations hereunder or any other transaction contemplated hereby or that in any way would materially adversely affect the validity or enforceability of this Extension Agreement.

16. SURVIVAL OF WARRANTIES, REPRESENTATIONS AND COVENANTS

16.1 All representations, warranties, promises, agreements, covenants and statements made herein or in any Exhibit annexed hereto or in any instruments or document delivered by or on behalf of any party pursuant to this Extension Agreement shall extend for the duration of this Extension Agreement, as it may be extended, regardless of what investigations the parties may have made before or after the closing, except those representations and warranties which are expressly waived in writing by the party benefiting therefrom. Nothing herein contained shall require that a party waive any representations and warranty.

16.2 Notwithstanding the above, and except as otherwise set forth in Section 18.4, 18.5, 18.6 and 18.7 hereof, the parties agree that the following provisions shall survive the expiration or earlier termination of this Extension Agreement: Section 3.1(e) (right to landfill gas), Section 3.3 (Construction, only with respect to the obligation to restore the Property following termination), Section 3.4(d) (curbside collection), Section 3.4(e) (curbside collection performance bond), Section 3.8 (ACOP Implementation), Section 3.9 (assumption of liability),

Section 6.2 (FAM), Section 7.3(d) (only to the extent such payment is still due under that section), Section 7.4(a) (LGE Project construction), Section 9.2 (disposal of leachate), Section 9.3 (access to Town water), Section 12.5 (retention of records), Section 16 (Survival), Section 17 (indemnification), Section 25 (SRD Liquidated Damages), Section 27 (Dispute Resolution), Section 31 (Notice), and Section 38 (Governing Law).

17. INDEMNIFICATION

17.1 General Agreement to Indemnify.

a) Each of the Town and SRD (each, an “Indemnifying Party”), to the fullest extent allowed by law, shall indemnify, defend and hold harmless the other Party and any director, officer or affiliate of the other Party (each, an “Indemnified Party”) from and against any and all claims, actions, suits, judgments, proceedings, liabilities, obligations, fines, penalties, losses, and damages, amounts paid in settlement, interest, costs and expenses (including reasonable attorneys’ fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, “Losses”) incurred or suffered by any Indemnified Party to the extent that the Losses arise by reason of, or result from (i) the failure of any representation or warranty of the Indemnifying Party contained in this Extension Agreement to have been true in all material respects as of the date hereof, or (ii) the breach by the Indemnifying Party of any covenant or agreement of such Party contained in this Extension Agreement to the extent not waived by the other Party. For the avoidance of doubt, the Parties agree that Losses shall include direct costs, expenses, fines, obligations and penalties related to or arising from the required restoration of any damage caused to the Property or the Landfill Facility to a condition that enables the Town to benefit from the remaining Life of Landfill.

b) The indemnification obligations of each Party under this Section 17 shall inure to the benefit of the directors, officers and affiliates of the other Party on the same terms as are applicable to such other Party.

17.2 SRD’s Obligation to Indemnify Town. SRD agrees to defend, indemnify, hold harmless and discharge the Town from and against any and all Losses arising from SRD’s operation or use of the Landfill Facility, whether under the Existing Agreement or this Extension Agreement, including without limitation maintenance and use of the Property as solid waste management facilities, except as otherwise set forth in Section 3.9 herein. For the avoidance of any doubt, SRD’s indemnification obligation shall include, but not be limited to, any and all costs arising out of Closure, Post-Closure Activities, and the obligation of SRD to maintain a DEP-approved FAM for such period of time that may be required by law from time to time. SRD further agrees to indemnify and hold harmless the Town from and against any and all Losses to third parties which the Town may suffer, incur, be responsible for or pay out as a result of bodily or personal injuries (including death) to any person, damage (including loss of use) to any property, including environmental remediation, clean up and related costs to the extent caused by or arising out of breach of any of the terms hereof by SRD, or the willful misconduct or negligent act or omissions of SRD, its employees, subcontractors, assignees or transferees in the performance of the Existing Agreement or this Extension Agreement.

17.3 General Procedures for Indemnification.

a) The Indemnified Party seeking indemnification under this Extension Agreement shall promptly notify the Party against whom indemnification is sought of the assertion of any claim, or the commencement of any action, suit or proceeding by any third party, in respect of which indemnity may be sought hereunder and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of or assertion of any claim, action, suit or proceeding by a third party in respect of which indemnity may be sought hereunder (a "Third-Party Claim"), to assume the defense and control the settlement of such Third-Party Claim.

b) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third-Party Claim that the other is defending, as provided in this Extension Agreement.

c) The Indemnifying Party, if it has assumed the defense of any Third-Party Claim as provided in this Extension Agreement, shall not consent to a settlement of, or the entry of any judgment arising from, any such Third-Party Claim without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld) unless such settlement or judgment relates solely to monetary damages. The Indemnifying Party shall not, without the Indemnified Party's prior written consent, enter into any compromise or settlement that (i) commits the Indemnified Party to take, or to forbear to take, any action, or (ii) does not provide for a complete release by such third party of the Indemnified Party.

17.4. Limitation. The obligation of each Party to indemnify the other under this Article 17 shall be limited to Losses arising from or related to the acts or omissions of that Party prior to the date of the expiration or earlier termination of this Extension Agreement.

18. DEFAULT; TERMINATION

18.1 Termination by the Parties.

a) If any of the following occurs, SRD shall be in default under this Extension Agreement, and the Town may, upon thirty (30) days prior written notice to SRD and in compliance with the provisions of Section 18.3 below, terminate this Extension Agreement and require SRD to vacate and surrender possession of the Property:

- i. any of SRD's representations or warranties were not materially true and accurate when made, which materially and adversely affects the ability of the Town to perform any material obligation hereunder or to obtain the benefits set forth in this Extension Agreement;
- ii. SRD fails to pay any amount required to be paid hereunder within ten (10) days from its due date;

- iii. SRD fails to perform its Closure responsibilities or perform the Post-Closure Activities;
 - iv. SRD fails to provide the Permit-required Financial Assurance Mechanism or fulfill any payment or other material obligation under this Extension Agreement;
 - v. SRD files a voluntary petition, or there is filed against SRD of an involuntary petition, in bankruptcy or insolvency or adjudication of bankruptcy or insolvency of SRD, or the filing by SRD of any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or any future federal bankruptcy act, or any other present or future applicable federal, state, or other statute or law, or the assignment by SRD for the benefit of creditors, or appointment of a Trustee, receiver, or liquidator of all or any part of the assets of SRD, and within one hundred twenty (120) days after the commencement of any such proceeding against SRD, such proceeding shall not have been dismissed, or if, within one hundred twenty (120) days after the appointment of any trustee, receiver, or liquidator of SRD or of all or any part of SRD's property, without the consent or acquiescence of SRD, such appointment shall not have been vacated or otherwise discharged, or if any execution or attachment shall be issued against SRD or any of SRD's property pursuant to which the Property shall be taken or occupied or attempted to be taken or occupied; or
 - vi. the Guarantor (as defined in Section 24.1 herein) fails to perform any of its obligations under this Extension Agreement.
- b) If any of the following occurs, the Town shall be in default under this Extension Agreement, and SRD may, upon thirty (30) days prior written notice to the Town and in compliance with the provisions of Section 18.3 below, terminate this Extension Agreement if:
- i. any of the Town's representations or warranties were not materially true and accurate when made, which materially and adversely impairs SRD's ability to perform any material obligation hereunder or to obtain the benefits of this Extension Agreement; or
 - ii. the Town fails to fulfill any payment or other material obligation under this Extension Agreement; or
- c) This Extension Agreement may be terminated by either party, upon giving the other party at least one hundred eighty (180) days prior written notice thereof, as follows:
- i. by SRD, if a Change in Law or a Force Majeure event has caused the Landfill Facility to cease operation for a period of three hundred sixty five (365) days despite the use of all reasonable efforts;

- ii. by the Town, if a Change in Law or a Force Majeure event has caused the Landfill Facility to cease operation for a period of one thousand ninety five (1095) days despite the use of all reasonable efforts;
- iii. by SRD, if a Change in Law or Force Majeure event renders it economically infeasible for SRD to operate the Landfill Facility at either the Initial Capacity or the Expanded Capacity, as such capacity is in effect at the time of the Change in Law or Force Majeure event, or renders SRD unable to fulfill its material obligations under this Extension Agreement for a period of three hundred sixty five (365) days despite the use of all reasonable efforts;
- iv. by the Town, if a Change in Law or Force Majeure event renders the Town unable to fulfill its material obligations under this Extension Agreement for a period of one thousand ninety five (1095) days despite the use of all reasonable efforts;
- v. by SRD, if a Change in Law or Force Majeure event renders the Town unable to fulfill its material obligations under this Extension Agreement for a period of three hundred sixty five (365) days despite the use of all reasonable efforts; or
- vi. by the Town, if a Change in Law or Force Majeure event renders SRD unable to fulfill its material obligations under this Extension Agreement for a period of one thousand ninety five (1095) days despite the use of all reasonable efforts; provided, however, that during such time period SRD continues to fulfill its payment and other obligations under this Extension Agreement, except to the extent excused under Section 5.5 herein.

18.2 Right of Non-Defaulting Party to Cure Breach. In the event of a breach of this Extension Agreement, the non-breaching party may, upon thirty (30) days prior written notice to the breaching party, but shall not be obliged, to cure such breach, provided that the non-defaulting party does not receive, within said thirty (30) day period, written notice from the defaulting party that it will itself cure the breach under Section 18.3 below. The non-defaulting party shall have the right to collect from the defaulting party the reasonable costs of curing the breach. The non-breaching party shall use its best efforts to employ an economically reasonable method of curing any such breach. If any breach occurs and is not cured in the manner allowed hereunder, then this Extension Agreement shall continue in force and the non-breaching party shall, notwithstanding anything to the contrary herein, have the right to initiate dispute resolution in accordance with the provisions of Section 27 hereof.

18.3 Cure. Neither party shall have the right to terminate this Extension Agreement under Section 18.1(a) or 18.1(b) unless the non-defaulting party gives notice to the defaulting party of such breach and (a) the defaulting party shall fail to cure the breach within ninety (90) days of receipt of written notice from the non-breaching party or (b) if the breach is such that it cannot be reasonably completed within said ninety (90) day period, the defaulting party shall fail to demonstrate within such cure period that it is actively and continuously pursuing a course of

action which can reasonably be expected to lead to a curing of the breach (in which case the ninety (90) day period will be extended for so long as the breaching party is actively and continuously pursuing such a course); provided, however, that in the event of the failure of any party to this Extension Agreement to pay the other party or parties any sum or due amount required to be paid when due hereunder, cure shall consist of payment which will be made within forty-five (45) days of written demand from the non-breaching party.

18.4 Effect of Breach by SRD. In the event that this Extension Agreement is terminated by the Town pursuant to the provisions of Section 18.1(a) above, then (i) the Town shall be entitled to enforce against the performance bond established pursuant to Section 3.4(e) herein and collect the SRD Liquidated Damages established pursuant to Section 25.1 herein, (ii) all of SRD's other obligations under this Extension Agreement shall be terminated (except for those obligations set forth in Article 17 above and in the sections set forth in subclause 18.4(y) below), and (iii) SRD shall transfer or assign all of its interest in the FAM to the Town; provided, however, that in lieu of requiring SRD to transfer or otherwise assign its interests in the FAM to the Town, the Town may require SRD, at its sole cost and expense, but with full access to the FAM, to conduct Closure and Post-Closure Activities on those portions of the Landfill Facility operated by SRD or its predecessor prior to the date of such termination. For the avoidance of doubt, the parties agree that in the event of any such termination, (x) the Town shall provide such access to its properties and facilities as is necessary or appropriate to allow the fulfillment of the obligations set forth in the Permits, (y) the provisions of Sections 3.1(e) (right to landfill gas), 3.3 (restoration of the Premises) (but only with respect to the obligation set forth in the last sentence of such section), 3.8 (ACOP) (but only to the extent that the Town provides all necessary access to the Property and the Landfill Facility), 3.9 (assumption of liability) (but only to the extent that the Town provides all necessary access to the Property and the Landfill Facility), 7.4(a) (LGE Project construction), 9.2 (disposal of leachate), 9.3 (access to Town water), 12.5 (retention of records), 18.7(a) (effect of termination), 27 (Dispute Resolution), 31 (Notice), and 38 (Governing Law) shall survive such termination, and, (z) in the event that this Extension Agreement is terminated as a result of the nonpayment by SRD of any amount owed and due, the provisions of Section 7.3(d) or 7.7, as such provision may be effect and to the extent that payments are still due under the twenty (20) year payment period specified in such section, shall survive such termination. The parties agree that the provisions of Section 16.2 shall not apply if this Extension Agreement is terminated as specified in this Section 18.4.

18.5 Effect of Breach by the Town. In the event that this Extension Agreement is terminated by SRD pursuant to the provisions of Section 18.1(b) above, then (i) all of SRD's obligations under this Extension Agreement shall be terminated (except for those obligations set forth in Section 17 above and in the sections set forth in subclause 18.5(iii) below), (ii) SRD shall transfer or otherwise assign all of its interest in the FAM to the Town, and (iii) the provisions of Sections 3.1(e) (right to landfill gas), 7.4(a) (LGE Project construction), 9.2 (disposal of leachate), 9.3 (access to Town water), 12.5 (retention of records), 18.7 (effect of termination), 27 (Dispute Resolution), 31 (Notice), and 38 (Governing Law) shall survive such termination. The parties agree that the provisions of Section 16.2 shall not apply if this Extension Agreement is terminated as specified in this Section 18.5.

18.6 Termination for Change in Law or Force Majeure. In the event that this Extension Agreement is terminated by either party pursuant to the provisions of Section 18.1(c)

above, then (i) all of SRD's obligations under this Extension Agreement shall be terminated (except for those obligations set forth in Section 17 above), (ii) SRD shall transfer all of its interest in the FAM to the Town, and (iii) the provisions of Sections 3.1(e) (right to landfill gas), 7.4(a) (LGE Project construction), 7.4(b) (LGE Energy Payment) (only if terminated for Force Majeure), 9.2 (disposal of leachate), 9.3 (access to Town water), 18.7 (effect of termination), 27 (Dispute Resolution), 31 (Notice), and 38 (Governing Law) shall survive such termination. The parties agree that the provisions of Section 16.2 shall not apply if this Extension Agreement is terminated as specified in this Section 18.6.

