S. Chapin Spencer
Public Works Director

Laurie Adams
Assistant Director

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MEMO

To: Burlington City Council
From: Laurie Adams, Assistant Director DPW Water Quality
Cc: S. Chapin Spencer, DPW Director
Date: February 4, 2014

Re: Wastewater Residuals Management Participation Agreement

The Chittenden Solid Waste District (CSWD) has managed the contracts for the handling of residuals (liquid sludge) from most of the County's wastewater treatment plants for many years. The best beneficial use option was the period where all residuals went to Quebec for compositing. That agreement lasted until 2007 when the composting facilities decided to replace CSWD's residuals with Canadian feedstock. From 2008 to present all our residuals have been transported and disposed at the Coventry landfill. This was not desirable, but at the time there was not another option.

At a meeting in March 2013 all member wastewater treatment plant managers met with representatives of the CSWD to talk about the contract status with an expiration date of September 2013. We met again in August 2013 to hear the outcome of various disposal alternatives researched by the CSWD. The best option is for transportation to a facility known as Grasslands Alkaline Stabilization Facility, located in Chateaugay, NY. Grasslands treatment includes Class A processing for land application on local farms. New York State does not allow Class A to go on fields for vegetables for human consumption. Casella Organics guarantee's 80% residuals usage at the Grasslands facility.

Our current cost for disposal is approximately $89.50/ wet ton (WT) and estimated at $86.50/WT at Grasslands. The attached agreement is to participate with the other municipalities in the CSWD, to transport our residuals to the Grassland Facility in Chateaugay, NY for the next five years. The CSWD Board of Commissioners approved the Casella Organics Residuals Management Service Agreement and Member Community Participation Agreement contracts December 19, 2013. DPW Director Spencer is a voting member on the Board.

At their meeting on February 3, 2014 the Board of Finance approved the request to forward the Participation Agreement and resolution for this five year agreement to the full City Council for approval.

Action requested: Approval of resolution authorizing DPW Director Chapin Spencer to sign on behalf of the City Council as the Participant.

For informational purposes only:

Going forward, Burlington has been working on a draft Request for Proposals that may also be released in conjunction with the CSWD. Our desire is to achieve both a higher percent solids dewatered sludge and recommend a path for local processing and beneficial reuse.

After 15 years of centralized dewatering of sludge at our Main Wastewater Treatment Plant the equipment has become less efficient. The belt filter press technology starts with a feed solution at 2-3% solids. The by-product with our belt filter press ranges from 18-22% solids. If we are unable to achieve a minimum 18 % we also can be penalized by the CSWD. To date in FY14 we have received surcharge penalties of $2,484. In FY13 the Wastewater Division of Public Works spent $724,333 for disposal of 1,823 dry tons of residuals, therefore efficiency is critical.

We have met a couple of times with the CSWD and also invited John Irving from Burlington's McNeil plant to discuss the idea of gasification at McNeil or feed of sludge directly with the wood chips. Since our group meeting we also had a tour of McNeil's demonstration gasification plant and the McNeil Generating Station. DPW and the City will need at least that much time to determine a new course of action for Burlington, and Grasslands is the best option for this period of time.

Municipality: _____

RESIDUALS MANAGEMENT
PARTICIPATION AGREEMENT

This RESIDUALS MANAGEMENT PARTICIPATION AGREEMENT ("Agreement") dated as of December 23, 2013, is made by and among the CHITTENDEN SOLID WASTE DISTRICT (the "District"), and the member municipality of the District the name of which is set forth on the signature page of this Agreement (individually, a "Participant"; and, together with the other municipalities entering into similar participation agreements with the District, collectively, referred to as the "Participants").

WHEREAS, the District and the Participant previously entered in a Residuals Management Participation Agreement, dated as of August 2008 (as amended, the "Prior Agreement");

WHEREAS, the District will enter, or has entered into, a new Residuals Management Service Agreement with New England Waste Services of ME, Inc., (d/b/a Casella Organics) and a wholly owned subsidiary of Casella Waste Systems, Inc. ("Casella Organics") for the management of Residuals from the wastewater treatment plants from the District's member municipalities (the "Casella Organics Contact"); and

WHEREAS, the Participant and the District desire to enter into this Agreement, which shall supersede the Prior Agreement, to have the District manage the Residuals produced from the Participant's wastewater treatment Plant(s) as set forth herein.

NOW THEREFORE, in consideration of the mutual obligations undertaken herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Management of Residuals

1.1. The Participant shall provide to the District all Residuals generated or produced at all of the Participant's municipal wastewater treatment plant(s) (the "Plant(s)") and the District shall manage such Residuals as set forth herein.

1.2. The District shall accept Residuals, subject to the terms of this Agreement, the Casella Organics Contract (Exhibit A to this Agreement), and all applicable laws, rules, regulations and permits. All Residuals shall meet the standards set forth in the Casella Organics Contract and shall be managed and disposed of by the District pursuant to the Casella Organics Contract. In the event the Residuals do not meet the standard under the Casella Organics Contract or constitute "Non-Conforming Waste" as specified therein, the District shall not be responsible for managing such non-conforming Residuals.

1.3. The District will contract, or subcontract, for the management and disposal of Residuals. Residuals will be disposed of at a landfill Facility (as defined in the Casella Organics Contract) or managed by Agronomic Utilization, recycling and processing at Grasslands, or other means as provided in the Casella Organics Contract.

1.4. The Participant shall allow the District, and its agents, upon not less than two days' notice, access to the Plants and all books and records relating to, or applicable to, the Plants in order to perform this Agreement and the Casella Organics Contract.

1.5. The District may reject Residuals that are Non-Conforming Waste, or that do not meet the Quality Standard.

1.6. In the event that Casella Organics is unable to manage or otherwise provide for disposal of Residuals under the Casella Organics Contract, but the Casella Organics Contract has not otherwise terminated, the District may dispose of such Residuals at an alternative facility or treatment process on a temporary basis not to exceed 6 months as may be designated by the District. If an alternate facility or treatment process is designated by the District, then the applicable Fees (as detailed in Sections 5, 6 and 7) may be adjusted by the District to fully cover the costs of such alternative facility or process.

1.7. If an alternate facility or treatment process is designated by the District due to a termination of the Casella Organics Contract, and, as a result, the sum of the applicable Fees are increased, then the Participant shall have the right to terminate participation in this Agreement. Any such termination shall be on not less than thirty (30) days' written notice to the District. Any such termination shall not affect the Participant's obligations or liabilities to the District arising prior to the effective date of such termination.

1.8. The Casella Organics Contract provides that Casella Organics may process and dispose of Residuals that meet the certain standards (as set forth in the Casella Organics Contract) at the Grasslands Manufacturing Facility located in Chateaugay, New York ("Grasslands"). If the Residuals provided by the Participant meet the standards for processing at the Grasslands Facility, the District will direct such Residuals to the Grasslands Facility to the extent allowed under the Casella Organics Contract, and taking into account the Residuals collected from the Plants of other Participants. At the election of the Participant, upon not less than Three Hundred and Seventy Five days' notice to the District, the Participant may elect to not use the Grasslands for processing and recycling of its Residuals. Upon such election, the District will exercise its right under the Casella Organics Contract to direct that the Residuals from the Participant's Plant(s) be disposed of at the Facility as set forth in the Casella Organics Contract and at the higher rate(s) as set forth therein.

2. Residuals Quality, Testing and Archiving; Changes in Residuals Generated

2.1. Upon the request of the District, the Participant shall provide all information to the District relative to current and proposed Plant wastewater treatment processes, including the use or proposed use of chemicals or additives, which might materially affect the quality of the Residuals.

2.2. The Participant, at its expense, shall test all Residuals as required by the District, the Casella Organics Contract and as otherwise required by applicable law, regulation and permits. The Participant shall provide all test analyses and results which the Participant obtains, whether or not such tests are required by this Agreement, to the District within ten (10) days after the Participant's receipt, and within ten (10) after the District's request, to any third-party which the District specifies. Upon request, the District shall provide copies of the test analyses and results received from other Participants to the Participant.

2.3. If the Participant seeks to have the Residuals managed by Agronomic Utilization or the Grasslands Option as provided in the Casella Organics Contract, the Participant shall be required to take representative proportional samples of all Residuals removed for such disposal and all such Residuals shall comply with the criteria outlined in sections 1.1.2, 1.1.3 and 3.1 of the Casella Organics Contract and the specific criteria identified in Exhibits D and E. In the event the Participant is not able to meet the analytical testing frequency or maximum concentration standards for the Grasslands Option within a 90 day period, Residuals will be sent to the Facility at the cost identified in the Casella Organics Contract (Exhibit A). The Participant shall properly label and preserve samples until such time that the residual samples are:

a. Tested/Analyzed, and
b. The results are submitted to the District, and
c. The District notifies Participant that the sample may be discarded.

2.4. Upon the District's request, the Participant shall promptly provide a representative sample of Residuals.

2.5 A Participant must obtain the consent of the District prior to accepting, processing or dewatering Residuals from (i) another municipality which does not have a participation agreement with the District or (ii) a private entity. The foregoing shall not limit the Participant from treating wastewater from commercial and residential users within the municipality, landfill leachate, or septage, collected and treated through the Participant's normal wastewater treatment facilities.

2.5.1 As a condition to issuing any required consent, the District may require test results for all parameters contained in the Casella Organics Contract on both representative historical and current samples of the material proposed for

acceptance. Upon receipt of all test results reasonably required by the District, the District shall provide either its approval or disapproval within three business days after receipt of all such required test results. Failure to provide disapproval within such period shall be deemed to be consent.

2.5.2 The generator of Residuals without a Participation Agreement shall also be subject to the Residuals Quality, Testing and Archiving requirements as contained in this Section 2. The Participant shall bear full responsibility for resulting Residuals quality delivered to the District.

3. Residuals Quality & Quality Standard

3.1. All Residuals to be managed by the District shall meet the Quality Standard. If the Residuals delivered by or on behalf of a Participant do not meet the Quality Standard and therefore constitute Non-Conforming Waste, then the District shall notify the Participant, and the Participant shall have the option, of:

(i) having the District process or dispose of such Residuals, in which case the Participant shall pay the District for all costs and expenses of processing and treatment of such Residuals to compensate the District for all costs and expenses of handling, processing and disposing of such Residuals, or

(ii) rejecting the delivery, in which case the Participant shall be required to dispose of the rejected Residuals in another manner, subject to all applicable laws and regulations. The District may reject the delivery of any Non-Conforming Waste notwithstanding the prior removal of such Residuals from the Plant(s).

3.2. The District will use its reasonable efforts to identify the particular Plant(s) that are the source of Non-Conforming Waste and shall promptly notify the Participants of the source and cause for such Non-Conforming Waste.

3.3 If the Participant discovers that Residuals constitute Non-Conforming Waste, the Participant shall immediately give the District notice thereof, together with a description of:

(a) the Residuals affected, dates of generation, quantity of residuals affected, method and location of dewatering, dates of shipment,

(b) relevant and material laboratory analyses with sampling and archiving methods,

(c) any known or suspected cause,

(d) any known or suspected hazards or dangers arising from the Nonconformity,

(e) the specific known or suspected nonconformity,

(f) suggested handling and disposal, and

(g) corrective action that the Participant is taking or intends to take or cause to be taken to prevent the generation of such Non-Conforming Waste.

3.4. Any subsequent sampling and analyses costs of Participant's Residuals to verify results of earlier testing will be at the Participant's expense.

3.5. The cost of any special sampling or analysis of other Residuals blended with the Participant's Non-Conforming Waste prior to delivery to Casella Organics shall be borne by the Participant delivering the Non-Conforming Waste to Casella Organics.

3.6. The cost of any special sampling made with the Participant's Non-Conforming Waste shall be borne by the Participant delivering the Non-Conforming Waste to Casella Organics.

3.7. Any modifications to the definition of the Quality Standard must be agreed upon by both parties and shall require an amendment to this Agreement.

4. Grasslands Option

4.1 The Casella Organics Contract provides that during the Term of the Agreement, Casella Organics will recycle at least eighty percent (80%) of the Residuals that are not marketed as Class A Biosolids or managed to Agronomic Utilization, at Grasslands on an annual basis, unless the District has exercised its option to direct that Residuals from one or more Plants be disposed of at the Facility and not be processed or recycled at Grasslands. Casella Organics shall be responsible for marketing product from GMF at its own expense.

5. Processing Fees for Residuals

5.1. The Participants shall pay a Disposal Processing Fee per wet ton for the disposal and management of Residuals at the Facility as set forth in Section 1.1.1 of the Casella Organics Contract. The Disposal Processing Fee shall be the sum of (1) the per wet ton rate charged the District under the Casella Organics Contract; plus (2) the Transportation Fuel Charge charged the District under the Casella Organics Contract; plus (3) the Vermont State Franchise Tax; plus (4) the District capital and administrative expense rate. The Disposal Processing Fee shall be paid for each wet ton of Residuals generated from the Plant(s). The Transportation Fuel Charge will be calculated monthly as set forth in the Casella Organics Contract. The District's capital and administrative expense rate will be

set annually by the District Board of Commissioners and may not exceed 15% of the per ton rate established under the Casella Organics Contract. The District's capital and administrative expense rate shall be based upon the District's costs and expenses, including administrative expenses, of managing biosolids and Residuals for the Participants. The District's initial capital and administrative expense rate as of September 1, 2013 is $7.28 per ton but may change during the term of this Agreement. The District shall provide each Participant with documentation evidencing the determination of the capital and administrative expenses. The Participant acknowledges that the Disposal rate may increase in the event that (a) the Participant exercises its option under Section 1.8 of this Agreement to not use Grasslands for processing of Residuals, or in the event that the Residuals are Non-Conforming Waste for periods in excess of 90 days.

