

THIRD AMENDMENT TO OPERATING
SERVICES AGREEMENT

This Third Amendment to the Operating Services Agreement is made as of this 21st day of December, 2015, by and between Casella Waste Systems, Inc., a Delaware corporation with a place of business at 25 Greens Hill Lane, Rutland, Vermont 065702 ("Casella") and State of Maine, Department of Administrative and Financial Services, Bureau of General Services (the "State").

WITNESSETH:

WHEREAS, by Resolves 2003, ch. 93 (the "Resolve"), the State was authorized to acquire, own and cause to be operated an existing solid waste disposal facility in the City of Old Town now known as the Juniper Ridge Landfill (the "Landfill"), under such terms and conditions as are revenue-neutral and the State determines are advisable and in the public interest; and

WHEREAS, the State of Maine, acting by and through the Department of Administrative and Financial Services, Bureau of General Services, is the owner of the Landfill; and

WHEREAS, the State entered into an Operating Services Agreement (the "OSA") with Casella dated February 5, 2004, as amended by the First Amendment dated July 28, 2006 and the Second Amendment dated November 2, 2006, whereby the State granted to Casella the "...right, license and privilege to occupy, operate, maintain, repair, design, redesign, construct and utilize the Landfill..."; and

WHEREAS, the OSA provides that "the use of the Landfill shall be restricted to development and operation of a solid waste landfill, or other facilities providing for the disposal or recycling of solid waste or other management of solid waste or, with the prior written consent of the State...other uses that do not prohibit or impair the operation of a solid waste landfill..."; and

WHEREAS, the OSA provides that any capital improvements of any nature or type to or at the Landfill shall be and remain the property of the State upon termination of the OSA without any compensation to Casella; and

WHEREAS, under the OSA the State granted to Casella the right “to take and use any landfill gas generated at the Landfill, all in accordance with applicable laws and regulations”; and

WHEREAS, under the OSA the State granted to Casella the right to collect and retain all revenue, income and other financial benefits generated by, at, or related to the operation of the Landfill during the term of the OSA; and

WHEREAS, Casella now wishes to exercise its right under the OSA to take and use the landfill gas (“LFG”) generated at the Landfill and the parties wish to amend and clarify the OSA in order to enable Casella to do so as provided herein and in the other agreements and instruments referred to herein; and

WHEREAS, Casella, through its subsidiary, NEWSME Landfill Operations, LLC, has entered into the Landfill Gas Rights Agreement for the Juniper Ridge Landfill dated December 29, 2014, as amended by an amendment dated of near or even date herewith (the “LGRA”), with Juniper Ridge Energy, LLC, a Delaware limited liability company doing business at 46280 Dylan Drive, Suite 200, Novi, MI 48377 (“LES”) pursuant to which Casella purported to grant to LES, among other rights, “...the exclusive rights to all LFG collected by NEWSME from the Juniper Ridge Landfill, and any contiguous expansions, and all Environmental Attributes[,]” as the term is defined in the LGRA; and

WHEREAS, Casella has requested the State’s consent to the LES landfill gas to energy project being located at and operating at JRL pursuant to Sections 2.1.4 and 2.2(a) of the OSA; and

WHEREAS, the State is not a party to the LGRA; and

WHEREAS, the State recognizes that the use of recovered LFG is of environmental and economic benefit; and

WHEREAS, LFG will continue to be generated by the Landfill, and will need to be collected and managed, beyond the term of OSA; and

WHEREAS, pursuant to the OSA, Casella is responsible for all closure and post-closure aspects of the Landfill arising during the term of the OSA and for closing those portions of the Landfill that reach final grade; and

WHEREAS, pursuant to the OSA, Casella is responsible for the posting of closure and post-closure bonds; and

WHEREAS, Casella acknowledges that the interests and obligations of the State as owner and co-licensee of the Landfill need to be recognized and addressed with regard to any contract or other arrangement for the location and operation of a LFG utilization project ("LFGTE") at the Landfill pursuant to the LGRA; and

WHEREAS, Casella acknowledges that the interests and obligations of the State as owner and co-licensee of the Landfill need to be recognized and addressed with regard to any subordination or collateral access agreement that may be requested in connection with Casella's financing arrangements; and

WHEREAS, Casella may request that the State consent to certain collateral access rights and the subordination of any State interests in machinery or equipment employed by Casella in the operation of the Landfill and to certain collateral access rights and the subordination of any State interests in machinery or equipment employed by LES in the operation of the LFGTE at the Landfill; and

WHEREAS, the State and Casella desire to amend the OSA to address the rights and obligations of the parties with regard to the location and operation of a LFGTE at the Landfill; and

WHEREAS, the State and Casella desire to amend the OSA to address the rights and obligations of the parties with regard to certain collateral access rights and the subordination of any State interests in machinery or equipment employed by Casella in the operation of the Landfill.