18.7 Effect of Termination on SRD.

a) In the event that this Extension Agreement is terminated pursuant to the provisions of Sections 18.1(a) or 18.1(c) above (other than for a termination under Section 18.1(c)(iii) on account of a Change in Law, which is subject to the provisions of Section 18.7(b) below), then the Town shall reimburse SRD for the costs incurred by SRD in constructing any disposal capacity that is constructed but unused at the Landfill Facility on the date of such termination, provided that SRD proves, to the Town's reasonable satisfaction, that SRD has constructed such excess disposal facility in accordance with all applicable laws, rules, regulations and bylaws, and transfers to the Town all permits necessary for the operation of the unused capacity and the disposal of Acceptable Waste therein. Notwithstanding the above, the parties agree that the provisions of this Section 18.7(a) shall apply to the termination of this Extension Agreement pursuant to the provisions of Section 18.1(a) or Section 18.1(c) (except as a result of a Change in Law) only if the Landfill Facility is capable of being operated.

b) In the event that this Extension Agreement is terminated pursuant to the provisions of Sections 18.1(b) or 18.1(c)(iii) (but only with respect to a termination under Section 18.1(c)(iii) on account of a Change in Law), then the Town shall pay to SRD all net revenue arising from the disposal of Acceptable Waste in any constructed but unused at the Landfill Facility on the date of such termination, provided that SRD proves, to the Town's reasonable satisfaction, that SRD has constructed such excess disposal facility in accordance with all applicable laws, rules, regulations and bylaws, and transfers to the Town all permits necessary for the operation of the unused capacity and the disposal of Acceptable Waste therein.

19. STRICT PERFORMANCE

19.1 The failure of either party to insist on the strict performance of any of the terms, covenants and provisions of this Extension Agreement or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, provision or option.

20. EMINENT DOMAIN

20.1 In the event the Landfill Facility is taken by eminent domain by any government authority and an award is made, it shall be apportioned between the Town and SRD on the basis of the value of the Town's and SRD's interest in this Extension Agreement and in any facilities constructed and operated pursuant to this Extension Agreement, including but not limited to the LGE Project, the Waste Heat Project, and the Gasification Project.

21. INSURANCE

21.1 Coverage Amounts. Commencing on the Effective Date, SRD agrees to provide and maintain throughout the Term of this Extension Agreement, and for so long as SRD or anyone claiming by, through or under SRD remains in occupancy of the Property, insurance coverage in the amount set forth below or such other amounts as the parties may agree from time to time:

<u>Coverage</u>	<u>Limits of Liability</u>
Workers' Compensation	Statutory
Employer's Liability	\$1,000,000.00
Personal/Bodily Injury Liability	\$5,000,000.00 Combined Single Limit
Property Damage Liability	\$5,000,000.00 Combined Single Limit
Automobile Bodily Injury	\$5,000,000.00 Combined Single Limit
Automobile Property Damage	\$5,000,000.00 Combined Single Limit
Excess Umbrella Liability	\$10,000,000.00 Each Occurrence
Professional Liability	\$1,000,000

21.2 Environmental Impairment. During the Term of this Extension Agreement or for so long as SRD or anyone claiming by and through SRD remains in occupancy of the Property, SRD shall cause the Landfill Facility to be insured for third party environmental impairment under a per occurrence basis. The policy shall provide umbrella coverage of not less than \$10,000,000.00.

21.3 Certificates of Insurance. Insurance, and any renewals thereof, shall be evidenced by certificates of insurance issued or countersigned by a duly authorized representative of the issuer and delivered to the Town for its review prior to the execution of the Extension Agreement or, in the case of a renewal, as reasonably provided by the insurer. The certificates of insurance shall name the Town as an additional insured, provide for 30 days written notice to the Town of cancellation (except with respect to cancellation for non-payment of premiums to which a 10-day written notice shall be required), intent not to renew, or, to the extent that it would affect the Town or its rights or obligations under such policy or the Agreement, any reduction or change in its coverage by the insurance company.

21.4 Qualification of Insurance and Surety Company. The insurance and surety company providing coverages and the performance bond shall (1) have a rating of "A" or better in the latest revision of the A.M. Best Company's Insurance Report; (2) be listed in the United States Treasury Department's Circular 570, "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsurance Companies"; and (3) hold a certificate of authority to transact surety business in the Commonwealth of Massachusetts.

22. COVENANT OF QUIET ENJOYMENT

22.1 The Town covenants and agrees that SRD, on paying the Royalty Payments and other payments envisioned by this Extension Agreement and observing and keeping the other covenants, agreements and stipulations of this Extension Agreement on its part to be kept, shall lawfully, peacefully and quietly hold, occupy and enjoy (or operate, as the case might be) said Landfill Facility, during the Term and any extensions thereto without hindrance, objection or molestation.

23. ASSIGNMENT

23.1 This Extension Agreement shall be binding and inure to the benefit of SRD and the Town, together with their respective successors and assigns. This Extension Agreement may not be assigned or encumbered by any party without the written consent of the other party, not to be unreasonably conditioned, withheld or delayed. Notwithstanding the above, SRD may, without the written consent of the Town, assign: (a) its rights and obligations to an affiliate of SRD or Casella, provided that Casella signs a guaranty in the form set forth in Exhibit K to secure the obligations of said affiliate; (b) its duties to subcontractors, provided that SRD shall remain primarily responsible for performing all obligations under this Extension Agreement. For the avoidance of doubt, the parties agree that any consent that is required to be given by the Town in connection with an assignment of this Extension Agreement shall be required to be given by the Town Council.

24. GUARANTY

24.1 Upon the Effective Date of this Extension Agreement, SRD shall provide a guaranty from Casella, as Guarantor, in the form set forth in Exhibit K. The obligations of the Guarantor set forth in Exhibit K shall be binding on the Guarantor's successors and assigns, and may not be assigned or transferred to any other party without the prior written approval of the Town, such approval shall be exercised by the Town in its reasonable discretion; provided, however, the obligations of the Guarantor may be transferred without the written consent of the Town to any new Guarantor that has a Tangible Net Worth of at least thirty (30) million dollars. "Tangible Net Worth" means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied ("GAAP"), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises. Tangible Net Worth shall be evidenced by audited financial statements certified and delivered to the Town by an independent certified public accountant, the cost for which shall be paid by the Guarantor.

25. PERFORMANCE BOND FOR LIQUIDATED DAMAGES

25.1 In the event that this Extension Agreement is terminated by the Town pursuant to the provisions of Section 18.1(a) above, SRD shall pay to the Town, as liquidated damages, the amount of \$6,000,000.00 ("SRD Liquidated Damages"), which amount shall be increased by SRD once every three years, on the anniversary of the Effective Date, based on increases in the CPI; provided, however, that the maximum increase in the amount of the SRD Liquidated Damages in any such three (3) year adjustment period shall be capped at two and one-half percent (2.5%). The Parties agree that the actual damages that would result to the Town as a result of the termination of this Extension Agreement pursuant to Section 18.1(a) and for which SRD Liquidated Damages are provided pursuant to this Section 25.1 would be extremely difficult and impractical to establish. Payment of SRD Liquidated Damages is not intended to constitute a forfeiture or penalty, but instead is intended to reflect SRD's and the Town's agreed upon best estimate of the Town's actual damages. SRD shall furnish a performance bond, in a form acceptable to the Town, to cover the payment of the SRD Liquidated Damages in the event that SRD fails to make such payment when owed and due. SRD shall deliver this bond to the Town prior to the Effective Date and shall renew this bond annually so long as SRD's obligations under this Extension Agreement remain in effect. For the avoidance of doubt, the Parties agree that in the event of the termination of this Extension Agreement pursuant to Section 18.1(a) herein, the sole and exclusive remedies of the Town shall be as set forth in Section 18.4 herein.

25.2 Limitation of Damages. No party shall be entitled to consequential, indirect special, punitive or treble damages as part of the non-binding arbitration or litigation award.

26. CUMULATIVE REMEDIES

26.1 The specified remedies to which the Town may resort under the terms of this Extension Agreement are cumulative and shall be in addition to, and not in substitution of, any other remedies or means of redress to which the Town may be lawfully entitled under this Extension Agreement or in law or equity in case of any breach or threatened breach by SRD of any provision or provisions of this Extension Agreement.

27. DISPUTE RESOLUTION

27.1 Settlement. The parties agree that before resorting to non-binding arbitration pursuant to this Section, they shall attempt to come to a reasonable settlement of any dispute (i) by having their authorized representatives attempt to negotiate a resolution of the dispute for a period of 30 days, and, if not resolved by the authorized representatives, then (ii) if there are such more senior members of management, by having other more senior members of each party's management, who have had no previous involvement in the dispute, but who have the authority to resolve the dispute, attempt to negotiate a resolution of the dispute for an additional 15 days. The parties agree that resorting to non-binding arbitration shall not be required in the event that a party seeks preliminary injunctive relief in court.

27.2 Agreement to Non-Binding Arbitration. In the event settlement of a dispute is not timely achieved, the parties agree that they shall first attempt to resolve any disputes that may

arise between them (including but not limited to any controversies or claims arising out of or relating to this Extension Agreement or any alleged breach thereof, and any dispute over the interpretation or scope of this arbitration clause but excluding claims for non-payment and any enforcement action by any official, board or agency of the Town for enforcement of any law, regulation, order or permit which the parties agree are outside of this Extension Agreement) by non-binding arbitration as described in this Section.

27.3 Selection of Panel. In the event settlement is not achieved and non-binding arbitration is necessary, a panel of three arbitrators will hear and decide the dispute. Each of the parties will select an arbitrator and the arbitrators selected by such parties will, within 14 days of the appointment of the second of them, select the third arbitrator, who shall be a retired or former judge. The panel of three arbitrators shall consist of individuals who shall not have then or previously had any significant relationship with any of the parties and who shall sit as neutral arbitrators.

27.4 Choice of Law. The non-binding arbitration panel shall have the right only to interpret and apply the terms and conditions of this Extension Agreement in questions in accordance with the laws of the Commonwealth of Massachusetts and may not alter or modify any such term or condition. The Massachusetts Rules of Civil Procedure and the Massachusetts Rules of Evidence in effect at the time of any arbitration proceedings under this Extension Agreement shall be applied in all such proceedings, except as otherwise agreed to by the parties.

27.5 Venue. The non-binding arbitration proceedings shall be conducted in Worcester, Massachusetts, or in such other location as the parties may agree in writing.

27.6 Arbitration Award. The arbitration award shall be non-binding, provided that upon written agreement of the parties application may be made in any court of competent jurisdiction for confirmation of the arbitration award and entry of judgment in conformity therewith. The arbitration panel shall make written findings of fact and conclusions of law, or, if the parties agree that such formal findings and conclusions are not required, the arbitration panel shall prepare a reasoned opinion.

27.7 Intentionally Omitted.

27.8 Expenses of Arbitration. Each party shall be responsible for payment of fees and expenses to its designated arbitrator, and the parties shall share equally the fees and expenses of the third arbitrator and other expenses. Each party shall be responsible for payment of its own attorney fees.

27.9 Litigation. In the event that any dispute between the parties becomes the subject of a court proceeding subsequent to completion of the non-binding arbitration ("Litigation"), the parties agree that (a) the arbitration award, including findings of fact and conclusions of law, or the reasoned option, shall not be admissible into evidence in the Litigation; (b) the parties waive their rights to demand trial by jury and the Litigation shall be decided by a judge sitting without a jury; (c) the exclusive venue for any Litigation shall be any court of competent jurisdiction in the Commonwealth of Massachusetts; (d) no party to the Litigation shall be entitled to receive any consequential, indirect special, punitive or treble damages; and (e) in any action arising under

this Extension Agreement, SRD agrees to accept service of process delivered in hand or by certified mail to its agent for service of process and consents to the jurisdiction of the Commonwealth of Massachusetts Superior Court, Worcester County. SRD's agent for service of process under this Extension Agreement shall be Michael J. Wall, Vice President, Casella Waste Systems, Inc., 16 Executive Office Park, Burlington, Massachusetts 01803 (or such other agent for service as SRD shall have specified by notice duly given pursuant to this Extension Agreement), with a copy of the contacts listed for SRD in Section 31 hereof.

27.10 Acknowledgement of Non-Binding Arbitration. The parties hereto acknowledge that this document contains an agreement to engage in non-binding arbitration. After signing this document, each party understands that it will not in the first instance be able to bring a lawsuit concerning any dispute that may arise which is covered by this non-binding arbitration agreement except as provided in this Section. Instead, each party has agreed to submit any such dispute to a panel of arbitrators as described herein.

28. TERM

28.1 The term of this Extension Agreement shall be the Life of Landfill (such period, the "Term"); provided, however, that (a) upon the achievement of the Life of Landfill, the parties agree that the provisions of this Extension Agreement shall remain in full force and effect for such period of time as is necessary for SRD to fulfill its obligations and realize the benefits otherwise provided to it under this Extension Agreement; and (b) in no event shall the Term of this Agreement extend beyond December 9, 2036.

29. CAPTIONS AND HEADINGS

29.1 Captions and headings throughout this Extension Agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision or of the scope or intent of this Extension Agreement nor in any way affect this Extension Agreement.

30. MODIFICATIONS

30.1 This Extension Agreement cannot be changed orally, but only by agreement in writing signed by the party against whom enforcement of the change, modification or discharge is sought or by its duly authorized agent.

30.2 The Town shall have the right, but not the obligation, to perform a Landfill Benefit Competitive Market Survey on the seventh (7th) anniversary of the Effective Date (or the next business day, if the anniversary of the Effective Date falls on a weekend or on a holiday), and every seven (7) years thereafter (each such anniversary, an "Survey Initiation Date").

a) In connection with the performance of a Landfill Benefit Competitive Market Survey, the Town shall notify SRD of its intent to initiate such survey within one hundred twenty (120) days of the applicable Survey Initiation Date. In the event that the Town fails to initiate such a survey within this one hundred twenty (120) day period, the Town shall be

deemed to have waived its right to conduct such survey until the next applicable Survey Initiation Date.

b) The purpose of the Landfill Benefit Competitive Market Survey, which shall utilize the procedures set forth in Exhibit M and will be conducted by an independent third party consultant selected by the Town and approved by SRD (the "Independent Consultant"), will be to ascertain whether the Initial Landfill Total Economic Benefit provided to the Town under this Extension Agreement is equal or exceeds the Total Landfill Economic Benefit paid or provided by any private landfill operator to any municipality in connection with the long-term operation of a municipally-owned landfill located in the Commonwealth of Massachusetts. The parties shall equally share in the costs and expenses incurred by such Independent Consultant in performing the Landfill Benefit Competitive Market Survey.

c) In the event that the highest Total Landfill Economic Benefit determined by any Landfill Benefit Competitive Market Survey is equal to or less than the Initial Landfill Total Economic Benefit, then no further action is required by either party.

d) In the event that the highest Total Landfill Economic Benefit determined by any Landfill Benefit Competitive Market Survey is greater than the Initial Landfill Total Economic Benefit, SRD agrees that it shall increase the cash benefits and/or in-kind services so that the Initial Landfill Total Economic Benefit is equal to the highest Total Landfill Economic Benefit determined by the Landfill Benefit Competitive Market Survey. The parties agree to negotiate in good faith and amend this Extension Agreement to create such additional cash benefits and/or in-kind services as agreed to by the parties. For the avoidance of doubt, the parties agree that any revision of the Initial Landfill Total Economic Benefit shall be made only on a going-forward basis, and shall not apply retroactively to benefits provided before the applicable Survey Initiation Date.

e) The parties agree that any disputes concerning the operation of this Section 30.2 shall be subject to the Dispute Resolution provisions set forth in Article 27 herein.