5.2. If a Participant certifies in writing that their Residuals meet all applicable standards and requirements for Agronomic Utilization, as set forth in section 1.1.2. of the Casella Organics Contract, such Residuals are available for Agronomic Utilization, and Casella Organics have secured the necessary permits, then the Processing Fee will be:

5.2.1. The sum of (1) the Casella Organics Contract rate for Agronomic Utilization; plus (2) the Transportation Fuel Charge charged the District under the Casella Organics Contract; plus (3) the Agronomic Utilization Analysis & Testing Annual Cap up to $9,000 per year; plus (4) the District capital and administrative expense rate, for the amount of the Participant's Residuals that are actually sent to agronomic sites under the Casella Organics Contract. This rate is subject to an aggregate twenty percent (20%) contractual limit per operating year contained in section 1.1.2 of the Casella Organics Contract. In the event such twenty percent (20%) limit is reached, the District shall equitably pro rate such rate among all Participants who certify that the Residuals from their Plant(s) meet Agronomic Utilization standards.

5.3 If a Participant certifies in writing that their Residuals meet all applicable standards and requirements for the Grasslands Option, as set forth in section 3.1 of the Casella Organics Contract, such Residuals are available for the Grasslands, and Casella Organics have secured the necessary permits, then the Processing Fee will be:

5.3.1 The sum of (1) the Casella Organics Contract rate for Grasslands Option; plus (2) the Transportation Fuel Charge charged the District under the Casella Organics Contract; plus (3) the Operational Fuel charged the District under the Casella Organics Contract; plus (4) the District capital and administrative expense rate.

5.4. All Processing Fees shall be due and payable within 20 days of the date of the District's invoice. The District may alter these fees upon prior written notice to the Participants provided that the wet ton rate shall not exceed **115%** of the rate, per wet ton, due under the Casella Organics Contract.

6. Rate Adjustments

6.1. The Participants acknowledge that pursuant to Section 2.4 of the Casella Organics Contract, certain Rate Adjustments (as defined in the Casella Organics Contract) may be made subject to the District's approval. The District shall provide the Participants written notice of any proposed Rate Adjustment, together with reasonable justification therefore in order to seek approval of the proposed Rate Adjustment from the Participants. If a majority (based on average historic tonnage of Residuals produced at the Plants) of the Participants and the District accept the proposed Rate Adjustment then such Rate Adjustment shall go into effect and apply to all Participants. The Participants acknowledge that if such a majority of the Participants rejects a proposed Rate Adjustment, the Casella Organics Contract may terminate in accordance with its terms.

6.2. The District will adjust all Rates hereunder annually (excluding any rates for transportation or fuel), on the anniversary date of this Agreement, at a rate equal to the most recent annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), all items, "Northeast Urban Size B/C – All Items Less Energy", as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor index. The Participants shall not have the right to reject the consumer price index adjustment as set forth in this Section 6.2.

6.3. The Participants further acknowledge that due to the combining of Residuals from the Plants of some or all of the Participants, it may not be possible or economically practicable for the District to determine which wastewater treatment Plant or Plants are the cause of the increased costs due to Residuals being Non-Conforming Waste. Accordingly, to the extent, if any, that the Costs are not covered by the Fees collected under Section 5 of this Agreement, the District shall calculate each Participant's Pro Rata Share based upon (a) the Participant's total number of wet tons of Residuals that may be part of such Non-Conforming Waste divided by (b) the total number of wet tons of Residuals from all Participants that may constitute such Non-Conforming Waste. The Participants shall be obligated to pay to the District their Pro Rata Share for all Costs not covered by any Processing Fee. Such amount shall be due within 60 days after receipt of an invoice from the District. The obligation of the Participants hereunder shall not limit or impair the member municipalities' responsibilities or obligations under the Charter.

7. Other Fees

7.1. The Participant shall pay, in addition to any Processing Fee, any Demurrage fees imposed under the Casella Organics Contract to the extent caused by the Participant relating to collection of Residuals at the Participant's temporary or permanent dewatering facility(s). Demurrage charges are at the current rate of $98.04 per hour that Casella Organics must wait in excess of 40 minutes to load trailers at Participant's facilities or depart the Participant's facilities.

7.2. A charge will be made for the Minimum Load as follows. If in any month the average load weight is less than 27.63 tons, the Participant shall pay to the District, as invoiced, a surcharge to be calculated as follows: Surcharge = (actual number of loads per month – theoretical number of loads per month) X $287.44/load. [NOTE: The Theoretical Number of Loads = total tons removed per month ÷ 27.63 tons (or 23 tons in the case of (Shelburne), which shall be calculated separately from all other plants)]. Notwithstanding the foregoing, the Participant shall not be responsible for a Minimum Load charge to the extent the inability to meet a Minimum Load is the result of the District providing a trailer that is not capable of holding a Minimum Load.

7.3. The Participant shall pay, in addition to any Processing Fee, any additional taxes levied or imposed on the District for Residuals managed under the Casella Organics Contract. Such taxes shall be equitably apportioned by the District per wet ton of Residuals from all Plants managed by the District for the Participants.

7.4 In the event (i) the Casella Organics Contract is terminated and (ii) the District has extended the term of this Agreement under Section 9.2 hereof and is providing alternative disposal or treatment facilities for the Participant's Residuals, the wet ton rate for Processing Fees for the managing and disposal of Residuals shall be established by the District and shall be the sum of (1) the actual wet ton rate for such alternative disposal or treatment facility, plus (2) the District's capital and administrative expense rate, which rate shall be not more than 15% of the total per wet ton rate including fees and taxes paid for the alternative disposal or treatment or Residuals. The Processing Fee shall be paid for each wet ton of Residuals generated from the Plant(s). The Processing Fee shall be due and payable within 20 days of the date of the District's invoice.

8. Regulations; Operation; Books and Records

8.1. The Participant shall assist and cooperate with the District in enforcing the District's regulations and rules concerning Residuals. The current rules are set forth in Exhibit C. The District may amend Exhibit C with the prior approval of the Participants, such approval to not be unreasonably withheld or delayed.

8.2 The District will be responsible for the enforcement of District adopted ordinances and regulations. The Participant shall also assist and cooperate with the District in compliance with the terms of the Casella Organics Contract and

any and all permits, licenses and approvals for performance of the Casella Organics Contract.

8.3 The District and the Participant shall keep adequate books, records and other documentation consistent with applicable regulatory requirements and in accordance with generally accepted accounting practices, pertaining to performance of the services required by this Agreement, including, without limitation, correspondence, instructions, plans, receipts, vouchers, sampling methods, analytical results and other memoranda.

8.4 Casella Organics is to operate, or cause to be operated, Grasslands in accordance with all applicable laws, rules and regulations and in compliance with all permits issued for Grasslands by any governmental authority with jurisdiction over Grasslands. In the event that the State of Vermont establishes standards and regulations that are more restrictive than the standards set by the State of New York as they relate to the operation of the facility, then the Participant shall abide by the more stringent standards.

9. Term

9.1. The term of this Agreement (the "Term") shall commence on the date of this Agreement and shall continue in effect until the expiration or termination of the Casella Organics Contract, subject to Section 9.2 below.

9.2 In the event the Casella Organics Contract is terminated, the District may, upon notice to the Participant, extend the term of this Agreement for such period of time that the District has secured alternative disposal or treatment facilities for Residuals. In the event the District so extends the term of this Agreement, the Participant shall have the option, upon not less than thirty (30) days' written notice to the District, to terminate its participation under this Agreement. Any such termination shall not affect the Participant's obligations or liabilities to the District arising prior to the effective date of such termination.

9.3. The Participant is obligated to use its good faith efforts to have all Residuals generated at the Plant(s) meet the Quality Standard. In the event that, despite such good faith efforts, the Residuals generated from the Plant(s) fail to meet the Quality Standard, and after blending with Residuals from the Plants of other Participants, is still Non-Conforming Waste when delivered to Casella Organics under the Casella Organics Contract, the Participant does not correct such failure within six months, either the District or the Participant may, upon written notice, remove the Plant or Plants(s) as the case may be from participation under this Agreement. Upon such removal, neither the District nor the Participant shall thereafter have any further obligation with respect to Residuals generated from such Plant (or Plants, as the case may be). Any such removal shall not affect any liability or obligation of the Participant arising prior to such removal. In the event

the Participant is removed from participation under this Agreement, it shall reimburse the District for its share of capital expenses incurred prior to the date of termination. Such capital expenses, and the Participant's share, shall be determined by the District and set forth in a schedule of capital expenses.

9.4. Any obligation for the payment of money, under Sections 5, 6, 7, 9, 10, or 14 of this Agreement shall survive termination of this Agreement and shall remain in full force and effect until discharged, satisfied, or specifically waived in writing.

10. Default

10.1 If any Participant fails to timely pay any amount due hereunder, or fails to timely perform any other obligation required hereunder, or seeks relief from creditors under any bankruptcy or insolvency law, or if any creditor of any Participant files a petition against such Participant under any bankruptcy or insolvency law, then such Participant shall be in default under this Agreement and the District shall be able to pursue all available remedies at law or in equity against such Participant. Without limiting the foregoing, upon any such default, the District may terminate the Participant's rights under this Agreement. All such remedies shall be cumulative. Any defaulting Participant shall be liable to the District for the District's costs of collection, including but not limited to reasonable attorneys' fees and any damages for which the District may be found liable under the Casella Organics Contract.

10.2 If any Participant defaults under this Agreement by not delivering all of their Residuals designated in Section 1 of this Agreement, then such defaulting Participant shall be liable, and the District shall have the right to collect damages from such defaulting party. Such damages shall include all lost revenues and Processing Fees and penalties and increased costs that would be due and payable under the Casella Organics Contract. Such damages to be based upon the losses and damages based upon the difference between the amount of Residuals to be delivered under this Agreement and the amount actually delivered. The default fee shall be due within 60 days after receipt of an invoice from the District. Past due payments shall be assessed a monthly late fee charge equivalent to 1% of the overdue payment.

11. General

11.1 In connection with the performance of all work and service hereunder, the District and the Participant agree to comply with all federal, state and local laws and ordinances and all lawful orders, rules and regulations of any constituted authority, applicable to their respective obligations hereunder, including but not limited to, social security and income tax withholding laws, unemployment compensation laws, environment, safety and health laws. In the performance of this Agreement, the District and the Participant shall not engage in any conduct or practice which violates applicable law, order or regulation prohibiting

discrimination against any person by reason of race, religion, national origin, sex, sexual orientation, age, handicapped condition or veteran's status.

11.2 The District and the Participant agree to comply with all United States and Canadian federal, provincial, state or local laws, rules and regulations applicable to their respective obligations hereunder or in connection herewith, including, but not limited to, the applicable requirements of the federal Solid Waste Disposal Act ("SWDA"), the Toxic Substances Control Act ("TSCA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Environmental Protection Agency Rule Part 503, Vermont Department of Transportation rules, the Occupational Safety and Health Act ("OSHA"), and the Vermont Occupational Safety and Health Act ("VOSHA"), all as may be amended from time to time, and regulations promulgated and policies issued pursuant to SWDA, TSCA, CERCLA and OSHA and VOSHA. The District shall notify the Participant if it becomes aware of any changes in law that will affect the Participant's disposal and processing of Residuals under this Agreement.

12. Termination of Prior Agreement

12.1. Upon the effective date of this Agreement, the Prior Agreement shall terminate and be superseded by this Agreement.

13. Hazardous Waste

13.1. Nothing in this Agreement shall obligate the District to handle any Hazardous Waste in any manner. If Residuals are determined to be Hazardous Waste after removal from the Plants and prior to land application, the District shall suggest disposal options, but the District shall have no obligation to handle such material, and, unless otherwise agreed in writing, the Participant shall immediately collect and handle such material in accordance with all applicable laws, rules and regulations.

14. Indemnification

14.1. The Participant hereby agrees to indemnify and hold the District harmless from any and all loss, damages, suits, penalties, costs, liabilities and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss of or damage to property, including the District's property, and injuries to or death of persons, including the District's employees, to the extent caused by or resulting from; (i) the Participant's negligence or willful misconduct; or (ii) the Participant's provision to the District of Non-Conforming Waste or (iii) any breach of this Agreement by the Participant.

14.2. The District hereby agrees to indemnify and hold the Participant harmless from any and all loss, damages, suits, penalties, costs, liabilities and expenses (including, but not limited to, reasonable investigation and legal expenses) arising

out of any claim for loss of or damage to property, including the District's property, and injuries to or death of persons, including the District's employees, to the extent caused by or resulting from; (i) the District's negligence or willful misconduct; or (ii) the District's breach of this Agreement. The foregoing shall not be construed to be a guaranty by the District of any obligations of Casella Organics under the Casella Organics Contract.

15. Schedule of Exhibits

15.1. The following Exhibits are hereby included and incorporated as a part of this Agreement:

Exhibit A – Residuals Management Agreement (between the District and Casella Organics)

Exhibit B - General Definitions

Exhibit C - Rules and Regulations

Exhibit D – Standards for Residuals for Agronomic Utilization

Exhibit E – Standards for Residuals for Recycling at Grasslands

16. Miscellaneous Provisions

16.1. Notwithstanding anything to the contrary contained in this Agreement, neither any Participant nor the District shall be liable for any failure or delay in performance of any obligation, other than an obligation to pay money, under this Agreement due to the occurrence of Force Majeure.