NOW THEREFORE, in consideration of the premises and the mutual covenants and obligations set forth herein, the Parties agree as follows:

1. The State hereby consents to the LGRA, subject to the following terms and conditions, including certain amendments to the LGRA agreed to in writing by both Casella and LES and described below in Sections 1.1 – 1.10:

1.1. Section 1.23 of the LGRA shall be amended by deleting the last sentence and replacing it with the following: “The LFGTE Facility Site shall be at the site identified on Exhibit A attached hereto, or such other location at the Landfill mutually agreed to by NEWSME and LES and consented to in writing by the State, which consent shall not be unreasonably withheld, delayed or conditioned, subject in all cases to the receipt of all necessary permits, licenses and approvals, including but not limited to a minor revision of the JRL landfill license, an air license and site plan approval by the City of Old Town. No such change of location may occur without the agreement of NEWSME and LES and the written consent of the State.”

1.2. Section 1.25 of the LGRA shall be deleted and replaced with the following: “License shall mean that license to be issued by the State, which will provide for construction of the LFGTE Facility at the Landfill by LES, its contractors or agents and grants access over and across the Landfill for the operation, service and maintenance by LES of the LFGTE Facility for the Term of the OSA, or as may be otherwise agreed to in writing by NEWSME, LES and the State”.

1.3. Casella agrees to notify the State of any adverse regulatory action relating to LES’s compliance with applicable permits, rules and regulations, including but not limited to air emissions, noise levels related to or associated with the operation and maintenance of the LFGTE Facility and/or the OSA, all as more specifically addressed in Section 4.4 of the LGRA.

1.4. Section 7 of the LGRA shall be deleted and replaced with the following:

“(a) NEWSME acknowledges that LES may, at its sole option, secure financing for some or all of the machinery or equipment owned by LES and that LES requires to perform under this Agreement and hereby consents to any encumbrance or lien on such machinery or equipment that make up the LFGTE Facility listed on Exhibit B hereto (together with any replacements thereof or additions thereto) (the “LES Equipment”) and hereby consents to a collateral assignment by LES of the LES Equipment and its rights under this Agreement as required from time to time by any such financing.

“(b) LES acknowledges that NEWSME may, at its sole option, secure financing for some or all of the machinery or equipment owned by NEWSME at the Landfill, including the LFG Management System and the Cameron H2S System. LES hereby consents to any encumbrance or lien thereon and hereby consents to a collateral assignment by NEWSME of its assets and its rights under this Agreement as required from time to time by any such financing.”

1.5. Section 9.1 of the LGRA shall be amended to extend to the State (a) LES’s indemnity obligations for any and all suits, actions, liabilities, legal proceedings, claims, demands, losses, costs and expenses arising from LES’s negligence or willful misconduct in connection with LES’s performance under the LGRA; and (b) LES’s indemnity obligations arising from LES’s violation of any law, regulation, code, judgment, order, permit, license or governmental approval, including but not limited to a violation of the OSA and/or the permit regarding the ownership, operation and maintenance of the Landfill.

1.6. Section 9.2 of the LGRA shall be amended to extend to the State (a) Casella’s indemnity obligations for any and all suits, actions, liabilities, legal proceedings, claims, demands, losses, costs and expenses arising from Casella’s negligence or willful misconduct in connection with Casella’s performance under the LGRA; and (b) Casella’s indemnity obligations arising from Casella’s violation of any law, regulation, code, judgment, order, permit, license or governmental approval, including but not limited to a violation of the OSA and/or the permit regarding the ownership, operation and maintenance of the Landfill.

1.7. Section 11.1 of the LGRA shall be amended to require Casella and LES to name the State as an additional insured with respect to general liability and automobile coverages. In the event LES and Casella purchase additional insurance, the State shall be named as an additional insured.