30.3 SRD will calculate and report to the Town by January 31st of the year following the first full calendar year after the Effective Date, and by January 31st of each following year, the average tipping fee received by SRD for the disposal of Acceptable Waste in the Landfill Facility in the preceding calendar year (the "Average Annual Tipping Fee"), which amount shall be calculated by summing the total tipping fees received by SRD for the disposal of Acceptable Waste in the Landfill Facility in the preceding calendar year and dividing such sum by the total tonnage of Acceptable Waste disposed of in the Landfill Facility in the same calendar year. In connection with such report, SRD shall also determine and report to the Town the highest Average Annual Tipping Fee that previously has been received by SRD since the Effective Date (such highest Average Annual Tipping Fee, the "Base Tipping Fee").

a) In the event that such Average Annual Tipping Fee is greater than the Base Tipping Fee, then (i) SRD shall calculate the amount by which such Average Annual Tipping Fee is greater than such Base Tipping Fee, expressed on a percentage basis (such percentage, the "Annual Percentage Increase"), and (ii) shall (retroactive to January 1st of the

33. SEVERABILITY

33.1 In the event that any one or more of the provisions contained in this Extension Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such illegality or unenforceability shall not affect any other provisions of this Extension Agreement and this Extension Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein; provided, however, that it is the intention of the parties that in lieu of such term, clause or provision that is held to be invalid, illegal or unenforceable, there should be added by mutual agreement as a part of this Extension Agreement a term, clause or provision as similar in terms to such illegal, invalid or unenforceable term, clause or provision as may be possible, valid, legal and enforceable, and that the inability of the parties to add such a term, clause or provision shall be treated in the same manner as a Change in Law.

34. CONSTRUCTION

34.1 Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms, corporations, or other entities. The terms "herein", "hereunder", "hereto", "hereof" and any similar terms, shall refer to this Extension Agreement; the term "heretofore" shall mean before the date of adoption of this Extension Agreement. This Extension Agreement is the result of joint negotiations and authorship and no part of this Extension Agreement shall be construed as the product of any one of the parties hereto.

35. FURTHER ASSURANCES

35.1 The parties agree to cooperate in good faith and in all reasonable respects necessary to enable each party to perform its obligations under this Extension Agreement, and each will take all reasonable actions within its authority to secure the cooperation of its affiliates, agents, representatives, officials, and representative boards, commissions, or departments. Nothing herein shall require the Town or any of its officers or boards to issue any necessary approval or permit, waive any fees or charges (other than the ones expressly set forth herein), or require the Town to incur any cost or expense.

36. ENTIRE AGREEMENT

36.1 This Extension Agreement constitutes the entire agreement between the Town and SRD, and cancels and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, between such parties with respect to the subject matter hereof, including without limitation the Existing Agreement. No changes, amendments, alterations, or modifications to this Extension Agreement shall be effective unless in writing and signed by the parties hereto.

37. COUNTERPARTS

37.1 This Extension Agreement may be executed in one or more counterparts, each of which will be considered an original.

38. GOVERNING LAW

38.1 This Extension Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

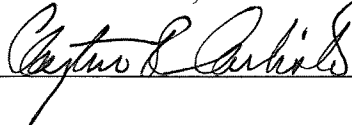
39. BINDING EFFECT

39.1 This Extension Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and/or assigns.

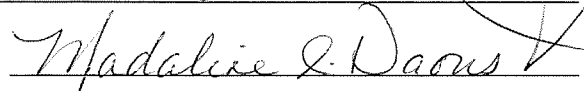
[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each party acting through its duly authorized representative(s) has executed this Extension Agreement under seal as of the date first set forth above.

TOWN OF SOUTHBRIDGE, MASSACHUSETTS

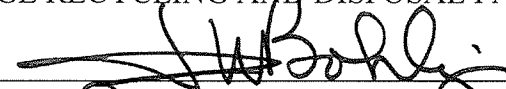
By: 

Title: Town Manager

Attest: 

Date of Execution: May 29, 2007

SOUTHBRIDGE RECYCLING AND DISPOSAL PARK, INC.

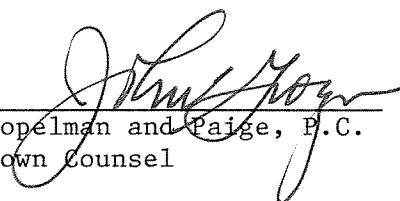
By: 

Title: Vice President & C.O.O.

Attest: 

Date of Execution: 5/29/07

Approved As to Form


Kopelman and Paige, P.C.
Town Counsel

SOUTHBRIDGE RECYCLING AND DISPOSAL PARK, INC.

Written Action of the Board of Directors in Lieu of a Meeting

June 21, 2007


The undersigned, constituting all of the members of the Board of Directors of Southbridge Recycling and Disposal Park, Inc., a Massachusetts corporation (the "Corporation"), and acting in accordance with Section 8.21 of the Massachusetts Business Corporation Act, consent to the adoption of the following resolutions:

RESOLVED: That the execution and delivery by the Corporation of the agreement with the Town of Southbridge, Massachusetts entitled "Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection, Southbridge, Massachusetts" as summarized in Exhibits A and B attached hereto be and hereby is ratified and confirmed.

RESOLVED: That the Vice President of the Corporation, and any persons designated by him (each, the "Designated Persons"), each acting singly, be and hereby is authorized, empowered and directed to take any and all actions, and to execute, affix the Corporation's seal to and deliver any and all documents, agreements, certificates and instruments, in the name and on behalf of the Corporation, as the Designated Persons so acting may deem necessary or desirable to carry out the purposes and intent of, the foregoing resolution, the execution and delivery of any such document and the taking of any such action to be conclusive evidence of the authority of the Designated Persons so acting pursuant to this resolution.

RESOLVED: That the Board hereby adopts, ratifies and confirms all actions taken by the Designated Persons to carry out the purposes and intent of, the foregoing resolution, and the execution and delivery of any such document pursuant to this resolution.

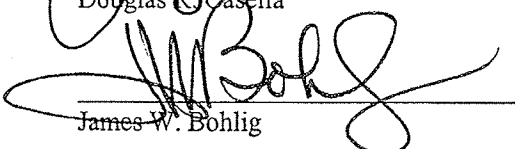
EXECUTED as of the date first above written.



John W. Casella



Douglas R. Casella



James W. Bohlig

[Signature page to Written Action dated as of June 21, 2007]

Southbridge Recycling & Disposal Park, Inc.
UNANIMOUS WRITTEN CONSENT
OF BOARD OF DIRECTORS
IN LIEU OF MEETING

THE UNDERSIGNED, being all the directors of **Southbridge Recycling & Disposal Park, Inc.**, a Massachusetts Corporation, the ("Corporation"), DO HEREBY, unanimously consent to the adoption of the following resolutions:

FIRST: The following persons are hereby elected and appointed as Officers of the Corporation to occupy the offices set forth opposite their names until the next regular meeting of the Board of Directors of the Corporation, or until their successors have been elected and qualify:

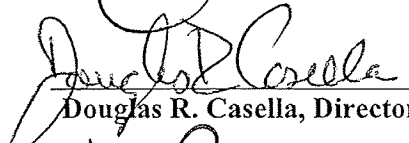
John W. Casella, President and Clerk
James W. Bohlig, Vice President
Douglas R. Casella, Vice President
Michael J. Wall, Vice President
Richard A. Norris, Vice President and Treasurer

SECOND: All acts and transactions of the offices of the Corporation which have been taken or made since the last regular meeting of this Board of Directors are hereby ratified and approved in all respects as those of this Corporation.

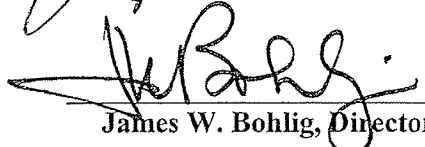
WHEREUPON, the undersigned, being all of the Directors of the Corporation, have executed this Consent effective the 31st day of MARCH 2005.



John W. Casella, Director



Douglas R. Casella, Director



James W. Bohlig, Director

EXHIBIT A

SOUTHBRIDGE TOWN COUNCIL AUTHORIZATION



TOWN OF SOUTHBRIDGE
SOUTHBRIDGE, MASSACHUSETTS 01550

**TOWN COUNCIL MEETING,
TOWN OF SOUTHBRIDGE,
MONDAY, MAY 21, 2007**

Agenda Item #8. Vote that the Town Council hereby authorizes the Town Manager, on behalf of the Town, to enter into an Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection (the Agreement) with Southbridge Recycling and Disposal Park, Inc. (SRD), as negotiated by the Town Manager and the negotiating teams, pursuant to which Agreement SRD shall operate the landfill, located on the property on Barefoot Road that is described in a deed recorded with the Worcester South District Registry of Deeds in Book 7008, Page 91, in accordance with the terms and conditions set forth in such Agreement, and further to authorize the Town Manager to sign such other documents and to take all related actions as may be necessary or appropriate to effectuate the aforesaid Agreement. A motion was made by Councilor King, seconded by Councilor Ferron, to vote this item.

Chairman Chernisky asked Attorney Giorgio if any adjusting of the language of this item needed to be done in order to incorporate the newest part of the agreement. Attorney Giorgio stated Agenda Item #8 should include the following at the end; "provided that the Town Council's approval of the contract is subject to inclusion of the annual percentage increase provision presented to Council this evening, subject to verification by the Town Attorney."

Councilor Ferron made a motion to amend Agenda Item #8 to read as follows: **Vote that the Town Council hereby authorizes the Town Manager, on behalf of the Town, to enter into an Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection (the Agreement) with Southbridge Recycling and Disposal Park, Inc. (SRD), as negotiated by the Town Manager and the negotiating teams, pursuant to which Agreement SRD shall operate the landfill, located on the property on Barefoot Road that is described in a deed recorded with the Worcester South District Registry of Deeds in Book 7008, Page 91, in accordance with the terms and conditions set forth in such Agreement, and further to authorize the Town Manager to sign such other documents and to take all related actions as may be necessary or appropriate to effectuate the aforesaid Agreement, provided that the Town Council's approval of the contract is subject to inclusion of the annual percentage increase provision presented to Council this evening, subject to verification by the Town Attorney. This motion to**

amend was seconded by Councilor Livengood. **Vote to amend Agenda Item #8 to read as above, by roll call. Councilors in favor: Chernisky, Ferron, King, Langevin, Lazo, Livengood, Marcucci, McDonald, and Nikolla. Motion passes.**

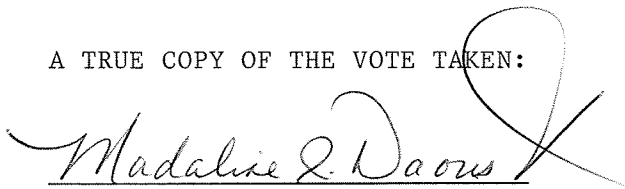
Agenda Item #8 (as amended). Vote that the Town Council hereby authorizes the Town Manager, on behalf of the Town, to enter into an Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection (the Agreement) with Southbridge Recycling and Disposal Park, Inc. (SRD), as negotiated by the Town Manager and the negotiating teams, pursuant to which Agreement SRD shall operate the landfill, located on the property on Barefoot Road that is described in a deed recorded with the Worcester South District Registry of Deeds in Book 7008, Page 91, in accordance with the terms and conditions set forth in such Agreement, and further to authorize the Town Manager to sign such other documents and to take all related actions as may be necessary or appropriate to effectuate the aforesaid Agreement, provided that the Town Council's approval of the contract is subject to inclusion of the annual percentage increase provision presented to Council this evening, subject to verification by the Town Attorney. Vote by roll call, Councilors in favor: Chernisky, Ferron, King, Livengood, and Nikolla. Councilors opposed: Langevin, Lazo, Marcucci, and McDonald. Vote passes.

Respectfully submitted,



Max Gullekson
Council Recording Clerk

A TRUE COPY OF THE VOTE TAKEN:



Madaline I. Daoust, Town Clerk
Southbridge, Massachusetts

EXHIBIT B

DESCRIPTION OF LANDFILL FACILITY

The Landfill Facility is located on property conveyed to the Town by Deed from George Corriveau, dated July 7, 1980, recorded with the Worcester South District Registry of Deeds in Book 7008, Page 91. Said land from Corriveau is bounded generally as follows:

Northerly by land formerly of Edward Ayers, Edwin Phillips, and George Brown;

Easterly by land formerly of said Brown and of Simon Twiss;

Southerly by land formerly of Albert J. McKinstry and by land of George Corriveau;

Westerly by land now or formerly of Arthur D. Pontbriand, land formerly of Frank H. Shepart and land formerly of Ayers;

Containing about 150 acres, excepting therefrom (1) the 2.1 acre parcel of land conveyed by George Corriveau by deed recorded with said Deeds in Book 4472, Page 511, and (2) the land conveyed by the Town of Southbridge to Wood Recycling, Inc. by deed recorded with said Deeds in Book 21000, Page 137), and Chapter 210 of the Acts of 1993.

The attached Sketch Plan shows the approximate location of the landfill.

EXHIBIT C

LANDFILL MONITOR RESPONSIBILITIES

Position Title:

Landfill Monitor/Town Agent for Solid Waste

Statement of Duties:

Position is responsible for observing, investigating, and reporting solid waste activities within Southbridge, as well as enforcing Town by-laws, rules and regulations pertaining to the Landfill, and Solid Waste Management.

Supervision:

Incumbent works under the administrative direction of the Town Manager, working from applicable municipal policies and objectives. Incumbent reports to Town Manager, but may also be directed by such Town Officers, Boards, and Commissions having jurisdiction over the Southbridge solid waste activities. Incumbent refers specific problems to superior only where clarification of policy is required.

Incumbent works independently and assumes responsibility for the implementation and enforcement of by-laws, rules, and/or regulations pertaining to Southbridge solid waste activities. Incumbent is responsible for gathering and interpreting data from a variety of sources.

Job Environment:

Incumbent is the Town's officer for administrative matters concerning Southbridge solid waste activities.