16.2. This Agreement may not be assigned by either party without the prior written consent of the other party, except that, without the consent of the Participants, the District may assign, pledge, or convey its interest hereunder as collateral security for loans or other financing. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

16.3. This Agreement may be amended only by written agreement duly executed by all parties.

16.4. If any provision of this Agreement or the application of such provision shall be determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall not be affected by such determination and shall be valid and enforceable to the fullest extent permitted by law.

16.5. Captions and headings in this Agreement are for ease of reference only and do not constitute a part of this Agreement. This Agreement and its construction shall be governed by the laws of the State of Vermont.

16.6. The District and the Participants agree that from and after the date of execution of this Agreement, each party will, upon the request of any other, execute and deliver such other documents and instruments as may be reasonably required to carry out the purpose and intent of this Agreement.

IN WITNESS WHEREOF, the District and the Participant have duly executed this Agreement the day and year first above written.

In the Presence of:

Witness

CHITTENDEN SOLID WASTE DISTRICT

By: _____
Name: Thomas Moreau
Title: General Manager

In the Presence of:

_____
Witness

PARTICIPANT:

By: _____
Name: _____
Title: _____

EXHIBIT A
COPY OF CASELLA ORGANICS CONTRACT

EXHIBIT B
GENERAL DEFINITIONS

"Agreement" shall mean this Residuals Management Participation Agreement for Member Municipalities, as the same may be amended or supplemented.

"Agronomic Utilization" shall have the meaning given in the Casella Organics Contract.

"Charter" means the District's Charter, as enacted by the Vermont Legislature (Municipal Act 17, Acts of 1991), as amended.

"District" shall mean the Chittenden Solid Waste District, and its successors and assigns.

"Cost" or "Costs" shall mean all expected and actual costs and expenses to be incurred by the District in connection with the construction, planning, permitting, operation, and maintenance, and performance of the Casella Organics Contract.

"Fees" shall mean the sum of the Processing Fee as detailed in Section 5 of this Agreement.

"Force Majeure" shall have the meaning given in the Casella Organics Contract.

"Grasslands" or "GMF" shall have the meaning given in the Casella Organics Contract.

"Hazardous Waste" shall have the meaning given in the Casella Organics Contract.

"Non-Conforming Waste" shall have the same meaning as provided in Section 3.1 of the Casella Organics Contract.

"Participant" shall mean any party (either a member municipality or other) which enters into a Participation Agreement with the District which provides for the management of Residuals by the District.

"Plant(s)" shall mean the Participant's wastewater treatment plant(s).

"Quality Standard" shall have the same meaning as provided in Section 3.1 of the Casella Organics Contract.

"Residuals" shall mean wastewater biosolids generated from treatment of water, wastewater, or other wasted liquids at the Plant(s).

EXHIBIT C
RULES AND REGULATIONS

These Rules and Regulations are subject to change upon approval from the District's Board of Commissioners:

1) **Laboratory Analysis & Testing**
   a) The Participant is responsible for the cost of all laboratory analysis of Residuals (including sampling and sample shipment costs).
   b) The Participant shall have all the required analyses performed as required by the Plants' permits, all applicable laws and regulations for the uses contemplated in this Agreement and those required by the Casella Organics Contract.
   c) The Participant shall insure the laboratory analyses are sensitive enough to comply with the values contained in the Casella Organics Contract. The Participant and the District must be able to determine from the analytical results whether a sample meets or exceeds the limits contained in Exhibit C of the Casella Organics Contract.
   d) The Participant shall furnish to the District a copy of all analytical results and quality assurance for residuals managed under this Agreement within 5 business days of receipt from the laboratory.
   e) The Participant will reimburse the District for costs and laboratory analyses, groundwater monitoring, and other testing required for obtaining and maintaining permits for Agronomic Utilization up to the Agronomic Utilization Analysis & Testing Annual Cap as set forth in Section 6 of the Casella Organics Contract. Analyses or tests for the purposes of Residuals management by Agronomic Utilization will not be performed without the prior written consent of the Participant.

2) **Notifications**
   a) The Participant shall use reasonable efforts to notify the District ninety (90) days in advance of any change in treatment process at the Plant(s) that could materially affect the quality of the Residuals.
   b) The Participant shall notify the District in writing within 5 business days if the Participant uses chlorination in the treatment process other than final effluent disinfection or cleaning of final clarifier weirs.
   c) The Participant shall immediately notify the District if they suspect higher than historical amounts materials entering the Participant's wastewater treatment plant for:
      i) any parameters contained in Exhibit C of the Casella Organics Contract or
      ii) any other potential toxin
   d) The Participant shall notify and receive permission from the District prior to accepting any Residuals from municipalities or private entities not having a Participation Agreement with the District.
   e) A Participant who is responsible for dewatering Residuals and delivery directly to Casella Organics, shall provide, to both the District and Casella Organics, a schedule of full loads anticipated to be removed by Casella Organics during a given week, by Wednesday of the proceeding week.

EXHIBIT D
SPECIFIC CRITERIA FOR AGRONOMIC UTILIZATION

[to come]

Exhibit E

SPECIFIC CRITERIA FOR THE GRASSLANDS MANUFACTURING FACILITY

GMF Analytical Frequency Requirements

dry tons/Year	sampling
25-199	quarterly
200-1000	every other month
1000+	monthly

2013 dry tons (average 22% solids)

WWTP	dry tons
Burlington	1823
Shelburne	178
Richmond	171
Milton	106

Analytical Sampling Schedule

WWTP	sampling
Burlington	monthly
Shelburne	quarterly
Richmond	quarterly
Milton	quarterly

CSWD Parameters for Analysis

Group A	Group B
Total Kjeldahl Nitrogen	Arsenic
Ammonia	Cadmium
Nitrate	Chromium (total)
Total Phosphorous	Copper
Total Potassium	Lead
pH	Mercury
Total Solids	Molybdenum
Total Volatile Solids	Nickel
	Selenium

	Zinc
CSWD Parameters for Analysis	
Parameter	**Maximum Concentration mg/kg, dry weight**
Arsenic	15
Cadmium	21
Chromium (total)	1,000
Copper	1,500
Lead	300
Mercury	10
Molybdenum	40
Nickel	200
Selenium	100
Zinc	2,500

RESIDUALS MANAGEMENT SERVICE AGREEMENT

This Agreement is made as of the latest date of execution herein, by and between New England Waste Services of ME, Inc., (d/b/a Casella Organics) and a wholly owned subsidiary of Casella Waste Systems, Inc. ("Contractor") with an office at 135 Presumpscot Street #1, Portland, ME 04103, and Chittenden Solid Waste District, a union municipal district formed under the laws of the State of Vermont ("Customer") with an office at 1021 Redmond Road, Williston, Vermont 05495.

RECITALS

WHEREAS, Customer's member municipalities operate the Plants, and, as a residual by-product thereof, such Plants generate approximately 14,000 wet tons per year of Residuals combined; and

WHEREAS, the parties desire for Contractor to provide a comprehensive service for the removal and disposition, and, to the extent provided herein, beneficial reuse, of said Residuals on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the undersigned parties agree as follows:

Each of the capitalized terms used in this Agreement, unless otherwise expressly defined in this Agreement, shall have the respective meanings as follows:

Customer: Chittenden Solid Waste District, a Vermont a union municipal district, and its permitted successors and assigns.

Contractor: New England Waste Services of ME, Inc., (d/b/a Casella Organics), and its permitted successors and assigns.

Plants: The plants referred to in this Agreement are the wastewater treatment plants that are owned and operated by member municipalities within the Chittenden Solid Waste District, as follows: Burlington Main, Burlington North, Burlington East, Essex Junction, Milton, Richmond, South Burlington – Airport Parkway, South Burlington – Bartlett Bay, Shelburne, and Winooski.

Facility: The facility referred to in this Agreement is the Waste USA Landfill owned by New England Waste Services of Vermont, Inc., a wholly owned subsidiary of Casella Waste Systems, Inc., and located in Coventry, Vermont.

Grasslands:

The Grasslands Manufacturing Facility (Grasslands, or GMF) is the facility licensed to process biosolids using alkaline lime stabilization and/or composting to create Class A biosolids products owned and operated by the Contractor and located in Chateaugay, NY.

Residuals: The materials referenced in this Agreement are wastewater biosolids generated at the Plants.

Liquid Sludge: Liquid Residuals produced at the Essex Junction, VT Waste Water Treatment Plant (WWTP) that have not been dewatered.

Class A Biosolids: The dewatered Residuals produced and/or manufactured by the South Burlington Airport Parkway Plant that (1) meet United States Environmental Protection Agency Chapter 503 A and Exceptional Quality Standards, (2) meet all of the regulatory requirements for general distribution (unfettered by regulatory burden such as requirement for site-by-site usage permits) as a soil product within the State of Vermont, (3) do not generate nuisance odors, (4) meet all requirements for land application in Vermont, (5) meet all the conditions in the Solid Waste Management Facility Certification ("SWMFC") issued by the Vermont Department of Environmental Conservation on April 18, 2012 (attached as Exhibit D to this Agreement), (6) are considered an agricultural amendment and do not require an improved surface for on-farm storage or have storage time limitations, (7) have an N-P-K nutrient value of approximately 7-3-0 (within a variance of 25% +/- from such values); and (8) are spreadable with conventional farm equipment and do not require specialized spreaders.

Agronomic Utilization: Agronomic Utilization means the beneficial use of the Residuals as a soil amendment at farms or other locations, according to applicable laws and regulations and permits specific to each location.

Sites: Sites are locations where Contractor provides the service of Agronomic Utilization for Residuals from the Customer.

Containers: The 40-50 cubic yard capacity trailers selected by the Customer after consultation with the Contractor and utilized in the removal of the Residuals.

1. SERVICES

1.1. General. Contractor hereby agrees to collect Residuals at the Plants and remove and transport the Residuals according to a schedule as set forth in Section 1.2 (the "Schedule"). Contractor will recycle the Residuals at Grasslands, provide Agronomic Utilization services, market Class A Biosolids, dispose of the Residuals at the Facility, or manage the Residuals by other means, all as described below:

1.1.1. Disposal. During the Term of the Agreement, Contractor will dispose of no more than twenty percent (20%) of the Residuals that are not marketed as Class A Biosolids or managed to Agronomic Utilization, at the Facility on an annual basis, unless the Customer has exercised its option to direct that

Residuals from one or more Plants be disposed of at the Facility instead of through Agronomic Utilization.

1.1.2. Agronomic Utilization. Contractor will use reasonable business efforts to provide Agronomic Utilization, including farm fertilization and land reclamation, for up to 600 dry tons of Residuals on an annual basis. Agronomic Utilization is subject to receipt of all required permits and requires that the Customer facilitate Contractor's Agronomic Utilization efforts by providing usual and customary support including: (i) providing Contractor with at least nine (9) months advance notice of intent ("Notice of Intent of Agronomic Utilization") to certify specific quantities of Residuals from specific Plants as meeting the USEPA Chapter 40 CFR 503 requirements and all applicable laws, regulations and permits, (ii) approving of all required analyses and testing, (iii) providing Contractor timely and complete laboratory analyses of Residuals as reasonably required for Contractors logistics and operations and as required by applicable laws, permits and regulations, (iv) acceptance of a Schedule (including dewatering schedule) that is compatible with farming schedules, farmer crop rotations, Site use requirements (including field storage), and applicable laws, permits and regulations, and (v) communication by Customer with regulatory officials and state policy-makers in support of Contractor's efforts at permitting and implementing Agronomic Utilization. In the event that Customer does not provide Residuals for Agronomic Utilization, as stated in Customer's Notice of Intent of Agronomic Utilization, such that Contractor is unable to implement Agronomic Utilization as intended, the "Agronomic Utilization Analysis & Testing Annual Cap" (see Article 2.1.1) will not apply.

1.1.3. Recycling at Grasslands. During the Term of the Agreement, Contractor will recycle at least eighty percent (80%) of the Residuals that are not marketed as Class A Biosolids or managed to Agronomic Utilization, at Grasslands on an annual basis, unless the Customer has exercised its option to direct that Residuals from one or more Plants be disposed of at the Facility and not be processed or recycled at Grasslands. Contractor shall be responsible for marketing product from GMF at its own expense.

1.1.4. Class A Biosolids Marketing. Class A Biosolids produced at the South Burlington Airport Parkway Plant shall be made available to the Contractor for distribution, marketing and sale. The Contractor agrees to: (a) use its best efforts to develop a diverse customer base as needed to meet the needs of the City of South Burlington in connection with the sale of Class A Biosolids; (b) ensure that customers are ready to receive the Class A Biosolids as they are produced; (c) determine appropriate product application rates for each customer; (d) ensure proper application setbacks and other site restrictions as may be needed in connection with Class A Biosolids; (e) provide a team of agricultural sales specialists to increase the market value for the Class A Biosolids; (f) attend appropriate trade shows to promote and market the Class

A Biosolids; and (g) use its best efforts to increase the price at which it is able to sell Class A Biosolids.

In the event that any biosolids produced at the South Burlington Airport Parkway Plant are not Class A Biosolids, such biosolids shall be deemed to be, and shall be treated in the same manner as, any other Residuals under this Agreement.