1.8. Section 12 of the LGRA shall be amended by adding a new sentence at the end of subsection 12.2 to read: “Notwithstanding the foregoing or the provisions of Section 12.1, any capital improvements to or at the Landfill, including without limitation any capital improvements made by LES, shall be and remain the property of the State without any compensation to

Casella or LES. The parties agree and acknowledge that the LES Equipment does not constitute capital improvements.”

1.9. Section 14 of the LGRA shall be amended by deleting the last sentence of subsection 14.3 and replacing it with the following: “In the event of a default which results in termination by LES, LES may remove, without the consent of the State, the LES Equipment, but may not remove any capital improvements made by LES, which capital improvements shall be and remain the property of the State without any compensation to Casella or LES. \ Notwithstanding the foregoing, LES shall notify Casella and the State prior to the removal of the LES Equipment. Such removal shall be conducted in a manner reasonably acceptable to Casella and the State and undertaken in a manner that does not unreasonably interfere with the operation of the Landfill.”

1.10 Section 16 of the LGRA shall be amended by adding the words “(except in connection with a collateral assignment to third parties in connection with secured financing)” after the words “provided that” in the two instances where it occurs in the second sentence of Section 16.

1.11. Notwithstanding any provision to the contrary in the LGRA, concurrently with the execution of the Agreement and the effectiveness of the amendment to the LGRA contemplated hereby, the State will enter into a license agreement with LES (the “LES License”), upon terms acceptable to Casella and LES, to permit the construction of the LFGTE Facility at the Landfill by LES or its agents and to grant access over and across the Landfill for the operation, service and maintenance by LES of the LFGTE Facility for the Term of the OSA and thereafter for so long as Casella continues to provide closure and post-closure services at the Landfill. The LES License shall contain provisions reflecting the provisions of this Third Amendment relating to the LES Equipment, including without limitation those confirming that such LES Equipment does not constitute capital improvements for purposes of the OSA.

1.12. Casella shall promptly notify the State of any material operating or regulatory compliance deficiencies relating to the LFGTE Facility and applicable permits, rules and regulations, including but not limited to air emissions, noise levels related to or associated with the operation and maintenance of the LFGTE Facility and/or relating to the OSA, of which

Casella becomes aware, including those coming to Casella's attention pursuant to Section 4.4 of the LGRA. Casella agrees to promptly notify LES of the receipt by Casella of any notice of breach by Casella under the OSA given by the State, and to keep LES promptly informed of any further material actions or proceedings taken or initiated by the State in connection therewith.

2. The OSA is amended by amending Section 2.1.4 to read in its entirety as follows:

"During the Term of the OSA and coterminous with the fulfillment, termination or discharge of Casella's closure and post closure obligations and its rights and obligations under this Agreement with respect to the Landfill, the right to take and use any landfill gas at the Landfill, all in accordance with applicable laws and regulations."

3. The OSA is amended by adding a new subsection 2.1.5 to read as follows:

"2.1.5. The State grants to Casella the right of access over and across the Landfill, upon terms and conditions agreed to by the Parties in writing, to meet Casella's closure and post-closure obligations with respect to the Landfill. The term of the right of access granted in this subsection 2.1.5 shall be coterminous with the fulfillment, termination or discharge of Casella's closure and post-closure obligations and its rights and obligations under this Agreement with respect to the operation of the Landfill."

4. The OSA is amended by adding a new subsection 2.1.6 to read as follows:

"2.1.6. The State grants to Casella the right of access over and across the Landfill, upon terms and conditions agreed to by the Parties in writing, to operate, service and maintain the LFG Management System, as that term is defined in the LGRA. The State agrees and acknowledges that, notwithstanding any other provision to the contrary in this Agreement, the assets listed on Exhibit C hereto, whether or not included in the LFG Management System, together with any replacements thereof and any additions thereto, do not constitute fixed capital improvements, buildings, fixtures or other improvements for purposes of this Agreement. The term of the right of access granted in this subsection 2.1.6 shall be coterminous with the rights granted to Casella pursuant to Section 2.1.5 of this Agreement."

5. Section 10.1 of the OSA is amended by deleting from the last sentence thereof the word “exclusive” and replacing it with the word “non-exclusive”.

6. The OSA is amended by adding a new sentence at the end of Section 13.5 to read as follows:

“Casella’s responsibility for closure and post-closure of the Landfill, including without limitation the posting of closing and post-closing bonds, shall survive termination of the OSA.”