Approximately 85% percent of the time, Incumbent will work outdoors and 15% of the time will work in an office environment. Working conditions include exposure to noise, fumes, dust, heat, cold, odors and other elements.

Duties generally do not present any occupational risk. Minor injury could occur, however, through employee failure to follow safety procedures. Examples of injury include minor bruises from falls, minor cuts or burns, or muscular strains from lifting or carrying heavy equipment or materials. Strict adherence to safety procedures is required.

The work consists of field observations, office work, night meetings with municipal officials, board, and/or commissions. Assignments concern such matters as data collection, data analysis, investigations, preparing and drafting written and verbal reports, and communicating with Landfill operators, agents, customers, and members of the public.

Has strong communication and verbal skills, together with precise analytical abilities.

Incumbent operates an automobile, computer, and standard office equipment, as well as such specialized equipment as may be used in connection with Landfill operations.

Has access to Town-related confidential information, including investigations, which, if disclosed, could have legal and financial repercussions.

Duties require comprehensive knowledge of Solid Waste functions and techniques with technical expertise in applying standard professional techniques.

Errors in either inspection procedures or interpretation or presentation of related data could endanger public safety, personnel safety of town employees, and have financial and/or legal implications, and cause adverse public relations for the Town.

Essential Functions:

The essential functions or duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the position.

Observes regular Landfill activities, such as access by users, verification of bills of lading and related paperwork, verification of materials to be dumped, verification of location(s) for dumping, and quality and quantity of material to be dumped.

Enforces municipal by-laws, rules, and/or regulations pertaining to the operation of the Landfill as assigned.

Attends day and night meetings of various Town officials, boards, and/or commissions. May require persuasiveness to influence the behavior of others.

May be required to work outside normal business hours and to be on-call in response to important situations and/or emergencies.

Participates and assists the Town in developing further goals and policies concerning Landfill.

On behalf of the Town may be required to participate in legal proceedings.

Able to work while using protective gear, such as respirator and/or impervious outerwear in potentially hazardous conditions.

Other related activities, as required.

Recommended Minimum Qualifications:

Education and Experience

Bachelor's degree from an accredited college or university, preferably with coursework in natural or computer science environment.

Intensive knowledge of the solid waste management field is preferred.

1 ½ to 3 years of enforcement, monitoring and/or supervisory experience in landfill operations, Massachusetts experience preferred.

Special Requirements

All licenses and certifications must be maintained to retain employment in this position.

Able to obtain a valid Massachusetts motor vehicle operator's license within one month.

Must obtain certain necessary related OSHA certifications within four months.

Knowledge, Ability, and Skill

Knowledge: Thorough knowledge of contractual obligations between Town and landfill operator concerning scope and nature of landfill use, together with knowledge of all local by-laws, rules, and/or regulations pertaining to landfill operations.

Ability: Ability to learn and administer contract conditions between Town and Landfill operator. Ability to observe, perceive, analyze, evaluate, and report on landfill operations fully, fairly, and impartially. Ability to deploy, implement, and/or use computer and electronic machines and devices necessary to monitoring activities. Ability to deal appropriately with the general public and other users of the Landfill. Ability to communicate effectively verbally and in writing.

Skill: Excellent computer and public relations skills.

Physical Requirements:

This position requires frequent light to moderate physical effort while performing inspections. Must be able to physically access all areas of Southbridge Landfill, as well as incoming and outgoing vehicles; frequently required to spend several hours sitting, walking, and/or standing. While performing the duties of this position, Incumbent must have ability to observe and perceive subject area and surrounding areas.

Incumbent is exposed to outdoor weather conditions up to 85% of the time. Equipment operated includes automobile, office machines, computer, and other electronic equipment. Incumbent may be required to lift and carry objects weighing approximately 30 to 60 pounds or walking or standing all the time.

EXHIBIT D

DESCRIPTION OF THE INDUSTRIAL PARK ROAD

EXHIBIT D - INDUSTRIAL PARK ROAD

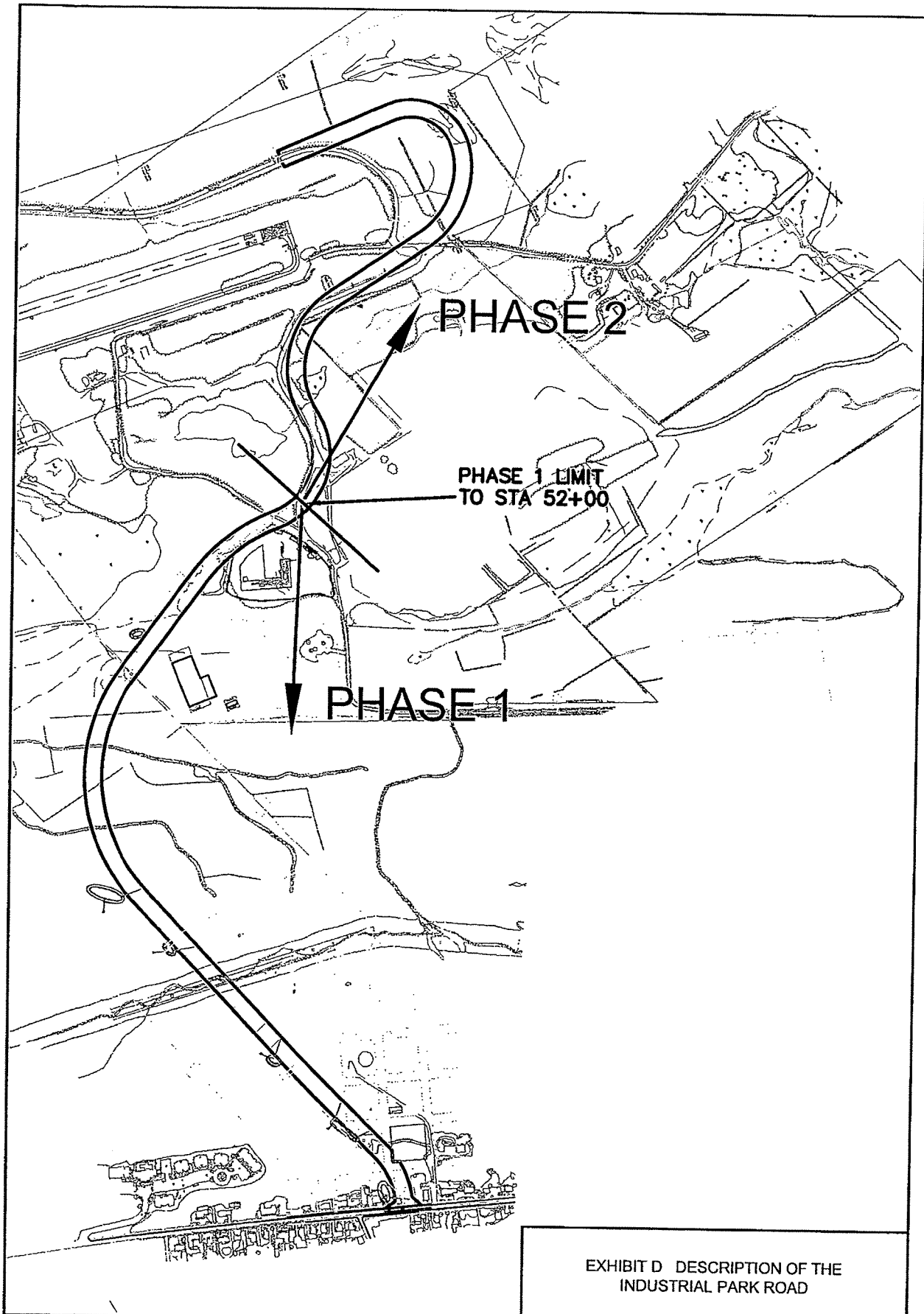


EXHIBIT E

DESCRIPTION OF SOLID WASTE MANAGEMENT AREAS

EXHIBIT E - SOLID WASTE MANAGEMENT AREAS

100 0 200
SCALE IN FEET

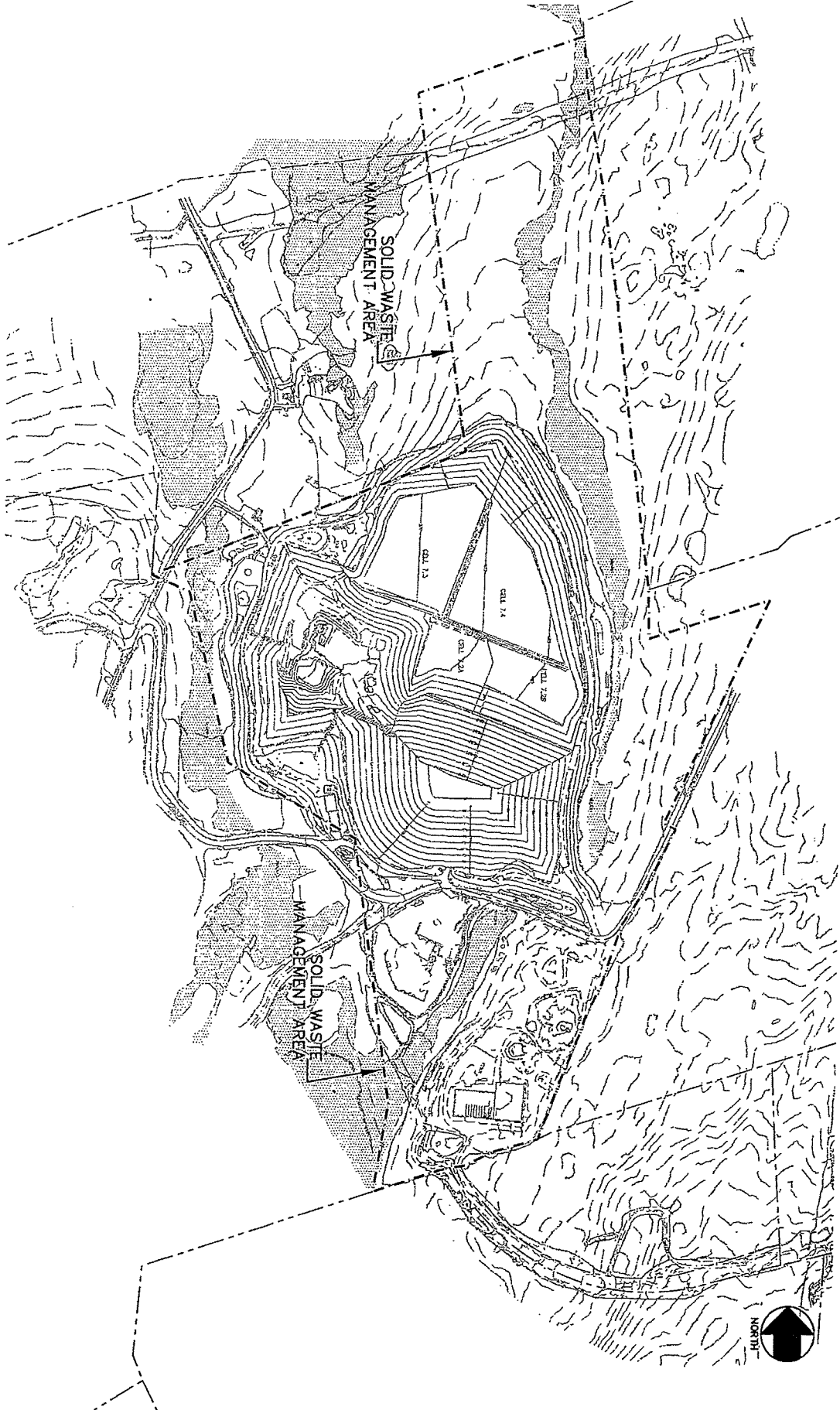
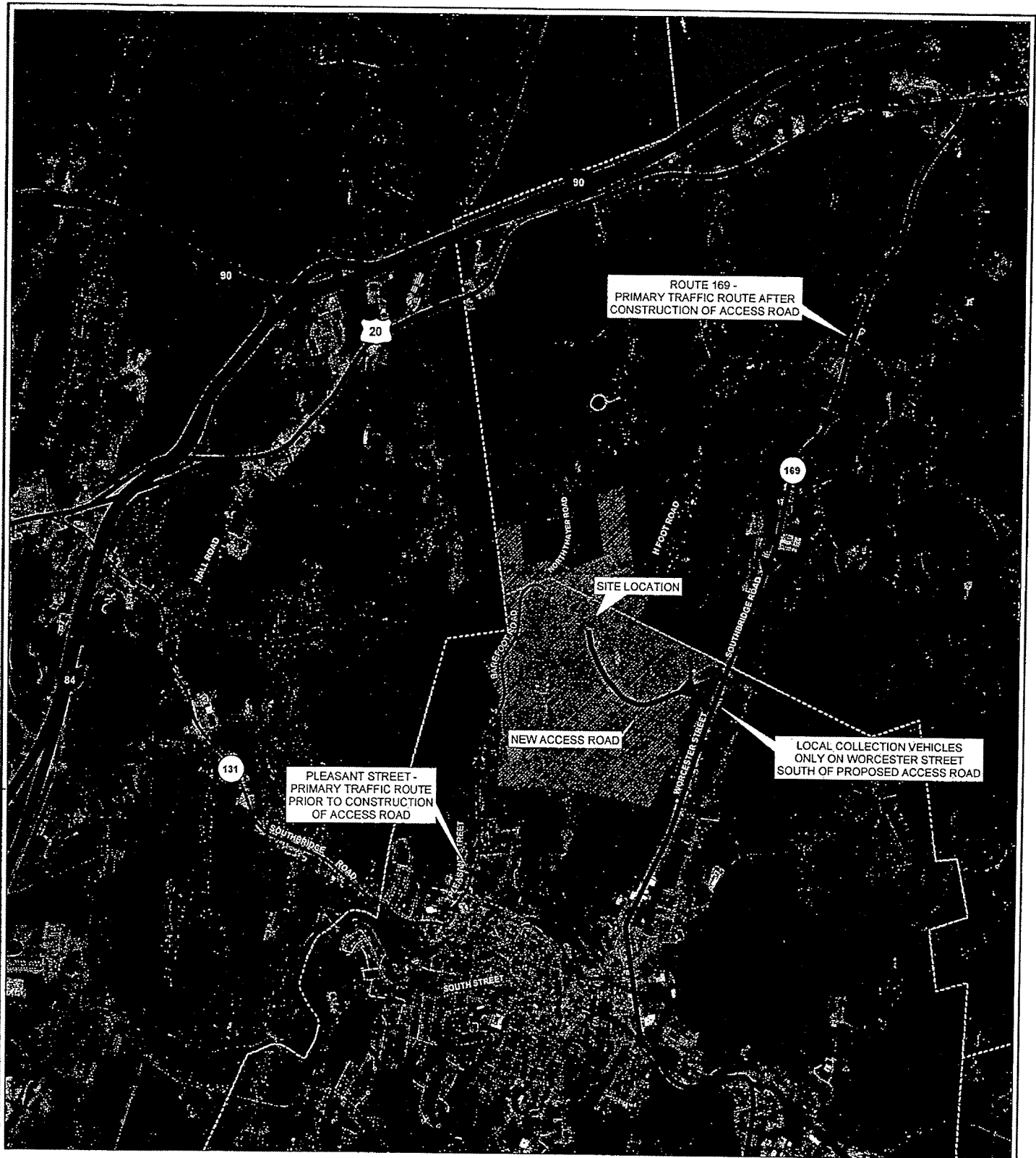