1.1.5. Other Utilization Options. Contractor retains the option, but not the obligation, to use the Residuals at the Base Rate for "Disposal, Other Utilization" pursuant to Article 2.1, for purposes and in a manner other than those specified above. Further, Contractor intends to research and evaluate alternative recycling and/or beneficial uses for Residuals and will propose to Customer those utilization options that receive Contractor's favorable evaluation and meet Contractor's cost structure.

1.2. Residuals Removal Schedule. The Schedule for removal of Residuals shall be prepared by Customer weekly, based upon the Plants' dewatering or operating schedules and Contractor's reasonable service capabilities, and approved by the Contractor and mutually agreed each Wednesday for the following week. Customer will apply good faith efforts to accurately prepare the Schedule. In the event of an unanticipated change in the Plants' dewatering or operating schedules, Contractor will use reasonable business efforts to accommodate any Customer requested Schedule modifications to meet the dewatering or operating schedules of the Plants upon 48 hours' notice. Contractor will remove filled containers from the sludge bays or other mutually agreed upon locations at the Plants pursuant to the Schedule. Unless otherwise mutually agreed, service is provided during regular business hours 6AM-3PM Monday – Friday, exclusive of holidays. For service for Liquid Sludge, loading and removal will be between 7 a.m. and 7 p.m., Monday thru Saturday, during times when conditions set forth in Contractor's Land Application Certification are met for land application of Liquid Sludge.

Before scheduling of any removal of Class A Biosolids from the South Burlington Airport Parkway Plant, the Customer shall on the frequencies listed in the SWMFC provide or cause to be provided to the Contractor evidence satisfactory to the Contractor as to the qualification of such biosolids as Class A Biosolids. Upon receipt of such evidence and notification of a full trailer load ready for removal, the Contractor shall promptly remove such Class A Biosolids from the South Burlington Airport Parkway Plant, and beneficially reuse them.

1.3. The Containers. For the removal and transportation of Residuals, the Contractor will utilize the Containers provided by and owned by the Customer. The Containers will not be used for the removal or transportation of Liquid Sludge; the Liquid Sludge shall be removed and transported separately as provided for below. Throughout the Term of this Agreement, Contractor will lease (hereinafter "Trailer Lease") the Containers from the Customer, and Customer will provide under such Trailer Lease of seven (7) Containers in good, serviceable and safe condition ("Fit for Service") to enable the Contractor to reasonably perform its responsibilities under the Agreement, while rotating each of the Containers

through an inspection and repair schedule as detailed in the Trailer Lease. In the event that the Customer does not provide seven (7) Containers for any reason, or if Containers are not Fit for Service, or if the service needs of the Customer increase the number of Containers necessary for Contractor to reasonably perform its responsibilities under the Agreement, the Customer will lease substitute or additional trailers from another commercial source. Both Contractor and Customer agree to comply with the terms and conditions of the Trailer Lease which is attached hereto as Exhibit B, including any provision regarding repair and maintenance of the Containers. In the event that any Container is not fit for service as a result of the Contractor being in breach of its obligations under this Agreement or the Trailer Lease, then the costs for the repair of the Container, or providing substitute Containers shall be borne by the Contractor. In the event that any Container is otherwise not fit for service, or in the event that additional Containers are necessary for Contractor to reasonably perform its responsibilities under the Agreement, then the costs of any substitutes or replacement Containers shall be borne by the Customer. For the removal and transportation of Liquid Sludge, Contractor, or their subcontractor, will utilize a specialized agricultural spreader ("Spreader") customary and normal for the removal and land application of Liquid Sludge. Such Spreader or similar container equipment shall not be subject to the lease provisions described above or detailed in Exhibit B.

1.4. Loading and Minimum Load. Customer will load Containers evenly, to the level specified by Contractor. All Container loads for all Plants will be filled to a minimum of 27.63 tons per load, except Shelburne plant which will be filled to a minimum of 23 tons per load (collectively, the "Minimum Load"). At the discretion of the Contractor, the Minimum Load quantities may be reduced to accommodate Contractor's operating requirements. Customer is responsible for not exceeding the maximum legal loads as designated by the Contractor. Contractor will provide notice to the Customer within 48 hours for all loads that fail to meet the Minimum Load, or that exceed the Maximum legal load size. After Contractor removes a loaded Container from a Plant, the Contractor will position a replacement Container in the manner and at the location specified by the Customer, subject to availability of Containers from the Customer. For the removal and transportation of Liquid Sludge, the Village of Essex Junction, VT and its wastewater treatment staff, will load the Liquid Sludge using existing sludge storage area pumps, operating at a combined capacity of approximately 700 GPM +/-. Fill hoses provided by Customer shall be 4 inches with 6 inch fittings available. When Contractor provides services for Liquid Sludge, Customer shall provide a wash down area and Plant water for use in cleaning equipment. Customer shall use reasonable efforts to provide Liquid Sludge with consistent solids concentration suitable for the land application process. Customer will provide daily solids testing data on Liquid Sludge when the Liquid Sludge services are provided by the Contractor.

1.5. Regulatory Responsibilities and Approvals. As the manager of the Residuals, Contractor will provide itemized reports tracking the transportation and disposal, recycling, or Agronomic Utilization of all Residuals and Non-Conforming Waste (if any) and other operations information regarding Contractor's services as may be required to enable Customer to prepare its regulatory reports and respond to inquiries from regulatory agencies. Contractor will use reasonable business efforts to obtain permits and approvals, as required to fulfill its responsibilities pursuant to this Agreement, and service under this Agreement is contingent

upon receipt and maintenance of applicable permits and approvals. Once obtained, Contractor will use reasonable business efforts to maintain such permits and approvals. Contractor will promptly provide notice to Customer if it is unable to obtain or maintain applicable permits. Contractor will provide to Customer copies of all permits relevant to the performance of their obligations hereunder. As the generator of the Residuals, Customer will provide Contractor with representative samples of the Residuals and information about the production and/or waste treatment process generating the Residuals, about the Residuals themselves, and about the Customer's operations, and Customer will execute permit applications and other certifications, all as may be reasonably necessary in order for Contractor to manage the Residuals as contemplated herein.

1.6. Grasslands. The Contractor shall operate, or cause to be operated, Grasslands in accordance with all applicable laws, rules and regulations and in compliance with all permits issued for Grasslands by any governmental authority with jurisdiction over Grasslands. In the event that the State of Vermont establishes standards and regulations that are more restrictive than the standards set by the State of New York as they relate to the operation of the Grasslands facility or for the utilization of processed Residuals for land applications, then the Contractor shall, if requested by the Customer, use its best efforts to abide by the more stringent standards adopted by the State of Vermont for the utilization of processed Residuals for land application. If Customer requests that the Contractor operate Grasslands in accordance with more stringent Vermont standards, then the costs of abiding by such more stringent standards shall be borne by the Customer in accordance with Article 2.4.

1.7. Option to elect Disposal at the Facility. The Customer shall have the option, exercisable from time to time, upon not less than one (1) years' written notice to the Contractor, to direct that Residuals from one or more Plants, as may be identified by the Customer in each such notice (the "Opt Out Option"), not be processed at Grasslands but rather be disposed of at the Facility. In such event, the Disposal Rate for Residuals from those Plants for which the Customer has exercised its Opt Out Option shall be at the Opt Out Disposal Rate as set forth in Section 2.1.1

2. PRICE & TERMS

2.1. Rates. This Agreement is subject to the following Rates (hereinafter "Rates")

2.1.1. Base Rates.

Disposal, Other Utilization:	$70.87/wet ton
Opt Out Disposal Rate (for Residuals from Plants for which the Customer exercised an Opt Out Option):	$75.12/wet ton
Disposal Rate for Non-Conforming Waste after 90 consecutive days:	$75.12/wet ton

[Note: For the avoidance of doubt, it is intended that such Disposal Rate shall resume at the lower Disposal, Other Utilization Rate when the Residuals from such Plants are no longer Non-Conforming]

Disposal, Other Utilization/Opt out/Non-Conforming
Transportation Fuel Charge: Calculated Monthly

[NOTE: Contractor will charge for transportation fuel for transporting Residuals to the Facility for Disposal, Other Utilization as a separate rate, based upon the average monthly price for diesel fuel reported in the month immediately prior to Contractor's monthly billing ("Prior Month Index"), as set forth on the EIA Retail On Highway Diesel Prices index for New England PADD 1A (the "Index"), which Index is attached hereto as Exhibit "A" and incorporated as a part hereof. This charge will be calculated as follows: Transportation Fuel Charge = Prior Month Index X number of round trip gallons (fixed at 36 gallons) ÷ number of tons/load (fixed at 27.63 tons). For example, if the Prior Month Index were $4.30 per gallon, the calculation would be as follows: Transportation Fuel Charge = $4.30 X 36 ÷ 27.63 = $5.60/ton.]

Processing/Recycling at Grasslands: $65.79/wet ton

Grasslands
Transportation Fuel Charge: Calculated Monthly

[NOTE: Contractor will charge for transportation fuel to transport Residuals to the Grasslands Manufacturing Facility for processing as a separate rate, based upon the average monthly price for diesel fuel listed in the month immediately prior to Contractor's monthly billing ("Prior Month Index"), as set forth on the EIA Retail On Highway Diesel Prices index for New England PADD 1A (the "Index"), which Index is attached hereto as Exhibit "A" and incorporated as a part hereof. This charge will be calculated as follows: Grasslands Transportation Fuel Charge = Prior Month Index X number of round trip gallons (fixed at 44 gallons) ÷ number of tons/load (fixed at 27.63 tons). For example, if the Prior Month Index were $4.30 per gallon, the calculation would be as follows: Grasslands Transportation Fuel Charge = $4.30 X 44 ÷ 27.63 = $6.85/ton.]

Grasslands
Operations Fuel Charge Calculated Monthly

[NOTE: Contractor will charge for fuel used in the manufacturing process as a separate rate, based upon the average monthly price for diesel fuel listed in the month immediately prior to Contractor's monthly billing ("Prior Month Index"), as set forth on the EIA Retail On Highway Diesel Prices index for New England PADD 1A (the "Index"), which Index is attached hereto as Exhibit

"A" and incorporated as a part hereof. This charge will be calculated as follows: Grasslands Operations Fuel Charge = Prior Month Index X number of gallons per ton (fixed at 1.43 gallons). For example, if the Prior Month Index were $4.30 per gallon, the calculation would be as follows: Grasslands Operations Fuel Charge = $4.30 X 1.43 = $6.15/ton.]

Agronomic Utilization: $54.00/wet ton

Agronomic Utilization
Transportation Fuel Charge: Calculated Monthly

NOTE: Contractor will charge for fuel used in transportation of Residuals to Agronomic Sites as a separate rate, based upon the average monthly price for diesel fuel listed in the month immediately prior to Contractor's monthly billing ("Prior Month Index"), as set forth on the EIA Retail On Highway Diesel Prices index for New England PADD 1A (the "Index"), which Index is attached hereto as Exhibit "A" and incorporated as a part hereof. This charge will be calculated as follows: Agronomic Utilization Transportation Fuel Charge = Prior Month Index price per gallon X number of round trip gallons (based on estimated gallons) ÷ number of tons/load (fixed at 27 tons) X average number of loads per day of transportation to the Agricultural Site. The number of gallons will not be fixed, but will be determined on a site-by-site basis. The number of gallons will be determined by calculating as follows: [(the miles from Point of Origin to Plant) + ((round trip miles from Plant to Ag Utilization Site) * (average # of Trips per day to Ag Utilization Site)) + (miles to return to Point of Origin)] / 4.5 mpg. The Point of Origin is always defined as Newport, VT. For example, in the case where the agricultural utilization site is one (1) mile from the Plant, the Point of Origin is Newport, VT, and if the average number of trips per day is two (2), and if the Prior Month Index were $4.30 per gallon, then the calculation would be as follows:

Agronomic Utilization Transportation Fuel Charge = $4.30*((69) + (2*2)+69)) ÷4.5 ÷ (27.63*2) = $4.30*142÷4.5÷54=$2.51/ton

<u>Total Solids Surcharge</u>. A surcharge shall apply for all tons received at GMF which are lower in total solids content than **15%**. Percent solids shall be determined based upon an average of the percent solids of representative composite samples taken daily by Customer at the Plants, however, at Contractor's request and expense, percent solids shall be determined by independent laboratory analysis of such samples. The surcharge shall be at the rate of $3.63 per percentage point, and shall be calculated to the 1/10th of a percentage point. The Total Solids Surcharge will be calculated and billed monthly.

Agronomic Utilization Analysis & Testing

Annual Cap (see Section 6.1): $9000.00

Agronomic Utilization Site Development Rate: $20,000

In the event that the existing permit for Agronomic Utilization (set to expire on March 31st, 2015) cannot be fully renewed and extended with the Vermont Agency of Natural Resources, a one-time Site Development Fee as set forth above shall be made upon securing a new permit for the Agronomic Utilization of Class B Residuals/Liquid Sludge from the Village of Essex Junction Plant. At the end of any Term, Contractor will not oppose the transfer of the land application permits to the Village of Essex Junction should this Agreement not be extended.

Class A Biosolids: $27.06/wet ton

The Contractor shall provide to the Customer and the operators of each Plant providing Class A Biosolids itemized reports detailing the Contractor's sales of the Class A Biosolids. The Contractor shall pay to the Customer fifty percent (50%) of all revenue generated from sales of Class A Biosolids. The Customer shall refer all end user requests for information about Class A Biosolids to the Contractor.