7. The OSA is amended by adding a new subsection 15.1 (d)(vi) to read as follows:

“15.1 (d)(vi) if Casella seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against Casella and not dismissed within 60 days thereafter; or”

8. The OSA is amended by adding a new subsection 15.1(d) (vii) to read as follows:

“15.1 (d) (vii) if the State has received a written notice from Casella’s senior lender that the obligations under Casella’s senior secured credit facility (in excess of \$15 million) have been accelerated prior to its stated maturity and that such senior lender intends to assert its rights under a written collateral access agreement with the State and to foreclose upon or otherwise dispose of Casella’s or its subsidiaries’ assets that are located on the Landfill, and such notice is not withdrawn or rescinded within ninety (90) days; or”

9. The OSA is amended by adding a new subsection 15.1 (d) (viii) to read as follows:

“15.1 (d)(viii) if Casella defaults in its obligation in Section 7 hereof to be responsible for all costs and expenses related to Landfill regulatory compliance, including but not limited to Casella’s obligation to provide financial assurance for conducting post-closure care and maintenance of the Landfill for at least 30 years after closure of the facility.”

10. The OSA is amended by adding a new subsection 15.2 (e) to read as follows:

“15.2 (e) Upon request of the State at or following termination of this Agreement (other than upon expiration of the term of this Agreement or a termination arising from the breach hereof by the State), subject to the rights of Casella’s senior lenders, Casella shall assign to the State all its interests in the LGRA upon terms and conditions agreed to by the parties.”

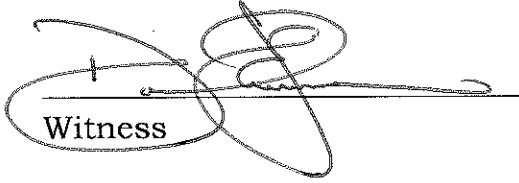
11. The OSA is amended by adding the following text at the end of Section 24.1 thereof:

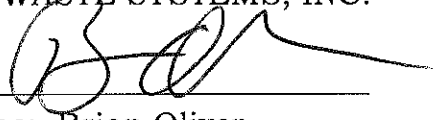
“The State agrees that, upon the request of Casella from time to time, the State will execute and deliver subordination and collateral access agreements in favor of Casella’s senior secured lenders, in form and substance reasonably acceptable to the State. The parties agree that a subordination and collateral access agreement substantially in the form attached hereto as Exhibit D is deemed reasonably acceptable to the State.”

12. Except as provided in this Third Amendment, the OSA shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to Operating Services Agreement to be executed and delivered by their duly authorized representatives as of the day and year first above written.

CASELLA WASTE SYSTEMS, INC.

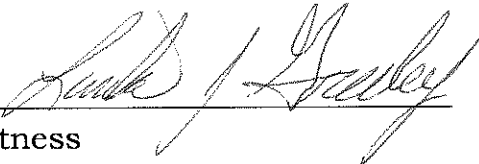

Witness

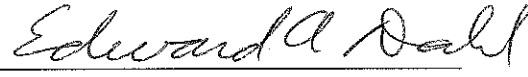
By: 

Name: Brian Oliver

Title: Vice President

STATE OF MAINE, Department of
Administrative and Financial Services,
Bureau of General Services


Witness

By: 

Name: Edward A. Dahl

Title: Director

EXHIBIT A

(See Attached)

EXHIBIT B

Initial LES Equipment

Processing equipment will include the following equipment (together with any replacements thereof and additions thereto):

- Gas Compression
- Gas Treatment components
- Engine-Generators and associated ancillary equipment
- Generation Switchgear
- Generation substation equipment
- Controls and Motor Control Centers associated with above equipment
- Plant office equipment, spare parts inventory

[NOTE: Equipment is on order; serial number, etc., not yet available]

EXHIBIT CCasella/NEWSME Equipment
(non-Capital Improvements)