EXHIBIT E -- DESCRIPTION OF THE SOLID
WASTE MANAGEMENT AREA
SOUTHBIDGE, MASSACHUSETTS

EXHIBIT F

LANDFILL FACILITY TRUCK ROUTES

EXHIBIT F- LANDFILL FACILITY TRUCK ROUTES



Legend

Heavy Industry
Town Line

1,000 500 0 1,000 2,000 3,000 4,000 Feet

1 inch equals 1,000 feet

ACCESSIBILITY TO INDUSTRIAL PARK
SOUTHBRIDGE, MASSACHUSETTS

November 2006

Tighe & Bond

EXHIBIT G **EXISTING RESTRICTED ACCOUNT FUNDS**

AUDITED BALANCES AS OF JUNE 30, 2006

SUMMARY:			
	<u>TOWN</u>	<u>SRD</u>	<u>TOTALS</u>
CLOSURE COSTS		\$ 1,771,508	\$ 1,771,508
POST-CLOSURE COSTS	3,586,200	102,600	3,688,800
TOTALS	\$ 3,586,200	\$ 1,874,108	\$ 5,460,308

Closure Costs	\$ 7,738,000
Percent of landfill actively used	69.6%
Total Closure Costs to date	5,385,648
Less: Casella receivable	3,614,140
Town accrual, 6/30/06	\$ 1,771,508

Post-closure Cost	\$ 5,300,000
Percent of landfill actively used	69.6%
Total Post-closure costs to date	\$ 3,688,800

Total Landfill accrual:	
Closure Costs	\$ 1,771,508
Post-closure Costs	3,688,800
Total accrual at 6/30/06	\$ 5,460,308

Acres of total landfill actively used	36.20
Total Acres	52.00
Percent actively used	69.6%

Please note that the amount collected from SRD increases monthly and the amount to be released to SRD will be determined upon the effective date of this agreement.

EXHIBIT H
CURBSIDE COLLECTION PROGRAM

EXHIBIT H

SPECIFICATIONS FOR CURBSIDE COLLECTION OF SOLID WASTE and RECYCLABLES

1.0 GENERAL PROVISIONS

1.1 PURPOSE

The purpose of these specifications is to provide the Scope of Services for the collection and disposal of solid waste and recyclables in the Town of Southbridge by SRD. The Scope of Services is divided into three (3) sections:

- 2.0 Collection of residential containerized and non-containerized refuse
- 3.0 Collection of containerized refuse from public schools and municipal buildings
- 5.0 Curbside collection and disposal of recyclable material including municipal paper and cardboard

1.2 PERIOD OF WORK

The period covered by this Scope of Services shall be as defined in section 3.4(d) of the Extension Agreement.

1.3 SOLID WASTE DEFINED

The term solid waste as used in this Scope of Services shall be deemed to mean all combustible rubbish including garbage, paper, rags, cartons, boxes, tin cans, glass, scrap wood, and other material generated from the normal activities of residential households, municipal buildings, and schools. Excluded are sand, bricks, room remodeling waste, plaster, building debris, roofing materials, automobile parts, truck tires, automobile tires, yard trimmings, brush, grass clippings, leaves, stoves, washing machines, refrigerators, and furniture.

Pursuant to the Solid Waste Management Regulations (310 CMR 19.00) the following materials are subject to waste bans and are to be excluded from the definition of solid waste:

Post Consumer and Commercial Recyclable:

- i. Aluminum materials and metal, and glass containers;
- ii. Single polymer plastics;
- iii. All grades recyclable paper;
- iv. Lead acid batteries & CRT's
- v. Leaves and yard waste
- vi. Asphalt pavement, brick and concrete
- vii. Tires
- viii. White goods

ix. Wood

The word "refuse" may be used interchangeably with the phrase "solid waste".

1.4 PERSONNEL

SRD shall discharge from service in Southbridge any person who, in the opinion of the Town, is incompetent, disorderly, or otherwise performing their duties in an unsatisfactory manner.

1.5 BOND

SRD shall be required to provide and maintain a performance bond as required by section 3.4(e) of the Extension Agreement.

1.6 INSURANCE

SRD shall procure and maintain insurance coverage which conforms to all I.C. C. Motor Truck Carrier Act liability limits. Additionally, SRD will be required to carry the following occurrence-type insurance coverage:

- a. Automobile liability insurance with bodily injury limits of \$1,000,000 per occurrence/\$1,000,000 aggregate and property damage limits of \$1,000,000 per occurrence.
- b. General liability insurance with a broad form C.G.L., bodily injury limits of \$1,000,000 per occurrence /\$1,000,000 aggregate and property damage of \$1,000,000 per occurrence. The general liability policy shall have pollution liability coverage.
- c. Workmen's compensation as per applicable state and federal statutes to include \$500,000 employer's liability coverage.

SRD shall file a certification of insurance with the Town before starting work under this Scope of Services and prior to the beginning of each contract year. The policies shall be written in such a manner that the Board of Health will be notified of cancellation or restrictive amendments at least thirty (30) days prior to the effective date of such cancellation. The policies shall name the Town of Southbridge as an additional insured party. The Town will not be liable for claims if any cancellation occurs. SRD shall hold the Town of Southbridge harmless from any liability arising out of the performance under this Scope of Services.

1.7 INDEMNITY

SRD shall indemnify and hold harmless the Town of Southbridge and all of its officers, agents, and employees against all suits, claims, or liabilities of every name, nature and description arising out of or in consequence of the acts of the contractor in the performance of the work covered by this Scope of Services and/or SRD's failure to

comply with the terms and conditions thereof and will, at his own expense, defend any and all such suits and actions.

1.8 PAYROLLS

SRD is required to submit certified, weekly payrolls for each pay period.

1.9 DEFAULTS

If, in any case, SRD shall fail to fulfill the provisions of this Scope of Services, the Town without resort to legal proceedings, may send special vehicles and collect such rubbish or clean-up materials or otherwise cause compliance with the provisions of this Scope of Services, and all expenses for such collection and removal or other work shall be borne by SRD.

1.10 ASSIGNMENT

SRD shall neither assign its obligations under this Scope of Services, nor sublet it in whole or in part, nor delegate any of the work to be performed to any other person, firm, or corporation without the written permission of the Town.

1.11 PROVISIONS OF SCOPE OF SERVICES TO BE WAIVED

Any provision of the Scope of Services, which has no monetary impact, may be waived upon mutual consent of the Town and SRD's.

1.12 SRD's PERFORMANCE

The performance of SRD shall be under the general supervision of the Town Manager. The Town Manager shall interpret the intent and meaning of the Scope of Services and his interpretation shall be final and conclusive. Moreover, the Town Manager may from time to time amend this Scope of services, consistent with the obligations of the parties under the Extension Agreement, in order to address the curbside collection needs of the Town.

1.13 CANCELLATION OF SERVICES

If the Town Manager is of the opinion that SRD has failed to perform its obligations herein, the Town Manager shall give a thirty (30) day notice to correct deficiencies. If such deficiencies are not corrected, the Town Manager may, upon five (5) days written notice to SRD, pursue all available remedies under the Extension Agreement.

2.0 COLLECTION OF RESIDENTIAL CURBISDE REFUSE

2.1 SRD shall collect and deliver to the Southbridge Barefoot Road Landfill, all curbside refuse from single family dwellings, multi-family housing complexes containing six or fewer units, and home offices as specified herein, within the Town of Southbridge.

- 2.2 Refuse shall be collected from all dwellings specified above, no less than once per week on a schedule approved in accordance with the terms of this Scope of Services.
- 2.3 Refuse shall be placed in tied plastic bags having a capacity of not less than ten (10) gallons or not more than forty (40) gallons, or weight when filled of not more than fifty (50) pounds. Non-disposable barrel type containers shall be of plastic or metal, shall be equipped with handles, shall have a capacity of greater than twenty (20) gallons and less than thirty-five (35) gallons, and shall not exceed fifty (50) pounds in weight when full.
- 2.4 Costs incurred for advertising route changes shall be the responsibility of SRD. Rain, ordinary snow, or ordinary foul weather shall not be a cause for omission of the collection of refuse in accordance with the provisions of this contract. Collections may be suspended only under extreme adverse weather conditions, such as blanketing snow, hurricanes, tornadoes, etc., and then only provided that SRD has first obtained approval from the Town.
- 2.5 Collections shall not be made on holidays listed below. When a scheduled pick-up falls on or after any of the holidays listed, pick-up for that week will be one day later. Friday collection will be on Saturday.
- | | |
|------------------|---------------|
| New Year's Day | Labor Day |
| Thanksgiving Day | Memorial Day |
| Independence Day | Christmas Day |
- 2.6 No residential refuse shall be picked up before 7:00 a.m. or after 4:00 p.m. on the scheduled day of collection without the permission of the Town.
- 2.7 Residential refuse will be placed at the front edge of properties at the curb line. Empty containers shall be put back, upright in the same location. All properties, whether on public or private streets, shall be covered by provisions of this contract.
- 2.8 Uncollected Refuse. Any refuse left uncollected by SRD because of a violation of any terms of these specifications by a homeowner, shall be labeled with a tag supplied by the contractor clearly indicating the reason for non-collection. If, in the opinion of the Town, the refuse should have been collected, SRD shall collect it within twenty-four (24) hours of verbal notification.
- 2.9 Collection Equipment. SRD shall have available for rubbish collection a sufficient number of packer type trucks to handle the daily refuse collection routes and, in addition, shall have at least one (1) reserve (back-up) vehicle. Each of the packer trucks shall be equipped with a hydraulically powered batch type compaction unit with a packing blade.

Each truck used by SRD for removing refuse shall be maintained and operated in a manner that will prevent the spilling of the contents.

If, at any time, the contents of rubbish barrels spill into the street, SRD shall clean up the spilled refuse immediately before proceeding to the next place of collection or to the place of disposal.

All equipment used for the collection of rubbish shall be subject to approval by the Town. Vehicles shall be maintained in good sanitary and operating condition acceptable to the Town and repainted whenever deemed necessary.

All vehicles used for the collection of solid waste in Southbridge shall be clearly and distinctly marked as serving the Town by using placards or signage painted on the trucks. Markings shall be subject to prior approval of the Town.

- 2.10 Leaf Collection. SRD shall provide a time and location in the Spring and Fall seasons, a convenient, central location for leaves and yard waste (grass and brush no larger than 4" in diameter and 4' in length) to be deposited by residential occupants of the Town of Southbridge. SRD shall transport the leaves and yard waste to a location of its choosing where they will be composted, leaving the site secure and clean. SRD shall maintain the composting site in accordance to all local, state, and federal regulations. Compost will be made available for use by Southbridge residents.
- 2.11 Resident Drop Off Day. SRD shall provide a time and location for four Saturdays (only) per year for the collection of residential hazardous waste, trash, bulk items, waste ban items, debris and yard waste drop off at a location approved of by the Town.
- 2.12 Curbside Bulk Pick-up. SRD shall provide residential bulk pick-up services to all residents qualifying for the curbside refuse and recycling program. SRD shall allow residents to schedule appointments for pick-ups of up to 2 yards of material per appointment. Excluded for pick-up are waste ban items including but not limited to: television sets, computer monitors, hazardous waste, commercial waste. Residents must schedule appointments at least 48 hours in advance of their scheduled pick-up day.

SRD must initiate a study in order to determine a reliable monthly tonnage figure for bulk item pick-ups such as assigning a separate truck to pick up bulk items two months out of each year (alternating months each year) to establish reliable estimates of bulk item tonnages.
- 2.13 SRD shall provide an on-site, in Town supervisor who shall be in direct contract with the Town during collection days.

3.0 MUNICIPAL AND SCHOOL BUILDING CONTAINERIZED REFUSE.

- 3.1 SRD shall provide Town approved refuse and recycling containers for all municipal and school buildings. Refuse shall be collected at the locations as listed in Attachment A.
- 3.2 The containers noted above are to be supplied and maintained in a clean and sanitary condition by the contractor and repainted, if necessary, each year. All school designated cardboard containers shall be an alternate color to distinguish them from the trash containers.
- 3.3 The days and times of collection of these containers shall be suggested by SRD but determined by the Town. The Town may require that larger or smaller containers be supplied or that the frequency of collection is increased or decreased if the specific sizes or frequencies are inappropriate.

4.0 REPORTS

- 4.1 SRD shall submit reports, updated quarterly which list:
 - a. all commercial accounts in Southbridge, both private and public
 - b. any contract disputes between the hauler
 - c. any of its customers concerning allegations of wrongdoing on the part of the contractor

5.0 CURBSIDE COLLECTION AND DISPOSAL OF RECYCLABLE MATERIAL

5.1 UNITS TO BE SERVICED

SRD shall collect and dispose of all recyclables from single-family dwellings, multi-family housing complexes containing six (6) or fewer units, and home offices as specified herein, within the Town of Southbridge during the term of the contract.

5.2 COLLECTIONS

Recyclables shall be collected from all dwellings specified above no less than once per month on a schedule approved by the Town in accordance with the terms of this specification.

5.3 ROUTES

SRD shall submit proposed routes to be followed and a preference for recyclable collection during holiday weeks. Said route proposal shall include a Town map showing these routes. SRD shall not alter these routes without prior approval by the Town or its authorized representative. Costs incurred for advertising route changes shall be incurred by SRD. Rain, ordinary snow, or ordinary foul weather shall not be a cause for omission of the collection of recyclables.

5.4 PLACEMENT OF RECYCLABLES

Residential recyclable material will be placed at the front edge of properties at the curb line. Empty containers shall be put back, upright in the same location. All properties, whether on public or private streets, shall be covered by provisions of this Scope of Services.

5.5 UNCOLLECTED RECYCLABLES

Any recyclables left uncollected by SRD because of a violation of any terms of these specifications by a homeowner, shall be labeled with a tag supplied by the contractor clearly indicating the reason for non-collection. If, in the opinion of the Town, the recyclables should have been collected, SRD shall collect it within twenty-four (24) hours of verbal notification.