2.1.2. Demurrage. Delays greater than forty (40) minutes in loading or departure at Customer's Plant(s), when Contractor does not cause such delays, shall be billed at $108.57 per hour for time in excess of 40 minutes.

2.1.3. Minimum Load. A charge will be made for the Minimum Load as follows. If in any month the average load weight is less than 27.63 tons, the Customer shall pay to Contractor, as invoiced, a surcharge to be calculated as follows: Surcharge = (actual number of loads per month – theoretical number of loads per month) X $318.30/load. [NOTE: The Theoretical Number of Loads = total tons removed per month ÷ 27.63 tons (or 23 tons in the case of (Shelburne), which shall be calculated separately from all other Plants)]

2.1.4. Substitute or Additional Trailers. In the event that Contractor leases trailers from a commercial source or provides its own trailers in order to provide services hereunder as described in Article 1.3, and the Customer has not otherwise agreed to provide additional Containers, Contractor will charge the Customer at a fair and reasonable commercial lease rate quoted and/or invoiced by an unaffiliated third party in writing plus 15%, provided that Contractor has fulfilled its Container maintenance obligations pursuant to the Trailer Lease.

2.2. Payment Terms & Credit Approval. Contractor's payment terms are Net Thirty (30) days. Customer agrees to make payment at the office of Contractor specified on

the invoice within thirty (30) days after the date of Contractor's invoice and receipt of Contractor's back-up data. In the event Contractor has not received payment within thirty (30) days after the date of invoice, Customer will be responsible for paying a late fee on the unpaid balance. Such late fee shall be assessed monthly, beginning on the date of invoice, at the maximum rate allowed by applicable law or 18% per year, whichever is less. No late fees shall be due in the event that the Customer, in good faith, disputes any charge and provides notice to the Contractor of such disputed charge.

2.3. Inflation. Contractor will adjust all Rates hereunder annually (excluding any rates for transportation or fuel), on July 1st of each contract year at a rate equal to the most recent annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), all items, "Northeast Urban Size B/C – All Items Less Energy", as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor index, for the period between June 1 of the prior year to May 31 of the current year.

2.4. Rate Adjustments.

2.4.1. Allowable Adjustments. Contractor may make the following adjustments (hereinafter "Rate Adjustments") to partially or fully cover increases in costs of Contractor's provision of services arising from any of the following occurrences (to the extent not resulting from the negligence or willful misconduct of Contractor or Contractor's violation of any permit, law or regulation): (i) receipt of Residuals which do not meet the Quality Standard or any material change in the quality of Residuals, including extraordinary and atypical odors not commonly associated with Residuals in general or Residuals previously disposed of by the Contractor on behalf of the Plants and the Customer, (ii) material changes in any laws, ordinances, or regulatory requirements or guidelines or changes in interpretation or enforcement thereof, excluding any changes in tax laws related to Contractor's business, (iii) revocation, suspension, denial or modification of any permit, license or approval. All such Rate Adjustments in this Article 2.4.1 are subject to Customer's approval.

2.4.2. Procedure for Rate Adjustment. Contractor shall provide Customer with written notice delivered by certified mail of any such Rate Adjustments and the effective date thereof, together with reasonable justification therefore. If Customer does not reject such Rate Adjustment in writing within thirty (30) days after Contractor first gives notice of such adjustment to Customer, Customer will be deemed to have approved such Rate Adjustment, provided, however, the notice of such Rate Adjustment shall expressly state that it is subject to acceptance unless rejected within thirty (30) days). If Customer rejects such rate adjustment, Contractor shall have the right to terminate this Agreement upon seven (7) days written notice, provided that Customer shall not have the right to reject the Consumer Price Index adjustment described above. Notwithstanding Contractor's notice to so terminate this Agreement, Customer may extend this Agreement at the Contractor's adjusted rate for up

to six (6) months after Contractor's notice of the Rate Adjustment; provided, Customer notifies Contractor in writing no more fifteen days (15) after receiving Contractor's notice of the effective termination date, that Customer desires to so extend this Agreement. Customer's notice shall state the period of the extension.

2.5. Measurement. Contractor will weigh all Residuals on a certified scale at the Contractor's Facility, Grasslands Manufacturing Facility, the Plants or other convenient location [Note: demurrage charges will be applicable in the event that utilization of such convenient scale causes Contractor delays of greater than 15 minutes, including diversion from normal route and scaling time, and charges for scale tickets will be passed through to Customer], and Contractor's weight slips obtained at such scales shall be the basis for measurement and billing for Residuals managed under this Agreement. Contractor will provide Customer with a scale report or shipping report with individual scale/shipping records monthly via e-mail, regular mail or overnight delivery. The scale report includes a complete listing of the data on all the individual scale/shipping records. Contractor will promptly, within ninety-six (96) hours, report to the customer overweight loads or loads that are greater than 20% below the Minimum Load delivered to the Facility, as per Article 1.4 of this Agreement. Prior to removing Containers loaded with Residuals from Customer's Plants, representatives of both Customer and Contractor must sign a Shipping Record prepared by the Contractor to verify information about the load contained therein, including the total volume of Residuals in cubic yards or gallons. If certified scales are not available, the signed Shipping Records will be the basis for measurement and billing for the Residuals managed under this Agreement. Contractor will use an assumed density of one thousand six hundred (1,600) pounds per cubic yard of dewatered Residuals, unless density is reasonably documented by the Contractor or Customer to differ by more than five (5) percent. For Liquid sludge, the conversion to wet tons will use the following formula:

(Gallons removed X 8.34 lbs/gallon X % Solids of Liquid) ÷ 2000 = dry tons;
Dry tons ÷ 26% solids = wet tons;
26% solids used as a default when no dewatering is occurring; and
Dry tons ÷ actual % solids of sludge cake when simultaneous dewatering is occurring.

Where the gallons removed will be tracked for each load, the % Solids of the Liquid Sludge will be a gravimetric analysis taken on a flow proportional composite. There will be a floor or minimum of 3.0% for the % Solids of Liquid. The % solids of cake will be a gravimetric analysis taken on a flow proportional composite of the cake during periods when dewatered cake is being produced.

2.6. Taxes and Fees. All rates herein are exclusive of taxes incurred by the Contractor to perform this Agreement. Contractor represents that, to Contractor's actual knowledge, as of this date, there are no such taxes that would be due from the Customer under this Agreement, except the Vermont State Franchise Tax. Customer shall not be liable for any taxes on account of, or measured by, income of the Contractor or arising from or related to any Environmental Credits.

2.7. Payment from Operating Revenues. Notwithstanding anything in this Agreement to the contrary, the payment of amounts due the Contractor under Article 2 hereunder are to be paid out of the ordinary annual income and revenues of the Customer. The Customer shall establish rates and charges to the owners and operators of the Plants sufficient in time and amount to meet such obligations hereunder and use diligent efforts to collect such amounts. The Customer represents that it expects to receive sufficient annual income and revenues from the owners and operators of the Plants so as to be able to meet such expected payment obligations to the Contractor. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Customer for such obligations within the meaning of any constitutional or statutory limitation which proscribes such obligation or indebtedness. Contractor may suspend services hereunder upon thirty (30) days written notice to Customer if Customer fails to reasonably demonstrate within such thirty (30) day period that Customer has or will have sufficient income and revenues set forth above to pay amounts that will be due to Contractor for performance of services during the ensuing six month period. Nothing in this Article shall prevent Contractor from exercising the rights to terminate this Agreement or suspend services for Customer's failure to pay Contractor as elsewhere provided in this Agreement.

3. RESIDUALS QUALITY & QUALITY STANDARD

3.1. Quality Standard. Customer warrants that the Residuals and Liquid Sludge identified in this Agreement and supplied to the Contractor are not classified as hazardous waste under United States Environmental Protection Agency (USEPA) and/or any other applicable laws & regulations, including but not limited to, state laws and regulations. The Residuals and Liquid Sludge shall meet the requirements of applicable law, regulation and permits for the uses contemplated in this Agreement as demonstrated by any methods acceptable to authorities with jurisdiction. Customer will provide Residuals that meets the permit requirements for acceptance at Grasslands as outlined in Exhibit C. Customer will provide Residuals and Liquid Sludge that are not frozen and are free, in all material respects, from any trash or hazardous waste. Except for Liquid Sludge, the dewatered Residuals will have no free liquid, will pass the "Paint Filter Test" as required by Vermont Department of Conservation for disposal, and will have a minimum total solids concentration of greater than fifteen percent (15%). Together, the above provisions of this Section 3.1 constitute the "Quality Standard." All dewatered Residuals and Liquid Sludge generated at the Plants that fail to meet the applicable Quality Standard shall be called "Non-Conforming Waste". Contractor has the right to refuse any Non-Conforming Waste at Grasslands and can charge the higher Non-Conforming Base Rate at the Facility if the dewatered Residuals cannot achieve the Quality Standard for Grasslands as described in Exhibit C within 90 days, provided that the Residuals meet the applicable Quality Standard at the Facility. Customer shall use reasonable business efforts to generate and provide to Contractor Residuals that meet the Quality Standard. If required under applicable law, Customer shall provide Contractor with a Material Safety Data Sheet (MSDS) referencing the Residuals and Liquid Sludge, and Contractor will assist Customer in preparation of such MSDS.

3.2. **Changes in Quality**. Customer will use reasonable efforts to notify Contractor ninety (90) days in advance of any change in treatment process at the Plants that could materially affect the quality of the Residuals.

4. TITLE

4.1. Title to Residuals shall pass to Contractor when Contractor or its subcontractors remove Residuals from the Plants. Title to and legal responsibility and liability for Non-Conforming Waste shall, at all times, remain with Customer.

4.2. In the event that any of the practices or work performed by the Contractor further governmental and/or non-governmental environmental policy such that offsets, credits, tax effects and the like (hereinafter "Environmental Credits") are applicable to, or may result from, the performance of this Agreement, Contractor retains the right, title and benefit to such Environmental Credits, and Customer will cooperate with Contractor, at Contractor's sole costs and expense, in providing documentation as may be reasonably necessary to obtain such Environmental Credits.

5. QUANTITIES

5.1. Customer is not obligated to provide a minimum quantity of Residuals or Liquid Sludge to Contractor; however, Customer will provide to the Contractor, and Contractor will manage pursuant to this Agreement, all of the Residuals generated at the Plants (subject to the further provisions of this Section 5.1 and Section 5.2 below). The Village of Essex junction, VT WWTP may provide up to one million three hundred thousand (1.3 million) gallons, more or less, of Liquid Sludge per year to Contractor for Agronomic Utilization. Notwithstanding the foregoing, Customer shall be permitted, in its sole discretion, to retain up to 35 dry tons of Residuals per year (the "Retained Residuals") for purposes of development of new treatment and disposal technologies, including, without limitation, dewatering techniques and processes, achieving Class A biosolids designation and other processes that could benefit Customer or the Plants; in connection with such activities, the parties acknowledge that Customer may engage other parties to handle, process and/or dispose of the Retained Residuals.

5.2. Contractor shall not be required to remove more than 145 wet tons per operating day, 580 wet tons per calendar week, 1,800 wet tons per calendar month, 17,000 wet tons per calendar year, five full trailers per day or twenty full trailers per week. To the extent Contractor refuses to remove any Residuals from the Plants, Customer shall be free to provide the removal of such Residuals by any other means available.

6. LABORATORY ANALYSES & TESTING

6.1. Customer will pay for all laboratory analysis of Residuals (including sampling and sample shipment costs) as required by applicable laws and regulations for the uses contemplated in this Agreement, including those required by the Facility, Agronomic Utilization, GMF and Plants' permits. Contractor and Customer will promptly provide to each other all laboratory analyses and information which they obtain about the Residuals and

which is required for regulatory reporting or necessary to implement their mutual obligations pursuant to this Agreement. Contractor will provide Customer with thirty (30) days written notice of when laboratory analysis of Residuals is needed to maintain compliance with all applicable laws and regulations for the uses contemplated in this Agreement. If Customer does not provide the analysis by the notice date, Contractor shall have the right to collect a sample of the Residuals for analysis, test it, and charge the Customer for the expense on a cost plus 15% basis. Customer will reimburse Contractor for costs of laboratory analyses, groundwater monitoring, and other testing required for obtaining and maintaining permits for Agronomic Utilization up to an annual dollar limit (the "Agronomic Utilization Analysis & Testing Annual Cap"). Contractor will not conduct such analyses or tests for the purposes of Residuals management by Agronomic Utilization without prior written approval by Customer. Customer will respond promptly to Contractor's requests for such approval.

7. TERM, TERMINATION & SURVIVAL

7.1. Term & Routine Termination. The Initial Term of this Agreement shall expire December 31, 2018 (the "Initial Term"). At the conclusion of the Initial Term, the term shall be automatically extended for additional five (5) year terms, unless either party provides written notice of non-extension to the other party by personal delivery, express mail or certified or registered mail, return receipt requested, at least twelve (12) months prior to the expiration of the Initial Term or any subsequent extension term.