Asset #	Description	Unit Number	Serial Number
11029	Pickup, 2000 Chevrolet	6252	2GCEK19V7Y1103176
11575	Ford Ranger Pickup, 2000	6355	1FTYR14U0XTB02797
16473	Trailer, 1987 Fruehauf	70831	1H2V04825HH060718
25713	Trailer 8X20 Hydraulicdeckover	71034	434DC25237C062321
2348	Bulldozer, Cat 91 D4H	9923	4664
6224	Auto, Chevy 97 Tahoe	1100	1GNEK13ROVJ378943
10161	Wheel Loader, Cat 966F li	9127	1SL02282
12908	Pickup, Chevrolet 1500 1997	6367	1GCEC14W9VZ152430
13029	Dump Truck 97 Intl Tri Axle	6369	1HTGLAET1VH481550
15969	Svc Truck, Ford 97 F450 4X2	6404	3FELF47F6VMA68019
21445	Plow Truck, 1987 Ford L8000	6517	QFDYK8OU7HVA67526
25566	Fuel Truck	9930	1FV6HFBB1SL653608
25569	Fuel Truck	9928	JW6HCFIB4JK000246
27648	Truck, 2008 Ford F350 Pickup	6719	1FTWF31548ED41761
28276	Truck, 2009 Toyota Tundra	6737	5TFBT541X9X015142
30320	Jd 400 Articulating Dump Truck	9855	DW400DT604831
30958	2008 Ford F250	6659	1FTSW215X8EC69134
32545	2007 International 4300	6807	1HTMMAAN67H422908
32789	2006 Toyota Corolla	1527	2TIBR32E36C692844
21444	H2S Analyzer		2249
22202	Gas Pod For Analyzer		
22203	Sander		4685
22846	Jerome H2S Analyzer Model631-X		2312
23130	Honda Pressure Washer On Trlr		4K1PT4C155K000439
24069	Isuzu Diesel Generator 120/240		
24985	Pressure Washer		
24986	Compressor		
24987	Welder-Power Mig 350Mp Package		V1061107395
24988	Welder 225A Dc Welder		LG078260

Asset #	Description	Unit Number	Serial Number
24989	Plasma Cutter		3821963
25142	Shop Tools		
25143	5Hp Light Duty Compressor		6004096
25144	2Hp 24Gal Compressor Irss3R2Gm		
25452	Chain Hoist-5 Ton Electric		
26331	Portable Litter Fence		
26686	Fisher Plow-Extreme V Plow		
30673	Hydraulic Jack		
30674	10' Swanson Sander		
34160	2007 Jd 850J Dozer	9901*	T0850JX128632
34827	Sulfa Treat System		
904764	Forklift-1998 Cat Gp25Lphp	9699	5AM92524
4442	Skid Steer, Bobcat 96 763	9025	512220170
6351	Articulated Truck, Dumptruck	9013	5TN00433
11003	All Terrain Vehicle, 95 Polaris	9212	2587809
12880	Wheel Loader, Cat 01 966G	9469	35W735
13821	Articulated Truck, Cat 95 D250	9013A	
14304	Grapple Bondine 3/2 Tines		
15449	Gas Blower		
16650	Welder On Service Truck #6404		
18069	D6R 1997 Caterpillar Dozer	9654	9PN00663
23680	Excavator, John Deere 270	9846	FF270CX702558
24008	Loader, John Deere 744	9854	DW744JX586551
24009	Crawler Dozer John Deere 850J	9837	T0850JX123883
24071	Trailer Mounted Dav System		
24670	Trimble Gcs900V10 Dual Ms980		T716/T605
24992	Emergency Response Trailer	71033	
25120	966 Bucket 5.25Cy	9469*	
25145	Confined Space Trailer	71035	4U01C10176A029589
27067	80' Portable Spray Unit Trlr		
27793	Jack		
27966	2000 Cat 826G Compactor	9926	7LN552
27987	Somatex Bridge Crane		
27988	Gps System Trimble Sn B900		
28385	Pro Heat Unit X3		
28480	Gideon Air Cleaner		
29668	2007 Fusion Machine		
30288	Bench Press		
30338	Radio Control System For Crane		

Asset #	Description	Unit Number	Serial Number
30367	Track Loader Cat 299C		JSP01105
30666	John Deere 850J Crawler Dozer	90131	1T0850JXJA0190710
30715	Plow/Forks For Track Loader		
30716	Gps System For Jd850	90131*	
30934	Winter Tracks For Skidsteer		
30935	Gps Upgrade	90131**	
31705	2001 Johnston J4000 Sp St Swee	90165	1J9VM4H351C172058
31706	Receiver Board Assembly	90131***	
32069	Skidsteer Attachments		
34942	Gps Receiver Antennas	90131*****	
35554	Sulfa Treat Can X4		
36875	Thiopaq		
36743	Gps Upgrade Trimble		
8335	20Yd, Ro Open Top		
19922	Router, Wan Interface Card		S32396059
22681	Kronos Time Clock		
30339	Tables/Chairs-Conference Room		
	Gem Landfill Gas Monitor		
	Scale System		
29835	Block Heater		

EXHIBIT D

EXECUTION VERSION

AGREEMENT

This AGREEMENT ("Agreement") is made and entered into as of this 20th day of August, 2015, by and among the State of Maine, acting by and through its Department of Administrative and Financial Services, Bureau of General Services ("Owner"), Casella Waste Systems, Inc., a Delaware corporation ("Operator"), and BANK OF AMERICA, N.A., as agent ("Agent") for the lenders (collectively, "Lenders") from time to time party to the Loan Agreement described below.