5.6 COLLECTION EQUIPMENT

SRD shall have available for recyclable collection a sufficient number of multi-sectioned type trucks to handle collection routes and, in addition, shall have a least one (1) reserve (back-up) vehicle.

Each truck used by SRD for removing recyclables shall be maintained and operated in a manner that will prevent the spilling of the contents.

All equipment used for the collection of recyclable material shall be subject to approval by the Town. Vehicles shall be maintained throughout the contract term in good sanitary and operating condition acceptable to the Town and repainted whenever deemed necessary. All vehicles used for the collection of recyclables in Southbridge shall be clearly and distinctly marked "Town of Southbridge" so that the vehicle can be easily identified. Markings subject to the prior approval of the Town.

5.7 SEPARATION OF RECYCLABLE MATERIALS BY CITIZENS

The Town shall request that their citizens separate items to be recycled into three (3) categories:

a. Containers: (including)

Glass – This includes unbroken glass containers of all sizes. Containers shall be rinsed; labels may be left on. All acceptable glass shall be placed in an acceptable sturdy container. Plastic and metal neck rings shall be removed, if any.

Metals – This includes containers of all sizes made of tin, steel, and aluminum foil and trays. Containers shall be rinsed and all labels shall be

removed. All acceptable metals shall be placed in an acceptable sturdy container.

Plastic – This includes HDPE #1 through #7 plastic bottles (no tubs). All plastic bottles shall be rinsed and placed in an acceptable, sturdy container.

- b. Paper – This includes newspaper (including colored/glossy inserts), brown paper bags, white paper (envelopes and letters). All types of paper shall be put together in bags or tied in bundles.
- c. Corrugated Cardboard – This must be flattened and shall be put together in paper bags or tied in bundles.

SRD may propose alternative separations and bundling methods.

5.8 IMPROPERLY SEPARATED MATERIALS

SRD shall not collect improperly placed or separated materials. Items not to be recycled at this time include:

- a. waxed paper or paper-coated containers such as milk or juice cartons.
- b. aerosol spray cans.
- c. tires, auto parts, oil filters or lead acid batteries.
- d. diapers or sanitary products.
- e. bottles or cans containing poisons, paint, gasoline or propane, oil, insecticides, or herbicides.
- f. containers or paper products contaminated with food.
- g. ceramics or pottery plates, cups, etc.
- h. light bulbs.
- i. plastic tubs, i.e. margarine containers, etc.
- j. cathode ray tubes (CRT's)
- k. leaves, brush and yard waste

5.9 COLLECTION OF MUNICIPAL WHITE OFFICE PAPER AND CORRUGATED CARDBOARD

SRD shall include collection of municipal white office paper, computer paper, and corrugated cardboard.

SRD shall provide the necessary equipment for collecting white office paper, computer paper, and corrugated cardboard from the municipal buildings listed below.

SRD shall provide sufficient number of acceptable containers for implementing the program at all of the following locations.

The buildings to be served shall include, but not be limited to: Town Hall, Fire Department, Police Department, Library, Schools (Southbridge High School,

Wells Jr. High, Eastford Road, Charlton Street, West Street), Town Armory and Senior Center.

SRD shall provide the necessary equipment for collecting corrugated cardboard from the municipal buildings as listed in this section.

SRD shall provide sufficient number and size of acceptable containers for implementing the program at all of the following locations.

Buildings to be provided with separate containers for corrugated cardboard and/or paper shall include, but not be limited to: DPW garage (both locations), Town Hall, Schools, Jacob Edwards Library.

Buildings to be provided with separate containers for co-mingled recycling include, but not limited to: Southbridge Day Care Center.

SRD is responsible for securing the appropriate markets for successful recycling of the items collected. SRD will collect white paper, computer paper, and cardboard, and co-mingled recyclables from the above-mentioned locations on a scheduled basis, to be determined. Coordination of the collections will be made so as to provide the vendor with a reasonable amount of material per collection trip.

5.10 REPORTS

SRD shall submit monthly reports which list:

- a. the type of recyclable material collected
- b. the amount of each type of recyclable material collected
- c. where this material has been disposed

5.11 BIDDING

Curbside & municipal paper and cardboard collection; SRD to retain any revenues received from the sale of recyclable materials collected.

ATTACHMENT A

MUNICIPAL DUMPSTER LOCATIONS

Town Building	Container Size (cubic yard)	Weekly Pick-ups
Charlton Street School	6, 6, 6(occ), 2 paper toters	2
Eastford Road School	6, 2, 4(occ), 2 paper toters	2
West Street School	6, 6, 6(occ), 2 paper toters	2
Mary Wells Jr. High School	6, 6, 6(occ), 2 paper toters	2
Southbridge High School	6, 6, 6(occ), 2 paper toters	2
School Maintenance Building (11 West St.)	2	2
McMahon Field	2,2	2
Charlton Street Recreation Area	2	1
Southbridge Town Hall	4, 4 paper toters	1
Jacob Edwards Library	4, 2 paper toters	1
Police Station	4	1
DPW Garage (1) (Pleasant Street	2	1
DPW Garage (2) (Guelphwood Road)	4, 2	1
Sewer Treatment Plant – water-tight; roll-off	4, 10(compost)	1
Water Treatment Plant	4	1
Fire Station	6	1
Senior Center	4	1
Southbridge Day Care Center (115 Marcy St.)	6, 6(occ), 2 co-min.toters	2
MacKinnon Training Center (114 Pleasant St.)	4	1
Town Armory (Chestnut Street)	2	1

The contractor shall provide and maintain (i.e. clean) the above containers.

EXHIBIT I
RECYCLEBANK PROGRAM

EXHIBIT I

RECYCLE BANK DESCRIPTION

Recycle Bank is an incentive based recycling program that inspires people to become better citizens and smarter consumers by financially rewarding them for recycling at home. These financial rewards are the result of a proprietary technology based on the utilization of single stream recycling in concert with a radio frequency identification (RFID) system. Each household is issued a container with an embedded RFID system that uniquely links, records, and measures the amount of recyclables generated each time the container is emptied. The Recycle Bank Program provides an individual account for each homeowner that is linked to the container and is accessible via the internet. The Recycle Bank program then allows the user to access their own account at their shopping convenience to access coupons that are redeemable at participating local and national retailers based on the pounds of recyclables collected on a home by home basis. All that is required is for each household to place "all in one" recyclables in the container that is provided, put it on the curb on the designated collection day, then when the material is collected it is immediately weighed and a credit is posted to the homeowners' personal account by the end of the day. Recycle Bank charges a monthly household fee to administer the program and in return provides the homeowner with an internet accessible account, and the opportunity to earn Recycle Bank Coupons valued at approximately \$300 per year per household.

RECYCLE BANK PROGRAM FOR THE TOWN OF SOUTHBRIDGE

SRD will initially convert the entire Southbridge Recycling Stream to single stream collection. Each Household will be provided a brand new 64 gallon wheeled recycling container to be used to for all of their recyclables. This container will eliminate the current process of multiple bins used for collection of recyclables and provide substantially more capacity, eliminate the blowing of recyclables and provide ease of transport to the curb. Within 60 days of delivering the new container SRD will mail each Household a Recycle Bank Sign-up packet that includes the required materials to enable them to participate in the Recycle Bank Program. SRD will cover the cost of Participating in the Recycle Bank program for the initial 3 months. There-after participation in the program will be voluntary based on each households desire to access the estimate \$300/year in Recycle Bank coupons. The monthly charge after the initial 3 month free trial period will be \$3.75/month/household. For participating households SRD will provide one month's free service for any month where the value of the Recycle Bank coupons is below \$10/month for an active household. As additional incentive and to encourage expanded recycling penetration, SRD will offer the Town \$5/ton for each ton of Recyclables collected.

EXHIBIT J

LANDFILL FACILITY SECURITY INTERESTS AND LIENS

For Town's title to the Property, see Deed from George Corriveau, dated July 7, 1980, recorded with the Worcester South District Registry of Deeds in Book 7008, Page 91 (excepting therefrom the land conveyed to Wood Recycling, Inc. by deed recorded with said Deeds in Book 21000, Page 137), and Chapter 210 of the Acts of 1993.

A portion of the Landfill Facility located on the Property is on land that formerly was within the boundaries of the Town of Charlton, which boundary was relocated pursuant to Chapter 210 of the Acts of 1993. The parties acknowledge that the Town of Charlton, in connection with such relocation of the boundary, claims to have the "right to utilize any landfill operated by or on behalf of the Town of Southbridge on land transferred" to it by Charlton "pursuant to an agreement and/or covenant to be negotiated" between the two Towns, as stated in the vote taken under Article 1 of the Charlton Town Meeting on December 14, 1992 and in the Southbridge Town Council vote of December 28, 1992. In connection with such claim, SRD has agreed to negotiate with the Town of Charlton a rate, which shall be no greater than the then-prevailing commercially reasonable rates, for the Town of Charlton to dispose of MSW in the Landfill Facility.

Subject to an Order of Conditions, recorded with said Deeds in Book 35583, Page 14, as amended by an Order recorded with said Deeds in Book 37922, Page 1.

EXHIBIT K

Guaranty Agreement

This Guaranty Agreement (this "Guaranty") is made and given as of _____, 200__ by Casella Waste Systems, Inc. ("Guarantor"), in favor and for the benefit of the Town of Southbridge, Massachusetts ("Town" or "Beneficiary"). Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in that certain Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection, Southbridge, Massachusetts, by and between Southbridge Recycling and Disposal Park, Inc. ("SRD"), a Massachusetts Corporation, and the Town of even date hereof (hereinafter referred to as the "Agreement").

WITNESSETH:

WHEREAS, pursuant to the terms of the Agreement, SRD is obligated, among other items, to undertake certain specified actions and provide certain specified indemnities to Town with respect to the operation of the Landfill Facility in Southbridge, Massachusetts; and

WHEREAS, it is a condition to Town entering into the Agreement that Guarantor provide this Guaranty.

NOW, THEREFORE, in consideration of Town having entered into the Agreement, the direct and indirect benefits to be gained by Guarantor, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor covenants and agrees for the benefit of Beneficiary as follows.

1. Unconditional Guaranty of Obligations.

- (a) Guarantor hereby unconditionally, absolutely and irrevocably guarantees to Beneficiary (a) the full and punctual payment when due of all financial obligations of SRD to Beneficiary and (b) the full and prompt performance and observance of the other covenants and obligations of SRD, to Beneficiary arising under or by virtue of the Agreement (all such payment, performance and other obligations are herein collectively referred to as the "Obligations"). Guarantor further agrees that, if SRD shall fail or be unable duly, punctually and fully to pay or perform such Obligations, Guarantor shall, upon demand from Town, promptly pay or perform such Obligations or cause such Obligations to be paid or performed.
- (b) Guarantor agrees that: (i) this Guaranty is an irrevocable, present and continuing guaranty of payment and performance, not of collectability; and (ii) the obligations of Guarantor under this Guaranty are absolute and unconditional, irrespective of the insolvency, bankruptcy, reorganization, dissolution or liquidation of SRD or any change in ownership of SRD or any assignment authorized or permitted in accordance with the Agreement or any other

circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

- (c) Without limiting the foregoing, the obligations of Guarantor under this Guaranty shall not be released, discharged, limited, or affected by: (i) any limitation of power or disability on the part of SRD; (ii) illegality, invalidity, and unenforceability of the Agreement; (iii) the insolvency, bankruptcy, reorganization, liquidation, or dissolution of SRD; (iv) any amendment, compromise, settlement, release, change, modification, extension, waiver, forbearance or termination of any of the covenants, terms or agreements set forth in the Agreement, including without limitation any modification, postponement or extension of time for the payment of any Obligations or the performance of any of the covenants, terms or agreements of any part to the Agreement; (v) subject to applicable statutes of limitations, anything done, suffered, or permitted by Beneficiary (including any failure to enforce any right, power or remedy against SRD whether in bankruptcy or otherwise) in connection with any duties or liabilities of SRD under the Agreement; or (vi) any permitted assignment of this Guaranty in whole or in part in connection with any assignment of the Obligations; (vii) any exercise or failure, omission or delay by Beneficiary in the exercise of any right, power or remedy conferred on Beneficiary with respect to this Guaranty except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim; (viii) except as permitted by Section 15 below, any sale or other transfer by Guarantor of the capital stock or other interest of Guarantor or any change in composition of the interests of SRD; (ix) any legal disability or incapacity of any party; or (x) the fact that entering into any agreement SRD or Guarantor was invalid or in the excess of the powers of such party.
- (d) Notwithstanding anything in this Guaranty to the contrary, if the Obligations of SRD under the Agreement are amended by any agreement between SRD and Town, then Guarantor shall guarantee such Obligations as so amended. Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which SRD is or may be entitled with respect to Beneficiary that arise from or out of the Agreement or otherwise, except for defenses arising out of the bankruptcy, insolvency, reorganization, dissolution or liquidation of SRD.

2. Acknowledgement by Guarantor of Beneficiary's Cure Rights. Guarantor acknowledges and confirms (a) that if SRD fails to perform any required actions under the Agreement, the Beneficiary has the right, if it so elects, to cure the same, and (b) all monies so expended for such cure shall constitute financial obligations of SRD under the Agreement to Beneficiary and, accordingly, "Obligations" under this Guaranty.

3. Demand and Payment. If, for any reason, SRD shall fail to pay any Obligations when due, or perform any Obligation when required, Guarantor shall, no later than five (5) Business Days (*i.e.*, a weekday on which commercial banks in New York, New York are not required or authorized by law or executive order to close for business, and which shall start at 8:00 a.m. and

conclude at 5:00 p.m. Eastern Time on the same calendar day) following Guarantor's receipt of written demand for payment from Beneficiary, pay or perform (or cause to be performed) each such Obligation then due and owing to Beneficiary, regardless of whether Beneficiary or anyone on its behalf shall have instituted any suit, action or proceeding or exhausted any remedies or taken any steps to enforce any rights against SRD to compel any performance or any such payment or to collect all or any part of such amount pursuant to the provisions of the Agreement, or at law or in equity, or has made any other effort to obtain the payment or performance of the obligations from SRD other than providing SRD with any notice of such payment or performance as required by the terms of Section 18.1 of the Agreement, or otherwise, and regardless of any other condition or contingency. Beneficiary shall have the right to proceed first and directly against Guarantor under this Guaranty and without proceeding against SRD or exhausting any other remedies against SRD which Beneficiary may have, provided, however, that Beneficiary shall have provided notice to SRD (with a copy to Guarantor) as required under Section 18.1 of the Agreement, and provided further that SRD shall be entitled to avail itself of the time periods set forth in Section 18.3 of the Agreement to pay or perform such obligation. Guarantor expressly waives diligence on the part of Beneficiary in the collection or enforcement of the Obligations associated with the Agreement. In addition, Guarantor expressly waives grace, demand, protest, presentment, notice of acceptance of this Guaranty, notice of nonpayment, notice of default, notice of demand, notice of protest, notice of presentment and all other notice, other than the demand notice required hereunder as set forth above, with respect to the Obligations covered by this Guaranty.