7.2. Possibility of the Right of First Refusal for New Technology. During the term of this Agreement, the Customer may decide to design, build, own, and operate new technologies and/or equipment, including but not limited to anaerobic digestion systems, gasification facility or a composting facility, for the management of its wastewater and/or Residuals (the "Work"). Customer may elect to design, build and/or operate such equipment or technologies on its own, or to pay a third party to do so. In the event that the Customer makes such a decision to conduct the Work, then Customer may: i) provide Contractor with accurate information regarding Customer's schedule to start-up operations of such new technology and/or equipment and, ii) if the Customer decides to have the new technologies and systems operated by a third party, then, at the same time, Customer may offer to Contractor the right of first refusal to operate according to Customer's terms and/or according to the same pricing, terms and conditions as those offered by a third party and acceptable to the Customer; provided, however, that the Customer shall not be obligated to enter into any contract with the Contractor if the Customer determines that (i) the Contractor does not have the experience, financial capability, or qualifications to operate such new technologies and equipment, or (ii) that the design and/or operation is proprietary and the facilities can only be operated by those who have sufficient licenses and rights to use such technology, or (ii) the operation of such technology is a component of a larger project for managing solid waste and the Customer has determined to utilize the services of a third party for such project. If Contractor declines to accept the rights of first refusal described above within ninety (90) days of the offer, then Customer may terminate this Agreement upon at least two (2) years and six (6) months written notice. It shall not be considered new technology and Work for purposes of this Agreement if the Customer merely implements improvements to its existing

facilities to reduce the water content or quantity of Residuals, if such Residuals are managed in the same manner as of the effective date of this Agreement.

7.3. Termination for Bankruptcy. Either party may terminate this Agreement by giving written notice to the other party if the other party becomes insolvent, makes an assignment for the benefit of creditors, or a bankruptcy petition is filed by or against it (and not stayed within 90 days).

7.4. Termination for Proposed Rate Adjustment. If Contractor increases the rates hereunder pursuant to Subsection 2.4, and Customer rejects such rate increase pursuant thereto, Contractor may terminate this Agreement at any time thereafter effective upon seven (7) days written notice to Customer. However, if Contractor so terminates this Agreement, then Customer may extend the Agreement at the increased rate as set forth in Section 2.4.

7.5. Termination for Breach of Agreement. Either party may cancel or terminate this Agreement ("terminating party") as a result of the other party's failure to substantially perform its obligations hereunder ("breaching party") provided that such failure continues for more than thirty (30) days after the terminating party has notified the breaching party thereof in writing; provided, however, that where such failure does not involve payment of money and cannot reasonably be cured within such thirty (30) day period, the terminating party may not cancel or terminate this Agreement if the breaching party cures such failure within such thirty (30) day period, or within a mutually agreeable time period thereafter. If any payment required to be made by Customer hereunder is past due, Contractor, in addition to all other rights and remedies it may have, may suspend any or all services until all past due amounts are paid.

7.6. Termination Due to Force Majeure. Either party may terminate by giving ten (10) days written notice to the other party claiming Force Majeure if the other party has failed to substantially perform its obligations hereunder due to Force Majeure for a period of thirty (30) consecutive days or more.

7.7. Effect of Termination on Payment. No termination of this Agreement shall have any effect upon Contractor's right to receive payment under this Agreement for services rendered prior to the effective date of such termination.

7.8. Survival. The provisions of Article (4) *Title*, Article (8.3) *Audits*, Article (11) *Indemnification*, Article (10.2) *Environmental Impairment Insurance,* and Article (12) *Non-circumvention, Confidentiality & Intellectual Property* of this Agreement shall survive the termination of this Agreement without regard for the reason for termination.

7.9. Exception to Term for the City of South Burlington. The City of South Burlington participation in this Agreement with the Customer will terminate September 30, 2015. At that time, the Customer's and the Contractor's respective obligations under this Agreement will no longer be applicable as they relate to the management or disposal of Residuals or Class A Biosolids from the South Burlington Plants: Airport Parkway, and Bartlett Bay. In the event that South Burlington elects to extend its agreement with the

Customer, however, the Customer will notify Contractor in writing of its desire to continue working with Contractor for the South Burlington Plants. If such notice is provided on or before March 30, 2015, then Contractor shall continue to manage the South Burlington Class A Biosolids and South Burlington Residuals under the terms of this Agreement for the balance of the remaining Term. If such notice is provided by the Customer after March 30, 2015, then the Contractor shall have the right to determine whether or not to continue to manage the Residuals and Class A Biosolids from the South Burlington Plant after the September 30, 2015 date, such determination to be made within 60 days of the date of the Customer's notice.

8. COMPLIANCE WITH LAW AND RECORDKEEPING

8.1. Compliance. Contractor and Customer agree to comply with all applicable laws and regulations during the performance of their respective responsibilities under this Agreement.

8.2. Records. Contractor and Customer shall keep adequate books, records and other documentation consistent with applicable regulatory requirements and in accordance with generally accepted accounting practices, pertaining to performance of the services required by this Agreement, including, without limitation, correspondence, instructions, plans, receipts, vouchers, and other memoranda.

8.3. Audits. Contractor agrees to permit, at all reasonable times, duly authorized representatives of Customer to inspect and have access to the books, records and documentation referenced herein, which directly relate to the performance of this Agreement, for the purpose of auditing and verifying the performance of services pursuant to this Agreement, the charges for such services, and the maintenance of records related to such services. Such access by Customer's representatives shall include the right to discuss such documentation with Contractor's personnel having knowledge of their contents and the right to copy such documentation. Contractor and Customer shall preserve all documentation pertaining to the services required by this Agreement for a period of three (3) years following completion of the services rendered by Contractor to Customer to which the documentation pertains or for any greater period of time required by law.

9. FORCE MAJEURE

9.1. Except for the obligation to pay for services rendered, neither party hereto shall be liable for its failure to perform hereunder, in whole or in part, due to contingencies beyond its reasonable control, including, but not limited to, strikes, riots, community opposition, war, fire, acts of God, injunction, compliance with changes in any law, regulation or order of any governmental body or any instrumentality thereof or with any changes in interpretation or the manner of enforcement thereof, the revocation, suspension, denial or modification of any permit, license or approval regarding transportation, processing, treatment, composting, land-application, handling and/or disposal of Residuals ("Force Majeure"); provided, however, that any party asserting Force Majeure shall give prompt written notice thereof to the other party and shall act diligently to resume performance at the earliest practicable time.

10. INSURANCE; GUARANTY

10.1. Comprehensive Insurances. Contractor and Customer agree to furnish each other upon request with certificates attesting to the existence of Worker's Compensation insurance providing statutory benefits and comprehensive business automobile liability insurance (including MCS 90 endorsement covering sudden pollution endorsement) and Commercial General liability insurance, naming the other party as additional insured and including bodily injury, property damage, and contractual liability with policy limits of not less than $1,000,000 combined single limit, each occurrence. Contractor shall also carry such insurance as may be required by law. With respect to trailers leased by Customer to Contractor, Contractor's Automobile liability policy will name Customer as additional insured/loss payee.

10.2. Environmental Impairment Insurance. Contractor also agrees to furnish, upon request, certificates attesting to the existence of environmental impairment insurance applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy of insurance affording this required coverage shall be written in an amount of at least $1,000,000 per loss with an annual aggregate of at least $2,000,000 and by an insurer reasonably acceptable to Customer. If coverage of environmental impairment insurance is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Agreement, and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning from the time that work under the Agreement is completed. Such obligation shall survive termination of the Agreement.

10.3. Guaranty. Contractor's parent corporation, Casella Waste Systems, Inc., has guaranteed the obligations of Contractor under this Agreement pursuant to separate instrument of guaranty.

11. INDEMNIFICATION

11.1. Indemnity by Contractor. Contractor will indemnify and hold Customer and its member municipalities harmless from any and all loss, damages, suits, penalties, costs, liabilities and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss of or damage to property, including Customer's property, and injuries to or death of persons, including Customer's employees and employees of third parties operating the Plants, to the extent caused by or resulting from; (i) the negligence or willful misconduct of Contractor, its agents, subcontractors or employees; or (ii) Contractor's breach of this Agreement or (iii) failure of Grasslands or the Facility to be in compliance with applicable law, permits, rules and regulations. This Section 11.1 shall be inapplicable to the extent that the loss, damages, suits, penalties, costs, liabilities and/or expenses result from the Customer's provision to Contractor of Nonconforming Waste. In any instance in which Customer claims indemnity under this Section 11.1, Contractor shall have the right, but not the duty, to defend Customer in (and control the defense of) any litigation arising out of the occurrence from which Customer claims that Contractor's indemnity obligation exists.

11.2. Indemnity by Customer. Customer hereby agrees to indemnify and hold Contractor, and any third party handler, treater, utilization site or disposer, harmless from any and all loss, damages, suits, penalties, costs, liabilities and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss of or damage to property, including Contractor's property, and injuries to or death of persons, including Contractor's employees, to the extent caused by or resulting from; (i) Customer's negligence or willful misconduct; or (ii) Customer's provision to Contractor of Nonconforming Waste or any other breach of this Agreement by Customer. In any instance in which Contractor claims indemnity under this Section 11.2, Customer shall have the right, but not the duty, to defend Contractor in (and control the defense of) any litigation arising out of the occurrence from which Contractor claims that Customer's indemnity obligation exists.

11.3. Special and Consequential Damages. Notwithstanding the provisions of Section 11.1 and 11.2, neither Customer nor Contractor shall be liable for any special or consequential damages sustained by the other in connection with their respective performance or non-performance under this Agreement.

12. NON-CIRCUMVENTION , CONFIDENTIALITY AND INTELLECTUAL PROPERTY

12.1. Upon termination of this Agreement (except solely due to breach by Contractor or termination pursuant to Section 7.3, 7.4, 7.5 or 7.6), and provided Contractor is not then in material breach of its obligations hereunder, Customer agrees that it shall not, directly or indirectly, induce any manager, operator, lessee, or owner of Used Sites to accept Residuals from Customer for Agronomic Utilization or other beneficial utilization, for a period of one (1) year from such termination. "Used Sites" shall mean sites used, or permitted, or for which applications were submitted which are administratively complete (or equivalent), by Contractor or its representatives, to receive Residuals under this Agreement for Agronomic Utilization or other beneficial utilization. The period of time set forth above in this Article shall be extended for a period equal to the time any litigation instituted by Contractor to enforce the provisions hereof remains pending. If the provisions of this Article are violated, in whole or in part, Contractor shall be entitled, without prejudice to any other remedies Contractor may have at law or in equity, to a temporary restraining order or preliminary injunction to restrain and enjoin Customer from such violation. In the event that the provisions of this Article should ever be deemed to exceed the scope of business, time or geographic Limitations permitted by applicable law, then such provisions shall be and are hereby reformed to the maximum scope, time or geographic limitations permitted by such applicable law. The provisions of this Section 12.1 shall not be applicable to the City of South Burlington and any Residuals or Class A Biosolids from the South Burlington Plants.

12.2. During the term of this Agreement, it may be necessary or desirable for the parties to exchange "Confidential" or propriety information as is required for each to perform its obligations hereunder, including but not limited to identification of Contractor's customer list. Each party agrees to use only for the intended purposes and to maintain in confidence any information designated herein or later in writing as "Confidential" by the other party during the term of this Agreement, subject to limitations of applicable law and for a period of three years after termination of this Agreement. The standard of care for protecting such information, imposed on the party receiving such information, will be that degree of care the receiving party uses to prevent disclosure, publication or dissemination of its own confidential or proprietary information. However, obligations of confidentiality shall not apply to any information to the extent it is (a) in the public domain, (b) learned from a third party not in breach of any confidentiality obligation, (c) already known without restriction by the party receiving it at the time of disclosure, or (d) required by court or regulatory order to be disclosed.

12.3. Any and all inventions, improvements, techniques, methods, designs, processes, procedures and/or works of authorship developed, conceived, conceptualized, produced, described or made by Contractor or its employees, agents or subcontractors in connection with or related to the performance of Contractor's services under this Agreement (collectively, "Contractor's Intellectual Property"), whether or not patentable or copyrightable, shall at all times be and remain the sole and exclusive property of Contractor, and Contractor shall have and retain all rights and privileges of ownership therein and thereto, including, without limitation, the rights to file patent or trademark applications or copyright

registrations, to license, assign, sell, transfer or convey any or all of the Contractor's Intellectual Property or any right or interest therein to any other person, firm or entity, and to receive and retain any and all fees, proceeds or other consideration attributable to any such license, assignment, sale, transfer or conveyance, provided that, during the Term of this Agreement, Contractor shall license to Customer all of the Contractor's Intellectual Property on a non-exclusive basis for use in performance of this Agreement without any additional charge, compensation or consideration therefor.

13. ASSIGNMENT

13.1. This Agreement is assignable only with the written consent of both parties and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, that such consent shall not be unreasonably withheld, nor required in the event of (i) assignment to an affiliate or subsidiary of Contractor, so long as the Contractor's parent corporation, Casella Waste Systems, Inc., continues to guarantee the obligations of Contractor, or (ii) assignment by Customer solely for the purpose of financing the Plants.

14. NOTICES

14.1. General Notices. Notices of conditions or situations affecting services hereunder shall be given verbally or in writing or by e-mail (subject to return confirmation of receipt) between designated operating personnel of Customer and Contractor. All other notices shall be given in writing to the parties at their respective addresses shown above, either by personal delivery or certified mail, return receipt requested, and in the case of Contractor, to the attention of the General Manager.

14.2. Indemnification. With respect to any claim for indemnification, the party claiming a right to indemnity shall (i) give written notice thereof within a reasonable period following, the event or occurrence as to which the right to indemnification is or may be asserted and (ii) allow the other party (including its employees, agents and counsel) reasonable access to any of its employees, property and records for the purpose of conducting an investigation of such claim and for the purpose of obtaining statements, photographs, and chemical analysis and taking such other steps as may be necessary to preserve evidence of the occurrence on which the claim is based. If the party claiming a right to indemnity denies the other party reasonable access as set forth above, the party claiming a right to indemnity shall assume sole responsibility for the claim for which indemnification is sought and shall not be entitled to indemnity.