WHEREAS, the Owner and the Operator are party to an operating services agreement (the "Operating Services Agreement") providing for the operation by the Operator of a facility on the Owner's real property commonly known as the solid waste landfill located in Old Town, Maine ("Owner's Property"); and

WHEREAS, Owner is informed that Agent and Lenders have previously entered into a Loan and Security Agreement (the "Loan Agreement") and other loan documents with Operator, and certain of its affiliates, and to secure the obligations arising under such Loan Agreement, Operator has granted to Agent, for its own benefit and the ratable benefit of Lenders, a security interest in and lien upon certain personal property, including without limitation, those assets described on Schedule 1 attached hereto, and replacements thereof, that are owned by Operator and located or to be located in and upon said Premises (the property listed on Schedule 1, collectively, the "Collateral"). For the avoidance of doubt, in no event shall the term "Collateral" include any fixed capital improvements to the Owner's Property or any other buildings, fixtures or other improvements.

NOW, THEREFORE, in consideration of One Dollars (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Acknowledgement.** Owner acknowledges that (a) the Operating Services Agreement is in full force and effect, and (b) to Owner's knowledge, without investigation or inquiry, Operator is not in default under the Operating Services Agreement.
2. **Subordination of Owner's Lien.** Owner agrees that until such time as the obligations of Operator to Agent and Lenders are indefeasibly paid in full and all commitments to lend thereunder have terminated, Owner subordinates any interest of Owner in the Collateral to the interests of the Agent and the Lenders, and agrees not to distraint or levy upon any Collateral or assert any lien, right of distraint or other claim against the Collateral for any reason.
3. **Notices.**
 - (a) Agent will use reasonable efforts to notify Owner in the event Operator is in monetary default under the Loan Agreement and when Operator has paid in full and all commitments to lend have been terminated provided, however, Agent shall have no liability to Owner for failing to so notify Owner.
 - (b) Owner will use reasonable efforts to provide Agent (at the same time Owner sends such a notice to Operator) with (i) written notice of the termination of the Operating

Services Agreement as a result of any default or failure to perform by Operator under the Operating Services Agreement (a "Termination Notice"), and (ii) any other notice given by the Owner to the Operator of a default or failure to perform a material obligation under the Operating Services Agreement; provided, however, Owner shall have no liability to Agent for failing to provide any such notice to Agent. Operator shall provide Agent with a copy of any Termination Notice or any other notice given by the Owner to the Operator of a default or failure to perform a material obligation under the Operating Services Agreement within two (2) business days of receipt.

(c) All notices required hereunder to be given shall be in writing, sent by certified mail, return receipt requested, or overnight delivery by a reputable overnight courier, to the respective parties at the addresses set forth below, or at such other addresses as the receiving party shall designate in writing:

Owner: State of Maine

Department Administrative & Financial Services
Bureau of General Services
77 State House Station
Augusta, ME 04333-0077
Attention: Director of Bureau of General Services

Operator: Casella Waste Systems, Inc.

25 Greens Hill Lane
Rutland, VT 05701
Attn: Office of General Counsel

Agent: Bank of America, N.A.
225 Franklin Street
MA1 225 02 05
Boston, MA 02110
Attention: Jolanta Bialek

4. Agreements.

(a) Agent may, after the occurrence of an event of default and acceleration of the obligations under the Loan Agreement, give notice (a "Disposition Period Notice") to the Owner and the Operator of the Agent's election to commence a Disposition Period. The "Disposition Period" shall commence on the earlier to occur of (i) the effective date of the termination of the Operating Services Agreement designated by the Owner in a Termination Notice that has been delivered by the Owner to Agent (or if later, 90 days after the date of notice given by the Owner to the Operator (a copy of which has been delivered to the Agent before the effective date of a termination under the Termination Notice) of a default or failure to perform a material obligation under the Operating Services Agreement which default or failure to perform has not been cured and has resulted in the termination specified in the Termination Notice), or (ii) the 90th day following receipt by Owner of a Disposition Period Notice (such time, a "Disposition Period