4. Other Security. This Guaranty is in addition to such other security, if any, as Beneficiary may now or hereafter have. Guarantor acknowledges and agrees that its obligations hereunder constitute the full recourse obligations of Guarantor enforceable against it to the full extent of all of its assets and properties. Beneficiary may release SRD or any other person primarily or secondarily liable on the Obligations, or any part thereof, and may surrender or release all or any portion of any other security, without in any way releasing or affecting Guarantor's absolute liability under this Guaranty. Guarantor specifically agrees that it shall not be necessary or be required, and that Guarantor shall not be entitled to require, that Beneficiary file suit or proceed to obtain or assert a claim for judgment against SRD or against any other party obligated for the Obligations or to make any effort at collection of the Obligations from SRD or any other party or to seek to realize upon any security now or hereafter existing for the Obligations or to file suit or proceed to obtain or assert a claim for judgment against any other party liable for the Obligations or make any effort at collection of the Obligations from any such other party or exercise or assert any other right or remedy to which Beneficiary is or may be entitled in connection with the Obligations or any security or other guarantee therefore, or assert or file any claim against the assets or estate of SRD or any other guarantor or other person liable for the Obligations, or any part thereof, before or as a condition to enforcing the liability of Guarantor under this Guaranty or requiring the payment or performance of the Obligations by Guarantor, or at any time thereafter.

5. Knowledge of Agreement. Guarantor confirms that it has been provided with copies of the Agreement, and that it is aware of the obligations of SRD pursuant to the Agreement. Guarantor expressly acknowledges that Beneficiary is relying on this Guaranty in entering into the Agreement.

6. **Assignment.** This Guaranty is not assignable by Guarantor without the prior written consent of Beneficiary, which may be withheld in the Town's reasonable discretion; provided, however, the obligations of Guarantor may be assigned without the written consent of the Town to any new Guarantor that (i) assumes in writing all the obligations of the Guarantor hereunder, and (ii) has a Tangible Net Worth of at least Thirty Million Dollars (\$30,000,000.00) at the time of said assignment. "Tangible Net Worth" means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied ("GAAP"), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises. Tangible Net Worth shall be evidenced by audited financial statements certified and delivered to the Town by an independent certified public accountant, the cost for which shall be paid by the Guarantor.

7. **Term.** Guarantor agrees that this Guaranty shall continue in full force and effect until the date on which both of the following shall have occurred: (i) the expiration or termination of the Agreement in accordance with its terms, and (ii) the Obligations are finally, indefeasibly and unconditionally paid in full and performed in accordance with the terms of the Agreement. Upon the occurrence of both of items (i) and (ii), Beneficiary shall expressly release this Guaranty.

8. **Representations and Warranties.** Guarantor hereby represents and warrants as follows:

- (a) Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, with full legal right, power and authority to enter into and perform its obligations under this Guaranty.
- (b) The execution, delivery and performance by Guarantor of this Guaranty, and the consummation by Guarantor of the transactions contemplated hereby, are within Guarantor's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene Guarantor's charter or bylaws, (ii) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award applicable to Guarantor, (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting Guarantor or by which its properties are bound, or (iv) result in or require the creation or imposition of any lien upon or with respect to any of Guarantor's properties.
- (c) No authorization, consent or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery or performance by Guarantor of this Guaranty.
- (d) This Guaranty has been duly executed and delivered by Guarantor and constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with the terms hereof except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, liquidation,

moratorium or similar laws affecting creditors' rights generally and by the application of general equitable principles which may limit the availability of certain remedies.

- (e) There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to Guarantor's knowledge, threatened against Guarantor which has a likelihood of an unfavorable decision, ruling or finding that would materially and adversely affect the validity or enforceability of this Guaranty.

9. Governing Law. This Guaranty shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts without reference to the laws of Massachusetts regarding the conflict of laws. Any suit on this Guaranty or for any breach of this Guaranty shall be brought and prosecuted by Beneficiary, its successors or assigns, in the U.S. federal district court for Massachusetts, or any other proper venue selected by Beneficiary, and, to the extent permitted by applicable law, Guarantor waives any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding. Guarantor and Beneficiary each waive its right to demand trial by jury, and agree that any litigation shall be decided by a judge sitting without a jury. Guarantor irrevocably consents to service of process in the manner provided as to notices in Section 13. Nothing in this Guaranty will affect the right of any party to serve process in any other manner permitted by law.

10. Reinstatement. The obligations of Guarantor hereunder shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of SRD in respect of the Obligations is rescinded or must be otherwise repaid or restored to SRD, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

11. Subrogation. Until the Obligations have been paid and performed in full, Guarantor shall have no right of subrogation and waives all of its rights at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Beneficiary to seek contribution, indemnification, or any other form of reimbursement from or enforce any remedy which Guarantor now has or may hereafter have against SRD or any other person primarily or secondarily liable for any of the Obligations).

12. Remedies. This Guaranty may be enforced as to one or more breaches either separately or cumulatively. The remedies herein are cumulative and are not exclusive of any remedies provided by law. The obligations of Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall (a) to the extent permitted by applicable law, constitute separate and independent obligations of Guarantor from its other obligations under this Guaranty, (b) give rise to separate and independent causes of action against Guarantor, and (c) apply irrespective of any indulgence granted from time to time by the Town. In the event Guarantor fails to pay or perform any of its obligations hereunder, including the failure to make payment when due, Beneficiary may avail itself of all available remedies, in law or at equity, to enforce its rights hereunder. The prevailing party in any legal proceeding to enforce this Guaranty shall be entitled to recover from the non-

prevailing party all legal expenses incurred in connection with such enforcement proceeding, including reasonable attorneys' fees and costs.

13. Notices. All notices and demands under this Guaranty shall be made in writing by certified mail (return receipt requested), facsimile (with confirmation by one of the other means described herein received within two Business Days of receipt of such facsimile), or by recognized overnight courier, in the manner specified in this Section 13. All such notices and demands shall be deemed effective (i) if mailed, seven (7) Business Days after being properly deposited in the mail; (ii) if delivered personally, when actually delivered; (iii) if sent by courier, on the second Business Day after the date sent; and (iv) if sent by facsimile, on the Business Day following the date of transmission. Each such notice and demand shall be addressed as follows:

If to Town: Town of Southbridge Town Council
41 Elm Street
Southbridge, Massachusetts 01550
Attn: Chairman

with a copy to:

John W. Giorgio, Esq.
Kopelman and Paige, P.C.
101 Arch Street
Boston, Massachusetts 02110

If to Guarantor: James Bohlig, President
Casella Waste Systems, Inc.
25 Green Hill Lane
Rutland, VT 05702

with a copy to:

David Schmitt, Esq.
Casella Waste Systems, Inc.
25 Green Hill Lane
Rutland, VT 05702

or at such other address as Beneficiary and Guarantor may from time to time designate in writing to each other in accordance with the provisions of this Guaranty.

14. No Waiver; Amendments. Subject to applicable statutes of limitations, no failure on the part of Beneficiary or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof or a release of Guarantor from any obligations hereunder; nor shall any single or partial exercise by Beneficiary or any of its agents of any right, power, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. No amendment of

this Guaranty shall be effective unless the same shall be in writing and signed by Guarantor and Beneficiary. No waiver of any provision of this Guaranty shall be effective unless signed by Beneficiary.

15. Consolidation, Merger, Sale or Transfer.

- (a) Guarantor covenants that during the term of this Guaranty, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, unless the successor is (i) Guarantor and (ii) has a Tangible Net Worth of at least Thirty Million Dollars (\$30,000,000.00).
- (b) Notwithstanding the provisions of subparagraph (a) above, Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than Guarantor) (i) assumes in writing all obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the Commonwealth of Massachusetts, (ii) delivers to the Town an opinion of counsel to the effect that its obligations under this Guaranty are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws, and (iii) has a Tangible Net Worth of at least Thirty Million Dollars (\$30,000,000.00).

16. Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by Section 15, the provisions of Section 15 shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made thereafter except in compliance with the provisions of Section 15 herein. No assignment, consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty as provided in Section 6 or 15 herein, and such Guarantor has a Tangible Net Worth of at least Thirty Million Dollars (\$30,000,000.00).

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officers as of the date first above written.

CASELLA WASTE SYSTEMS, INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

EXHIBIT L

INITIAL LANDFILL TOTAL ECONOMIC BENEFIT

The parties have identified the comprehensive list of total economic benefits, including cash payments and the provision of in-kind services, that are provided by SRD to the Town under this Extension Agreement, as set forth in Exhibit N attached hereto.

The calculation of the total economic benefit is determined by calculating the total stream of economic benefits set forth in Exhibit N over the Life of the Landfill, and dividing such amount by the total number of tons of Acceptable Waste anticipated to be disposed in the Landfill Facility over the Life of Landfill. Such calculation is measured on a dollar per ton basis. The parties agree that the total economic benefit on the date of execution of this Extension Agreement is \$13.37/ton.

For the avoidance of doubt, the parties agree that the calculation of the total economic benefit includes the following items (with reference to the specific Section in the Extension Agreement pursuant to which such items are paid):

1. Closure Payments back to Casella (*see* Section 6.3);
2. Existing Funds in Escrow Account (*see* Section 6.3);
3. Royalty Payments made by SRD (*see* Article 5);
4. Landfill Monitor Reimbursement (*see* Section 7.1(a));
5. Legal Funds (*see* Section 7.2);
6. Energy Payment (*see* Section 7.4(b));
7. Third Party Consultants (*see* Section 7.1(b));
8. Curbside Collection Program (*see* Section 3.4(d));
9. Municipal Solid Waste Disposal (*see* Section 3.4(d)); and
10. Access Road (*see* Sections 7.3 and 7.7).

The Initial Landfill Total Economic Benefit is determined by summing on an annual basis the economic benefits specified above, and dividing such sum by the total number of tons of Acceptable Waste anticipated to be disposed in the Landfill Facility over the Life of Landfill, except that when calculating the Initial Landfill Total Economic Benefit for the purpose of performing the comparison identified in Section 30.2 of this Extension Agreement: (a) the benefits identified in Section 6.3 of this Extension Agreement (as referenced by Item Nos. 1 and 2 above), and any costs, payments or in-kind services for Closure or Post-Closure (other than actual costs incurred in maintaining a Financial Assurance Mechanism), shall be excluded from such calculation; (b) any payments made under the Extension Agreement in connection with

Daily and Intermediate Cover shall be included in such calculation; and (c) the total number of tons of Acceptable Waste anticipated to be disposed in the Landfill Facility over the Life of Landfill is 8,112,000 tons (*i.e.*, 405,000 tons per year over twenty (20) years).

EXHIBIT M

LANDFILL BENEFIT COMPETITIVE MARKET SURVEY

Upon the initiation of a Landfill Benefit Competitive Market Survey, the parties agree that such survey shall be conducted as follows:

1. The Independent Consultant shall identify any municipally-owned landfill in the Commonwealth of Massachusetts that is operated by a private landfill operator pursuant to a long-term operation agreement with the municipality, and which has operated under such agreement for at least twelve (12) months. In the event the Independent Consultant at that time identifies such a landfill that has a long-term agreement that has been in effect for less than twelve (12) months, the parties agree to delay the calculation that is made pursuant to the provisions of Section 30.2 of the Extension Agreement until such time as that landfill has been operating under the agreement for twelve (12) months.
2. For each such landfill so identified, the Independent Consultant shall determine, from the audited public financial records of the municipality, the actual annual cash payments made by the private operator to the municipality during each of the preceding years during which such agreement was in effect ("Actual Cash Payments").
3. For each such landfill so identified, the Independent Consultant shall determine any in-kind service (not resulting in cash payments) that has been made by the private operator to the municipality, and shall propose to the Town and SRD the annual value that should be attributed to such in-kind service ("Actual In-Kind Services"). Either party may accept or dispute such valuation, and any dispute shall be resolved by reference to the procedures set forth in Article 27 of the Extension Agreement.
4. In making the determinations set forth in Paragraphs 2 and 3 above, the Independent Consultant shall not include any costs, payments or in-kind services for Closure or Post-Closure (other than actual costs incurred in maintaining a Financial Assurance Mechanism).
5. For each such landfill so identified, the Independent Consultant shall determine, from official records maintained by MADEP, the actual number of tons of Acceptable Waste disposed in each such landfill over the period of time that such landfill operating agreement has been in effect ("Actual Disposal Tons").
6. For each such landfill so identified, the Independent Consultant shall determine the Total Landfill Economic Benefit by adding the Actual Cash Payments and Actual In-Kind Services, and dividing such sum by the Actual Disposal Tons. The Independent Consultant will identify the Total Landfill Economic Benefit for each such identified landfill on a dollar per ton basis, and shall provide such calculation to the Town and SRD for use in accordance with the provisions of Section 30.2 of the Extension Agreement. If more than one such landfill is identified, the parties agree to use the highest Total Landfill Economic Benefit as the benchmark.

EXHIBIT N
CDM ECONOMIC ANALYSIS

EXHIBIT N
CDM ECONOMIC ANALYSIS



One Cambridge Place, 50 Hampshire Street
Cambridge, Massachusetts 02139
tel: 617 452-6000
fax: 617 452-8000

February 21, 2007

Mr. Clayton Carlisle
Town Manager
Town Hall, 41 Elm Street
Southbridge, Massachusetts 01550

Subject: Updated Revised Financial Analysis for Extended Agreement for
Future Operations at Southbridge Landfill

Dear Mr. Carlisle:

As requested, Camp Dresser & McKee Inc. (CDM) has prepared this letter summarizing a review of the financial status of the proposed Extension Agreement between the Town of Southbridge and Casella Waste Services (Casella) related to the future operations of the Southbridge Landfill. This letter has been updated to incorporate the discussions at our meeting of February 7, 2007 at Town Hall with Casella and subsequent draft versions of the Agreement.

To prepare this letter, CDM reviewed a series of plans to confirm that there is adequate volume in the landfill for both the current permitted tonnage as municipal solid waste (MSW) and an expanded tonnage contemplated in the draft Agreement (January 23, 2007 version) as well as waste compaction information from both Casella and other landfill operators. CDM then used the estimated remaining life of the landfill along in each scenario along with the current financial payments and in-kind services to the Town to update the Present Value financial analysis previously completed by CDM.