15. GOVERNING LAW

15.1. This Agreement shall be governed and construed by the laws of the State of Vermont.

16. SEVERABILITY

16.1. If any of the provisions of this Agreement or any portion thereof, or the application thereof, to any particular person or circumstance, is held to be invalid by a Court of competent jurisdiction, or arbitrator, the remainder of this Agreement, including the remainder of any such provision, and the applications thereof, shall not be adversely affected thereby.

17. INDEPENDENT CONTRACTOR

17.1. Contractor's relationship with Customer under this Agreement shall be that of an independent contractor. The employees, procedures, equipment and facilities used by the Contractor shall at all times, be under its exclusive direction and control. Nothing in this Agreement shall be construed to designate the Contractor, or any of its employees, agents or subcontractors, as employees, agents, joint ventures or partners of Customer.

18. ENTIRE AGREEMENT

18.1. This Agreement together with the Trailer Lease constitute the entire understanding between the parties hereto, and cancels and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, with respect to the subject matter hereof. No changes, alterations or modifications to this Agreement will be effective unless in writing and signed by both parties.

19. EFFECTIVE DATE

19.1. This Agreement shall become effective as of the latest date of execution herein (the "Effective Date"), provided that the Customer receives the approval of this Agreement from its member communities that operate Plants. In the event that the Customer does not obtain such approval by March 31, 2014, either the Customer or the Contractor may, upon notice sent within 10 days of such date, terminate this Agreement or, if agreed to by the Customer and the Contractor in writing, may remove from the scope of this Agreement those Plants for which the Customer has not obtained the approval by such respective member municipality.

Executed and agreed as of the day and year last written below.

CONTRACTOR

NEW ENGLAND WASTE SERVICES OF ME, INC., d/b/a CASELLA ORGANICS

By: _____
Name: Jonathan Kilbourn
Title: Vice President
Dated as of December 23, 2013

CUSTOMER

CHITTENDEN SOLID WASTE DISTRICT

By: _____
Name: Thomas Moreau
Title: General Manager
Dated as of December 23, 2013

TRAILER LEASE AGREEMENT

TRAILER LEASE AGREEMENT made as of this thirtieth day of December, 2013 (the "Trailer Lease") by and between the CHITTENDEN SOLID WASTE DISTRICT, a union municipal district formed under the laws of the State of Vermont ("Lessor") with an office at 1021 Redmond Road, Williston, VT 05495 and New England Waste Services of Maine Inc. d/b/a Casella Organics ("Lessee") with an office at 135 Presumpscot Street #1, Portland, Maine 04103.

WHEREAS, the Lessor and Lessee are parties to the Residuals Management Agreement dated December 23, 2013, (as the same may be amended or supplemented, the "Residuals Management Agreement");

WHEREAS, the Residuals Management Agreement provides that the Lessor shall obtain, and lease to the Lessee, an adequate number of trailers for the hauling of Residuals under and in accordance with the Residuals Management Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Lease Agreement. The Lessor leases to the Lessee, and the Lessee rents from the Lessor, the equipment (hereinafter referred to collectively as "Leased Equipment") described in Schedule I, attached hereto, together with any additional items of equipment described in additional Schedules, which may hereafter be attached hereto or incorporated herein by reference, upon the terms and conditions set forth in this Trailer Lease, supplemented, if applicable, by the terms and conditions set forth in the appropriate Schedule identifying any additional items of equipment to be leased by Lessor to Lessee under the terms if this Trailer Lease. In the event of any conflict between this Trailer Lease and the Residuals Management Agreement, the Residuals Management Agreement shall govern.

2. Term. The lease for each item of Leased Equipment shall commence on the date hereof as to the items identified on Schedule I and shall continue for the term set forth in the Residuals Management Agreement (without regard to any early termination applicable only to the Plants in South Burlington and Essex Junction Vermont), provided that the Leased Equipment meets the United States and Canadian standards to be legally operated in those jurisdictions for the term of the Residuals Management Agreement.

3. Rental Payments. The Lessee will pay the Lessor, as rental for the use of the Leased Equipment, annual payments in advance during each year of the lease term in the amount of $1.00. Rent shall be paid to the Lessor within thirty days of receipt of invoice at its address as set forth above or at such other place as may be directed by the Lessor in writing. In addition, Lessee shall be responsible for the costs of certain preventive maintenance obligations as set forth herein.

4. Title to Equipment.

4.1 Each item of Leased Equipment shall at all times be the sole and exclusive property of the Lessor and the Lessee shall not have any rights or property interest therein except as lessee under this Trailer Lease.

4.2 The Lessee may not assign any right in or interest to any item of Leased Equipment or permit any lien or encumbrance to exist thereon other than liens and encumbrances placed thereon by the Lessor or persons claiming against the Lessor.

4.3 All items of Leased Equipment shall at all times remain personal property.

4.4 The Lessor shall be permitted to display notice of its ownership by affixing to each item of Leased Equipment an identifying stencil, plate, or any other indication of ownership.

5. Use.

5.1 Each item of Leased Equipment shall be used by the Lessee solely to transport Residuals under and in accordance with the Residuals Management Agreement. With the prior approval of the District, the Lessee may use the Leased Equipment for transporting other materials under the terms and conditions of the Residuals Management Agreement. The Lessor shall have the right, upon notice to the Lessee, to use any item of Leased Equipment then not used or needed by Lessee to perform its obligations under the Residuals Management Agreement.

5.2 The Lessee will not use, maintain, or store any item of Leased Equipment improperly, carelessly, or in violation of this Trailer Lease or of any applicable regulatory laws or regulations of any governmental agency.

5.3 Each unit of Leased Equipment shall be operated by competent and qualified personnel in compliance with all applicable laws and the Residuals Management Agreement.

6. Inspection and Return.

6.1 The Lessor shall have the right, upon reasonable prior notice to the Lessee and during the Lessee's regular business hours, to inspect each item of Leased Equipment at the premises of the Lessee where such item is located.

6.2 Upon the termination of this Trailer Lease with respect to any item of Leased Equipment, such item shall be returned at the Lessee's expense at its address set forth above or any other address in Chittenden County, Vermont identified by a written notice to the Lessee from the Lessor.

7. Maintenance and Repair.

7.1 The Lessor will maintain each item of Leased Equipment and all additions, attachments, and accessories thereto in good mechanical condition and working order at all times, and in accordance with the manuals listed in Appendix 1, suggested lubrication schedules, and by normal industry standards. (hereinafter, "Preventive Maintenance"). Preventive Maintenance includes routine maintenance such as replacement of tires, brake shoes, lubrication, vehicle inspection and monthly pressure washer cleaning of each trailer. The Lessee shall be responsible for the costs of Preventive Maintenance, provided that the Lessee shall only be responsible for paying the costs of the specific Preventive Maintenance items listed in the table in Appendix 2.

The Preventive Maintenance shall be determined by vehicle inspection performed by a maintenance and inspection contractor as determined by the Lessor, with inspections conducted on a monthly basis. Trailer inspections shall be scheduled 5 working days in advance of inspection by the Lessee . Lessee shall make each trailer available for inspection for a minimum of 24 hours. Upon determination of the Preventive Maintenance by the inspection contractor, the Lessee shall allow adequate time to perform said maintenance as determined by the inspection contractor. If the vehicle inspector

determines that a repair or a replacement of equipment is needed that is not within the category of Preventive Maintenance, as set forth above and in the manuals listed in Appendix A, then such corrective costs shall be the responsibility of the Lessor.

The Lessee shall not operate the Leased Equipment if Lessee determines that such operation would be deemed unsafe or if Leased Equipment is determined by Lessee not Fit for Service pursuant to the Residuals Management Agreement (Article 1.3). If the Lessee makes such a determination, Lessee shall immediately notify the Lessor who will be responsible to return the Leased Equipment to a safe and operable condition necessary to efficiently and safely perform the work pursuant to the Residuals Management Agreement. Lessor will be responsible to pay for the substitute replacement equipment if required during extended repairs.

All corrective maintenance repair costs are to be billed to, and paid by, Lessor. All Preventive Maintenance costs items listed in the table in Appendix 2 will be billed to, and paid by, the Lessee. There will be no charges by Lessee for those repair costs incurred directly by Lessor.

7.2 If any part or accessory of any item of Leased Equipment shall from time to time become lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, beyond normal wear and tear, while in use or possession by the Lessee or its subcontractors, the Lessee, at its own expense, shall, within a reasonable time, replace or cause to be replaced such part or accessory, unless such damage is caused by the Lessor or due to defects in the Leased Equipment. All replacement parts and accessories shall immediately become the property of the Lessor for all purposes. All replacement parts shall be from the original equipment manufacturer (OEM) unless permission for non-OEM parts is obtained from the Lessor. The Lessor shall, to the extent transferable, grant the Lessee all warranty privileges associated with components, afforded to the Lessor from the manufacturers of the Leased Equipment. Upon termination of this Trailer Lease, Lessee shall return the Leased Equipment to the Lessor; provided, however, components need not be new but shall be in good mechanical condition and in working order.

7.3 Lessee may from time to time add further parts or accessories to any item of Leased Equipment, provided such addition does not affect or impair the value, utility, or structural integrity of such item. Any part or accessory so added, if not required as a replacement under Section 8.2 below, shall remain the property of the Lessee and may be removed at any time prior to the expiration of the lease term of such item, provided such removal does not affect or impair the value or utility of such item of Leased Equipment. Any parts or accessories not so removed shall become the property of the Lessor.

7.4 Upon the immediate need for trailer repair, where such repair must be performed at a location where it is not practical to return the Trailer to Lessor's designated contractor, then the Lessee shall select the contractor for such repair. The Lessor shall reimburse the Lessee for any corrective maintenance charges plus 15% for such immediate repair.

8. Risk of Loss and Insurance.

8.1 All risk of loss or damage to each item of Leased Equipment, while in use or possession by Lessee or its subcontractors, shall be borne by the Lessee.

8.2 The Lessee shall, at Lessee's expense, keep each item of Leased Equipment insured, at its full replacement value, against fire, theft, damage, or destruction and public liability risks in amounts of not less than $1,000,000 and with insurance carriers qualified to do business in the state in which the item of equipment is located, with the Lessor named as an additional insured/loss payee, for Lessee's indemnification obligations under Section 11.1. The Lessee shall deliver to the Lessor the policies or evidence of insurance satisfactory to the Lessor. The failure of the Lessee to secure or maintain such insurance shall constitute a breach under this Trailer Lease and the Lessor may, but shall not be obligated to

obtain such insurance, the cost of such insurance to be paid forthwith to the Lessor by the Lessee.

9. Damage to Equipment. The Lessee shall have the responsibility for the repair or replacement of any damaged item of Leased Equipment with parts or equipment of equal value and use with equivalent specifications as approved by Lessor (such approval not to be unreasonably withheld). The Lessee shall repair or cause such item to be repaired or replaced promptly after the damage. All repairs to the Leased Equipment shall be with parts from the original equipment manufacturer (OEM) unless permission for non-OEM parts is obtained from the Lessor. Should an item of the Leased Equipment be substantially damaged by fire or other casualty so that it is substantially unsuitable for its intended use, the Lessor may elect to retain insurance proceeds in lieu of Lessee's obligation to repair or replace such item of Leased Equipment. Lessee shall only be responsible for loss or damage while the Leased Equipment is in use or possession of Lessee or Lessee's subcontractors.

10. Taxes; Licenses; Fees. Lessee shall pay for any motor vehicle inspection fees. Lessee shall pay all charges, except for those assigned to the Lessor herein, for the use and operation of the Leased Equipment by Lessee and its subcontractors. The Lessee will register in Vermont the Leased Equipment and pay all registration fees for each item of Leased Equipment, including any fees for registration as a solid waste hauler. Lessee shall cause the Leased Equipment to be inspected as may be required by applicable law.

11. Indemnity.

11.1 The Lessee shall indemnify, protect, and hold harmless the Lessor, its agents, servants, successors, and assigns from and against all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever nature, arising out of the use or operation of any item of Leased Equipment by Lessee and/or its subcontractors, except for such losses, damages, injuries, claims, demands and expenses Lessee proves to be caused by a breach of warranty or defect of a structural item.

11.2 The Lessee shall have the right, but not the duty, to defend Lessor in (and control the defense of) any litigation arising out of the occurrence from which the Lessor claims that the Lessee's indemnity obligation exists.

11.3 The indemnities herein provided for shall continue in full force and effect notwithstanding the termination of this Trailer Lease, whether by expiration of time, by operation of law, or otherwise.

11.4 The Lessee is an independent contractor and nothing contained in this Trailer Lease shall authorize the Lessee or any other person to operate any item of Leased Equipment so as to incur or impose any liability for or on behalf of the Lessor.

12. Assignment and Sublease. The Lessee may sublet any item of Leased Equipment for the purposes of carrying out the Lessee's obligations pursuant to the Residuals Management Agreement, and every such sublease, shall be subject to the terms of this Trailer Lease and shall in no event relieve the Lessee of its obligations hereunder. Except as set forth above, neither party shall assign this Trailer Lease without the written consent of the other party.

13. Lessor's Warranties.

13.1 As to each item of Leased Equipment to be leased hereunder, the Lessor warrants that:

(a) it is and will be the sole and absolute owner thereof;
(b) it has the right to lease the same to the Lessee;
(c) it will do nothing to disturb the Lessee's full right of possession and enjoyment thereof and

the exercise of all of the Lessee's rights with respect thereto as provided by this Trailer Lease; and

(d) it complies with all applicable laws, rules and regulations.

Except as expressly set forth above, the Lessor makes no other warranties, express or implied, and Lessor hereby disclaims all other warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose.

14. Lessor's Default.

14.1 Should the Lessor fail or be unable to perform its obligations hereunder; or should the Lessor's interest in any item of Leased Equipment be levied upon, or taken in execution of any judgment; or should the Lessor become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or a receiver, or a trustee or receiver is appointed for the Lessor or a substantial part of its property without its consent, or if bankruptcy, reorganization, arrangement, insolvency; or liquidation proceedings are instituted by or against the Lessor, then, and in any such event, the Lessee shall have the option, either:

(a) to terminate this Trailer Lease and to purchase the equipment at its fair market value either as agreed upon by the parties or by arbitration before an arbitration panel chosen by the Boston Office of the American Arbitration Association; or

(b) notwithstanding such default or insolvency, to continue rental payments until the expiration of the term of the Trailer Lease for each item of Leased Equipment.

Each item of Leased Equipment shall, upon full payment under option (a), become the Lessee's property without further payment or cost. In such event, the Lessor shall execute such assignment or other documents as may be required to transfer all right, title, or interest therein to the Lessee.

15. Lessee's Default.

15.1 The following events shall each constitute "events of default" on the part of the Lessee hereunder:

(1) the failure of the Lessee to pay any installment of rental within 15 days after the date on which the same becomes due;

(2) any breach or failure of the Lessee to observe or perform any of its other obligations hereunder and the continuance of such default for 30 days after notice in writing to the Lessee of the existence of such default;

(3) the insolvency or bankruptcy of the Lessee or the making by the Lessee of an assignment for the benefit of creditors, or the consent of the Lessee to the appointment of a trustee or receiver, or the appointment without its consent, of a trustee or receiver for the Lessee or for a substantial part of its property;

(4) the institution by or against the Lessee of bankruptcy, reorganization, arrangement, or insolvency proceedings; or

(5) Any event of default under the Residuals Management Agreement which remains unremedied or uncured after the expiration of any applicable grace period.

If, during any cure period afforded to the Lessee, the Lessor is unable to remove, or cause to be

removed, Residuals under the Residual Management Agreement, Lessor may seek to obtain other items of equipment for such purpose and Lessee shall be responsible for any increased costs or damages incurred by the Lessor.

15.2 Upon the occurrence of any such event of default, the Lessor may, at its option, and without notice to or demand on the Lessee:

(1) declare this Trailer Lease in default and thereupon all Leased Equipment and all rights of the Lessee therein shall be surrendered to the Lessor;

(2) by its agents, take possession of the Leased Equipment wherever found, with or without process of law, and for this purpose may enter upon any premises of the Lessee without liability for suit, action, or other proceeding by the Lessee and remove the same;

(3) hold, use, sell, lease, or otherwise dispose of the Leased Equipment or any item thereof or keep any of them idle if the Lessor so chooses, without affecting the obligation of the Lessee as provided in this Trailer Lease; or

(4) pursue all other available remedies at law or in equity.

15.3 If the Lessee fails to surrender any item of Leased Equipment as provided in Section 15.2 above, or converts or destroys any item of Leased Equipment, the Lessor may hold the Lessee liable for a sum equal to the fair market value, as set forth in Schedule III, which the Lessee shall forthwith pay the Lessor.

16. Invalid Provision. Any provision of this Trailer Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this Trailer Lease.

17. Construction. The validity, construction, and enforcement of this Agreement shall be governed by the laws of the State of Vermont.

18. Complete Agreement; Amendments to be in writing. This Trailer Lease and the Schedules executed by the parties, together with the Residuals Management Agreement, constitute the entire understanding between the parties hereto, with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, with respect to the subject matter hereof. No changes, alterations or modifications to this Trailer Lease will be effective unless in writing and signed by both parties.

IN WITNESS WHEREOF the Lessor and the Lessee have caused this Trailer Lease to be duly executed as of the date first above written.

Lessor:

CHITTENDEN SOLID WASTE DISTRICT

_____ By: _____

Witness General Manager

Lessee:

NEW ENGLAND WASTE SERVICES OF MAINE INC.
D/B/A CASELLA ORGANICS

_____ By:_____

Witness Its Duly Authorized Agent

State of Vermont
Chittenden County, ss

At Burlington, this _____ day of December 2013, personally appeared Thomas Moreau, General Manager and duly authorized agent of Chittenden Solid Waste District and he acknowledged this instrument by him sealed and subscribed, to be his free act and deed and the free act and deed of Chittenden Solid Waste District.

Before me, _____
Notary Public
My Commission Expires: 2/10/2015

State of Vermont
Chittenden County, ss

At Burlington, this _____ day of December 2013, personally appeared _____, duly authorized agent of New England Waste Services of Maine, Inc., and he/she/they acknowledged this instrument by him/her/they sealed and subscribed, to be his/her/their free act and deed and the free act and deed of New England Waste Services of Maine, Inc.

Before me, _____
Notary Public
My Commission Expires:

SCHEDULE I

Description of Equipment

Seven (7) East Manufacturing Corp. Aluminum Frame and Body Dump Trailers

Serial Numbers:
lE1D2U38-1XRG25913 1
E 1 D2U3 8-1 XRG25914
lE1D2U38-1XRG25915
lE1D2U38-1XRG25916
lE1D2U38-1XRG25917
lE1D2R38-X3RJ32686
IE1D2U38XERO50687

The specifications for each unit are attached as part of Schedule I.

This schedule and its terms and conditions are incorporated by reference in the Trailer Lease Agreement between the parties dated as of December 23 , 2013.

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Appendix 1

Operation and Maintenance Service Manuals

1. EAST Manufacturing Corp.
   - Dump Equipment; Operation & Service Manual, AA/16211500/8-97
   - Hardware Parts Catalog; Volume 1, October 1991
   - Hydraulic Parts Catalog; Volume 2, June 1996
   - Suspension Parts Catalog; Volume 3 form #089/0BF/500/7/97
   - Body Parts Catalog; Frame Type Aluminum Dump Trailer, Volume 4, MWC NHP 452 2/95
   - Electrical Parts Catalog; Volume 5,

2. Hendrickson Trailer Suspension Systems:
   - Trailer Air Suspensions Service Guide 10/08/91
   - Technical Guide 1992
   - Technical Publication "Quik-Align" lit # H313 August 1997
     Alignment Procedures
   - Technical Publication "Quik-Align" lit # H313-1 August 1997
     Adjustment Procedures
   - Technical Publication "Intraxx Suspension System" #L496 May 1996 Wheel-End
     Maintenance Procedures
   - HT Series "Operator's Guide" form # L-53 10/31/90
   - Parts Catalog H614 March 1998

3. Meritor Wabco
   - Easy Stop Trailer ABS; Maintenance Manual No. 33, Revised 4-98, 16579/24240

NOTE: Lessor approves of the use of retread tires on all Leased Equipment but reserves the right to timely approve a minimum quality or equivalent standard.

SCHEDULE III

Chittenden Solid Waste District
Trailer Lease - Fair Market Value

Fair Market Value is established below for the Listed Equipment for the first year of the term of the Residuals Management Agreement. Thereafter, in each month of June, Lessee will conduct an appraisal of all Leased Equipment using a professional appraiser designated by Lessor, or if· none is designated, a professional appraiser of its own choosing. The results of such appraisal shall then be substituted for the values established below in the second year of the term and for the appraised values of the prior year in the third and subsequent years of the term. Additional trailers that may be provided by the Lessor as Leased Equipment shall be valued in the same manner beginning with the first date of service and shall be reappraised according to the same schedule and in the same manner as applies to all Leased Equipment. Appraised values shall be considered applicable throughout the year following the appraisal. Lessor is responsible for the costs of appraisal which shall be paid directly by the Lessor to the appraiser.

For Trailers:	Fair Market Value:
IEID2U38-IXRG25913	$10,000
IEID2U38-I XRG25914	$10,000
IEID2U38-IXRG25915	$10,000
IEID2U38-IXRG25916	$10,000
IEID2U38-IXRG259I7	$10,000
IEID2R38-X3RJ32686	$10,000
IE1D2U38XERO50687	$60,000

Exhibit A

The Prior Month Fuel Index Price can be located on the internet at:
http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp

EXHIBIT B

Trailer Lease

EXHIBIT C

Table of Standards for Disposal Facility, Grasslands Compost Facility and Agronomic Utilization

casella WASTE SERVICES	**Approval Number:**

SPECIAL WASTE RENEWAL FORM

Company Generating Waste:	Address of Facility Generating Waste (Street, City, State, Zip): Phone Number:

Description of Waste (debris-containing, composition, uniform or mixture, etc.):

Uniform Municipal Wastewater Treatment Plant Sludge.

Expected Annual Amount of Waste To Be Delivered: _____tons/year. If differs from original estimated, approved tonnage – please provide explanation.

Hauler Name	Address	NYSDEC Permit No.	Telephone No.
Mr. Bults Inc	403 Landfill Lane Coventry, VT 05825		802-334-1784

Have there been any changes in the wastestream especially in regards to production, composition or materials since the original approval number was issued?

If yes, Please Explain:

NOTE: If analytical data is required for the wastestream, new data is requested every three years. If the materials are tested more frequently, please append the data to this submittal

GENERATOR CERTIFICATION

I hereby certify that (1) all information submitted on this form and on supplemental materials is complete and accurate to the best of my knowledge and ability to determine; (2) the information provided herein, including any supplemental information, such as laboratory analytical, MSDS, etc., accurately describes the waste stream to be delivered to the facility and that all known or suspected hazards have been disclosed. I understand that, once the waste stream is approved by Casella based on this information, any deviation in the source, composition, constituents or characteristics of the waste stream from the information described herein may render the waste stream unacceptable for disposal, at the sole discretion of Casella. I further understand that any deviation from the information contained herein will require immediate notification to the disposal facility and cessation of disposal.

Generator's Authorized Representative - Signature:	**Print name:**	**Print Title:**	**Date:**

CASELLA ORGANICS™

SPECIAL WASTE CHARACTERIZATION PROFILE

Facility Location

☒ Grasslands, Inc.
283 Smith Road
Chateaugay, NY 12920
Ph: 518-497-6496
Fax:

1) Company Generating Waste	Address of Facility Generating Waste (Street, City, State, Zip)		County of Origin
2) Representative of Generator	Mailing Address of Representative	Telephone No.	Fax No.

3) Description of Facility/Process Generating Waste (describe the process(es) that generate the waste)

4) Description of waste (debris-containing, composition, uniform or mixture, etc.)
Uniform Municipal Wastewater Treatment Plant Sludge.

5) Is Waste Hazardous
☐ Yes ☒ No

6) Expected Annual Amount of Waste To Be Delivered	Approximate Density of Waste
_____ tons/year _____ cubic yards/year	1650 pounds/cubic yard

7) Expected Frequency of Delivery
_____ one-time
_____ daily _____ weekly _____ monthly _____ other (specify, if known)

8) Hauler Name	Address	NYSDEC Permit No.	Telephone No.
Mr. Bults Inc	403 Landfill Lane Coventry, VT 05825		802-334-1784

9) Method of Delivery. If other, specify.
_____ roll-off _____ packer truck X tractor trailer _____ other

10) Previous Disposal Location	Address	Phone	Contact Person
Waste USA Landfill	21 Landfill Lane Coventry, VT 05825	802-334-5796	Lenny Wing

Waste Characterization Data

11) Is the waste classified as a "listed" or "characteristic" hazardous waste as defined by USEPA, or State of origin, or State where disposed? (If yes, explain.)

12) Describe all hazardous or nuisance properties associated with the waste.

Nuisance odors are mitigated with Best Management Practices

13) Does the waste require any special handling or disposal procedures? If so, explain.
No

14) Analytical Data Submitted (Part 360/Other).	**Type of Samples (indicate No. of each type in space provided)** ___X___ grab _____ composite

Grasslands, Inc. requires, at a minimum, the submittal of total metals, nutrients, VOCs, SVOCs, Pesticides, PCBS and % solids testing results for any special waste acceptance unless the applicant can provide an acceptable justification for submittal of less comprehensive data. The generator is responsible for proper waste characterization. Refer to NYS DEC Subpart 360-5.10 Tables 1, 2 and 3 for guidance on required analyses and frequency of testing.

15) Justification for not submitting full data.
A waiver from testing for VOCs, SVOCs, Pesticides, and PCBs was approved by the NYS DEC on 3/22/13.

GENERATOR CERTIFICATION

I hereby certify that all information submitted on this form and on supplemental materials is complete and accurate to the best of my knowledge and ability to determine. I further certify that there are no deliberate or willful omissions of data necessary to characterize the waste material and that all known or suspected hazards have been disclosed.

Generator's Authorized Representative - Signature:	Print name:	Print Title:	Date:

DISPOSITION (to be completed by Casella Organics.)

Received by:		Date Received:	Date Logged In:
Submitted by:		Project Name:	
Title:			
Submitted to NYSDEC	Date:	NYSDEC Approval	Date:

SUBMIT ALL DATA TO THE CASELLA ORGANICS REPRESENTATIVE LISTED BELOW, PLEASE CHECK BOX:

☒ **Jeff McBurnie**
Permitting and Compliance
135 Presumpscot Street
Unit # 1
Portland, ME 04103