Review of Remaining Capacity Within Existing Landfill Limits

The proposed Extension Agreement includes two levels of landfilling into the future. The first is the conversion of the existing permitted 180,960 tons of construction and demolition waste materials into MSW. CDM was to confirm that this current tonnage as MSW can provide 20 years of capacity within the limits of the existing permits. The Extension Agreement also provides for an expanded capacity of up to 405,600 tons of MSW per year should Casella be able to extend the landfill onto additional property. As part of this effort, CDM also reviewed the existing permits for the landfill to confirm that the proposed grading will not require any further permitting from the Massachusetts Department of Environmental Protection (MassDEP).



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CDM received a series of landfill grading design plans electronically from Casella's engineering consultant. To determine the base liner grades, CDM relied on a combination of an updated November 2006 topographic survey of the active landfill areas and the proposed grades for the future liner cells once the existing hill is excavated.

Casella's engineer provided CDM with two sets of final closure grades for the existing landfill. The first reflected a peak elevation of 832 and the second showed a peak grade of 850. CDM also reviewed the existing landfill permits and approvals. This review found that the site assignment included presentations that the peak elevation was to be 848 (assumed to be 850 with the final cap). However, the permit documents for the landfill present a peak elevation of 832 for the landfill both within the written permit application and on the accompanying plans. Casella also provided recent information from the Southbridge Airport Commission and a recent landfill closure plan indicating a peak elevation of 850.

CDM used an AutoCAD based program to determine the available remaining capacity at the landfill. Our approach was to determine the volume remaining within the permitted areas to each of the peak elevations, deduct a reasonable amount for cover material (15 percent by volume) including a final cap, and determine a required density to obtain a twenty year capacity. CDM also evaluated the capacity effective utilization – defined as the total tonnage of waste divided by the total volume consumed (waste and cover materials) as a comparative measure of landfill operation efficiency. The results of CDM's analysis are summarized on the following Table 1.

Table 1
Evaluation of Required MSW Densities for 20 Years of
Remaining Landfill Life Within Existing Permits and Approvals

<i>Peak Elevation</i>	<i>Total Remaining Capacity</i>	<i>Volume Allowance for Cover Material</i>	<i>Remaining Waste Capacity for MSW</i>	<i>Tonnage for 20 Year Remaining Capacity</i>	<i>Required Density of MSW</i>	<i>Required Effective Utilization</i>
832	4,113,000 cubic yards	617,000 cubic yards	3,496,000 cubic yards	3,619,200 tons	1.03 tons per cubic yard	0.88 tons per cubic yard
850	5,199,000 cubic yards	780,000 cubic yards	4,419,000 cubic yards	3,619,200 tons	0.82 tons per cubic yard	0.70 tons per cubic yard



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CDM reviewed these calculations with Casella staff on several occasions. There was agreement on the amount of volume remaining within the reasonable accuracy of the computer program. However, there was significant discussion on the density that could be achieved for compaction with Casella presenting information that they anticipate in-place densities close to or exceeding the 0.82 tons per cubic yard MSW density required for 20 years of capacity at peak elevation of 850. Casella provided data from six sites indicating an average Effective Utilization of 0.80 with a range from 0.71 to 0.90. It should be noted that this number will vary based on the total tonnage accepted, the location of landfilling (e.g. on side slopes or areas overlying thick landfilled areas where settlement will occur) and types of waste accepted for disposal and cover material.

Based on this discussion, CDM reviewed information on several large MSW landfills - both publicly and privately operated facilities - and their actual compaction rates for MSW. Based on this review, CDM developed an average in-place MSW density of 0.75 tons per cubic yard. At 15 percent for cover material, this is an Effective Utilization of approximately 0.64 tons per cubic yard.

The following Table 2 outlines the remaining capacities in the existing approved footprints based on the two Effective Utilizations. It should be noted that the final remaining capacity is established within the current limits that can be revised as part of future permitting processes. Based on this analysis, CDM recommends that the Town:

- Have Casella verify with MassDEP and the local Board of Health that the approved final elevation for the landfill is 850.
- Monitor the filling rate at the landfill once it is fully converted to MSW to determine the site-specific Effective Utilization to allow for planning on potential future expansions or permit revisions to realize 20 years of capacity.

For the financial analysis, CDM assumed that the 850 elevation can be confirmed with both the local Board of Health and the MassDEP and that the landfill will have a 20 year remaining capacity within the existing footprint.



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Table 2
Evaluation of Remaining Landfill Life by
Effective Capacity Utilizations Within Existing Permits and Approvals

<i>Peak Elevation</i>	<i>Total Remaining Capacity</i>	<i>Annual Tonnage of MSW</i>	<i>Remaining Life at 0.80 tons per cubic yard</i>	<i>Remaining Life at 0.64 tons per cubic yard</i>
832	4,113,000 cubic yards	180,960 tons per year	18 years	15 years
850	5,199,000 cubic yards	180,960 tons per year	23 years	18 years

Review of Remaining Capacity within Expanded Landfill Limits

CDM also calculated the available capacity of an expanded landfill moving across the existing road onto Casella owned property that is currently site assigned as a processing facility. Under the proposed Extension Agreement, expanding the landfill onto this area would allow for Casella to increase the daily landfilling capacity to 405,600 tons per year of MSW. It should be noted that the approval of landfilling within this area to the volumes calculated will require a significant permitting process including Environmental Impact Reports, major modifications to the site assignment and extensive wetland permitting.

CDM calculated a total of 9,395,000 cubic yards of potential capacity in the expanded areas (to elevation 850). Casella has agreed with this volume estimate. Assuming 15 percent by volume for cover material and an in-place density of 0.64 tons per cubic yard Effective Utilization for MSW, this is a total of 15 years of potential capacity within this expanded area. At the Casella Effective Utilization of 0.80 tons per cubic yard, there is a total of 18.5 years of potential landfill life at the proposed filling rates. Given the unknowns in developing this and other expansion areas and to be consistent with prior analysis, CDM assumed a 20-year life for the expanded landfill. CDM recommends that the Town re-evaluate the long-term financial implications of the proposed expansion based on its final permitted capacity.

Revised Financial Benefits Projects

Based on the remaining landfill life and the details of the Extension Agreement negotiated to date, CDM has revised the previously prepared financial analyses. For this updated analysis, CDM has reviewed the following two alternatives:

- Scenario One – Landfill within the existing approved footprint to elevation 850 with an operating life of 20 years.



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- Scenario Three - Expanded landfill operations onto processing facility property to elevation 850 with an operating life of 20 years.

The current assumptions on the financial benefits of the two scenarios as outlined in the January 23, 2007 version of the Extension Agreement as amended following the recent negotiations session are summarized in the attached Table 3.

One of the most significant changes is a proposed change in the landfill gas to energy portion of the Extension Agreement. CDM reviewed the anticipated future generation of landfill gas and we concur with the estimates provided by Casella. The original proposal included a flat payment of \$150,000 per year for the proposed facility regardless of any change in tonnage. Based on discussions at the last negotiations session, Casella pulled together a proposal for payments of \$0.006 per KWhr to the Town for the operations (not escalated). Based on current market conditions, this is a reasonable amount of revenue given that Casella is assuming all costs associated with the proposed gas plant. For the purposes of the following financial analysis, CDM assumed that the \$150,000 will be in-place for Scenario One (maintaining the current tonnages) and that the \$0.006 revenue per kWhr value would be in-place for the expanded project at 405,600 tons per year of MSW. For this analysis, CDM incorporated annual payments from a financial analysis performed by Casella.

The current version of agreement ties the increases in various payments such as the Royalty Payment to the Springfield/Hartford area Consumer Price Index (CPI) without an annual cap of 2.5 percent. This is the assumption tied the financial analyses completed herein. CDM has only evaluated the base financial arrangements without any additional funds for RecycleBank, additional payments for cover material or tonnage beyond the permitted amounts.

The financial analysis for each alternative is included on the attached detailed tables. The final results are summarized in the following Table 4. Note that these analyses are all from the initial year the landfill operates and do not take into account the additional time required to obtain permits.



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Table 4
Summary of Results of Financial Analysis Operations Extension Agreement

Scenario Number	Description	Funds from Escrow to Town	Remaining Life of Landfill	Present Value of Alternative
1	Current Permitted Limits to Elevation 850	\$4.5 million	20 years	\$40.3 million
2	Expanded Landfill to Elevation 850	\$4.5 million	18 years	\$61.3 million

We are available to meet with you to further discuss these findings as well as the conditions in the Extension Agreement. In the interim, please do not hesitate to contact me at (617) 452-6541 if you have any questions or require anything further.

Very truly yours,

Bruce W. Haskell, P.E.
Camp Dresser & McKee Inc.

cc: Anna Smith, Southbridge
John Giorgio, Kopelman and Paige

Table 3
Summary of Assumptions for Updated Financial Analysis of Extension Agreement
Operation of Southbridge Landfill
Camp Dresser & McKee Inc.
February 21, 2007

Scenario Number	Description of Scenario (All scenarios assume MSW)	Annual Payments ¹	Remaining Landfill Life-Existing Footprint	Funds Available to Town from Escrow ²	Landfill Gas Royalty Payments	Responsibility for Closure and Post-Closure
1	Current Permitted Limits to Elevation 850	\$1,000,000	20 years	\$4,500,000	\$150,000 for 20 years	Casella provides financial assurance mechanism and is responsible for all costs.
2	Expanded Landfill to Elevation 850	\$2,350,000	18years ³	\$4,500,000	\$.006 per kWhr generated ⁴	

- ¹ Approximate first year Royalty Payment assuming Agreements are in-place for entire year. Increases by CPI as defined in the Agreement.
² Based on 2006 estimated balance in Escrow Account minus approximately \$1.9 million paid by Casella towards closure and post-closure to date.
³ Assumed to be 20-years in financial analysis for consistency with prior evaluations.
⁴ Used estimated revenues provided by Casella.

Table 3 (Cont'd)
Summary of Assumptions for Updated Financial Analysis of Extension Agreement
Operation of Southbridge Landfill
Camp Dresser & McKee Inc.
February 21, 2007

Scenario Number	Description	Curbside Collection Continues ⁵	Free Solid Waste Disposal Continues	Engineering Consultant Reimbursement ⁶	Landfill Monitor Reimbursed ⁷	One-Time Legal Reimbursement	Roadway and Water and Sewer Line Reimbursement ⁸
1	Current Permitted Limits to Elevation 850	Yes – 20 years	Yes	\$10,000 per year	\$75,000 per year	\$100,000	72% of Bond Payment (\$341,000)
2	Expanded Landfill to Elevation 850	Yes – 20 years	Yes	\$10,000 per year	\$75,000 per year	\$200,000	100% of Bond Payment (\$471,000)

⁵ Collection is for up to 7,000 homes and is defined to include disposal of MSW.

⁶ Amount adjusted annually by CPI as defined in the agreement.

⁷ Landfill Monitor annual payment increases capped at 4% per year.

⁸ Percentages and bond payments based on \$5 million construction costs and 20-year bonding period at 5.5% interest.

Town of Southridge • Landfill Operating Agreement
Scenario 2 - Proposed Amendment to Maximize the Benefits by Transferring Capacity from Cassella's Process (No Increase in Traffic or Landfill Property)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2017	2018	2019	2018	2011	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
State and Federal Income Expense																				
State Income Tax Expense																				
Federal Income Tax Expense																				
Charitable Payments Back to Charitable	\$ 11,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charitable Payments Back to Charitable																				
Future Charitable and Post-Capture Liability																				
State Income Tax Expense																				
Federal Income Tax Expense																				
Charitable Payments Back to Charitable																				
Charitable Payments Back to Charitable																				
Future Charitable and Post-Capture Liability																				
State Income Tax Expense																				
Federal Income Tax Expense																				
Charitable Payments Back to Charitable																				
Charitable Payments Back to Charitable																				
Future Charitable and Post-Capture Liability																				
State Income Tax Expense																				
Federal Income Tax Expense																				
Charitable Payments Back to Charitable																				
Charitable Payments Back to Charitable																				
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Federal Income Tax Expense																				
Charitable Payments Back to Charitable																				
Charitable Payments Back to Charitable																				
Future Charitable and Post-Capture Liability																				
State Income Tax Expense																				
Federal Income Tax Expense																				
Charitable Payments Back to Charitable																				

Anticipation	2.5%
Consumer Price Index	7%
Normalizing Factor - Present Value	10%
Interest Rate for Borrowing	7%
Seventybridge Annual Tonnage of Municipal Solid Waste	8,000
Tip Fee and Haul - Out of Town Disposal	75¢
Tonnage One Existing Amount	224,640
Existing Permitted Tonnage	130,960
Total Tonnage	405,600

Town of Southbridge - Landfill Operating Agreement
Scenario 1 - Current Tenants - Landfill to Operation 650

	1 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 2017	12 2018	13 2019	14 2020	15 2021	16 2022	17 2023	18 2024	19 2025	20 2026
Landfills																				
Current Payments to Town of Southbridge	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Future Payments to Town of Southbridge	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Current Assets																				
Existing Fund in Expense Account	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000	\$ 8,400,000
Revenue																				
Roadway Payments (to be 100,000 lps)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Landfill Transfer Reimbursement	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Landfill Transfer Reimbursement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Landfill Transfer Reimbursement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Initial Revenue																				
Current City Revenue	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Municipal Solid Waste Disposal	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000
Annual Road, Water and Sewer Construction	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500	\$ 341,500
Total Annual Revenue	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500	\$ 7,701,500
TOTAL PRESENT VALUE - 2006 Dollars	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000
Total Contract Value	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000	\$ 40,330,000

Assumptions
 Consumer Price Index 2.5%
 Normalizing Factor - Present Value 8.0%
 Interest Rate for Borrowing 5.0%
 Yearly Growth Rate of Landfill 3.0%
 Present Revenue Paid by Town 75 per ton
 Tip Fee and Fuel - Out of Town Disposal

EXHIBIT O

SRD GOOD ROAD GUARANTEE

In the event that the Town awards, through competitive bidding procedures, the construction contract for either the Phase I or Phase II Construction of the Industrial Park Road to Casella Construction or any entity related to or affiliated with SRD or the Guarantor, then SRD shall provide the Town with the SRD Good Road Guarantee in connection with such construction, as set forth below.

SRD will warranty the following roadway components:

1. ability of sedimentation basins to retain design volumes of surface water;
2. subgrade foundation integrity; and
3. paving (for the normal life of the pavement).

In connection with the above, SRD will, at its sole cost and expense, repair:

1. any breaches in the earthen berms forming the sedimentation basins for the roadway;
2. defects in the roadway (pavement) caused by the settlement of subgrade areas beneath the paved surface area of the road in excess of 50 square feet; and
3. resurface the asphalt surface of the roadway in the event it materially fails during the first five (5) years of operation.

For the avoidance of doubt, the above will apply to all areas meeting the preceding criteria that have resulted in pavement that is not trafficable that are caused by failures of the underlying soils.