Commencement Date") and shall end on the Disposition Period End Date. The "Disposition Period End Date" shall be the earlier of (i) 90 days following the Disposition Period Commencement Date and (ii) the date on which the Collateral has been removed from the Premises. Notwithstanding the foregoing, with respect to the Delayed Removal Collateral (defined below), the Disposition Period Commencement Date may be postponed for a period of up to 275 days in a written election of the Owner, if the Owner in its reasonable discretion determines that it is necessary to maintain such Delayed Removal Collateral for an additional period of time to ensure that there is no interruption in the operation and maintenance of the landfill operated at the Owner's Property. The "Delayed Removal Collateral" means the Collateral identified on Schedule 2.

(b) During any Disposition Period, upon at least 48 hours notice, Agent and its representatives may enter into and be present upon the Premises and inspect, repossess, and/or remove the Collateral, and Agent may conduct private sales of the Collateral at the Premises. If Agent conducts a private sale of the Collateral at the Premises, Agent shall notify Owner prior to such sale. Such sale shall be conducted in a manner reasonably acceptable to Owner and undertaken in a manner that does not unreasonably interfere with the operation of the landfill. The Agent will provide information reasonably requested by the Owner regarding the disposition of the Collateral during the Disposition Period.

(c) Agent shall promptly repair, at Agent's expense, or, at Owner's request, immediately reimburse Owner for any physical damage to the Premises caused by the conduct of such private sale and any removal of Collateral by or through Agent (ordinary wear and tear excluded). Subject to the foregoing, neither Agent nor any Lender shall be liable for any diminution in value of the Premises caused by the absence of Collateral removed, and neither Agent nor any Lender shall have any duty or obligation to remove or dispose of any Collateral or any other property left on the Premises by Operator.

(d) After the Owner's receipt of a Disposition Period Notice, Owner may enter into and be present upon the Premises and inspect (or cause to be inspected) the Collateral.

(e) After the Owner's receipt of a Disposition Period Notice and until the Disposition Period End Date, if the Operating Services Agreement has been terminated, or if the Owner has given Casella a notice of Casella's default or failure to perform under the Operating Services Agreement, and such default or failure to perform has not been cured, Owner may use and/or operate (or cause to be used or operated) any Collateral on the Premises as Owner deems necessary in its reasonable discretion, subject to the rights of the Agent under Section 4(b) hereof during a Disposition Period.

(f) No action by Agent or any Lender pursuant to this Agreement shall be deemed to be an assumption by Agent or such Lender of any obligation under the Operating Agreement and/or an assignment of the Operating Agreement to Agent or Lender.

5. Miscellaneous.

Section headings are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Agreement. Operator hereby agrees that Owner shall

have no duty or obligation to inquire into the accuracy or validity of any default by Operator with respect to the security agreements, and Operator hereby agrees that nothing contained in this Agreement nor Owner's acts or failures to act in connection herewith shall be deemed a default by Owner under the Operating Services Agreement, and Operator hereby waives all claims of whatever nature or kind Operator may have against Owner in connection with this Agreement and/or Owner's acts or failures to act in connection with herewith. This Agreement shall be governed by and construed in accordance with the laws of the State of Maine. It is specifically understood and agreed that this Agreement shall not be binding in any manner upon any present or future mortgagee of the aforesaid real estate. This Agreement may be executed in any number of several counterparts and shall inure to the benefit of Agent and its successors and assigns provided Owner receives written notice of such transfer and/or assignment and shall be binding upon Owner and its successors and assigns (including any transferees of the Premises). Owner agrees and consents to the filing of this document for recording in the land records of the county in which the Premises is located provided Owner incurs no additional cost in connection therewith.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Owner: State of Maine, Dept of Administrative and Financial Services
By: R. W. Rosen
Name: Richard W. Rosen
Title: Commissioner

Agent: Bank of America, N.A., as Agent
By: _____
Name: _____
Title: _____

Operator: _____
By: _____
Name: _____
Title: _____

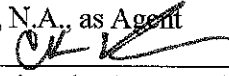
[Corporate Seal]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Owner:

By: _____
Name: _____
Title: _____

Agent:

Bank of America, N.A., as Agent
By:  _____
Name: Christopher M. O'Halloran
Title: Senior Vice President

Operator:

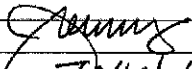
By: _____
Name: _____
Title: _____

[Corporate Seal]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Owner: _____
By: _____
Name: _____
Title: _____

Agent: Bank of America, N.A., as Agent
By: _____
Name: _____
Title: _____

Operator: _____
By:  _____
Name: JOHN W. CASELLA
Title: Chairman & CEO

[Corporate Seal]

SCHEDULE 1

Asset #	Description	Unit Number	Serial Number
11029	Pickup, 2000 Chevrolet	6252	2GCEK19V7Y1103176
11575	Ford Ranger Pickup, 2000	6355	1FTYR14U0XTB02797
16473	Trailer, 1987 Fruehauf	70831	1H2V04825HH060718
25713	Trailer 8x20 HydraulicDeckover	71034	434DC25237C062321
2348	Bulldozer, Cat 91 D4H	9923	4664
6224	Auto, Chevy 97 Tahoe	1100	1GNEK13ROVJ378943
10161	Wheel Loader, Cat 966F II	9127	1SL02282
12908	PICKUP, CHEVROLET 1500 1997	6367	1GCEC14W9VZ152430
13029	DUMP TRUCK 97 INTL TRI AXLE	6369	1HTGLAET1VH481550
15969	Svc Truck, Ford 97 F450 4x2	6404	3FELF47F6VMA68019
21445	Plow Truck, 1987 Ford L8000	6517	QFDYK8OU7HVA67526
25566	Fuel Truck	9930	1FV6HFBB1SL653608
25569	Fuel Truck	9928	JW6HCFIB4JK000246
27648	Truck, 2008 Ford F350 Pickup	6719	1FTWF31548ED41761
28276	Truck, 2009 Toyota Tundra	6737	5TFBT541X9X015142
30320	JD 400 Articulating Dump Truck	9855	DW400DT604831
30958	2008 Ford F250	6659	1FTSW215X8EC69134
32545	2007 International 4300	6807	1HTMMAAN67H422908
32789	2006 Toyota Corolla	1527	2TIBR32E36C692844
21444	H2S Analyzer		2249
22202	Gas Pod for Analyzer		

22203	Sander		4685
22846	Jerome H2S Analyzer Model631-X		2312
23130	Honda Pressure Washer on trlr		4K1PT4C155K000439
24069	Isuzu Diesel Generator 120/240		
24985	Pressure Washer		
24986	Compressor		
24987	Welder-Power MIG 350MP package		V1061107395
24988	Welder 225A DC Welder		LG078260
24989	Plasma Cutter		3821963
25142	Shop Tools		
25143	5HP Light Duty Compressor		6004096
25144	2HP 24Gal Compressor IRSS3R2GM		
25452	Chain Hoist-5 ton Electric		
26331	Portable Litter Fence		
26686	Fisher plow-Extreme V plow		
30673	Hydraulic Jack		
30674	10' Swanson Sander		
34160	2007 JD 850J Dozer	9901*	T0850JX128632
34827	Sulfa Treat System		
904764	Forklift-1998 Cat GP25LPHP	9699	5AM92524
4442	Skid Steer, Bobcat 96 763	9025	512220170
6351	Articulated Truck, Dump Truck	9013	5TN00433
11003	All Terrain Vehicle, 95 Polaris	9212	2587809

12880	Wheel Loader, Cat 01 966G	9469	35W735
13821	Articulated Truck, CAT 95 D250	9013A	
14304	Grapple Bondine 3/2 Tines		
15449	Gas Blower		
16650	Welder on Service Truck #6404		
18069	D6R 1997 Caterpillar Dozer	9654	9PN00663
23680	Excavator, John Deere 270	9846	FF270CX702558
24008	Loader, John Deere 744	9854	DW744JX586551
24009	Crawler Dozer John Deere 850J	9837	T0850JX123883
24071	Trailer Mounted DAV System		
24670	Trimble GCS900v10 Dual MS980		T716/T605
24992	Emergency Response Trailer	71033	
25120	966 Bucket 5.25CY	9469*	
25145	Confined Space Trailer	71035	4U01C10176A029589
27067	80' Portable Spray Unit Trlr		
27793	Jack		
27966	2000 Cat 826G Compactor	9926	7LN552
27987	Somatex Bridge Crane		
27988	GPS System Trimble SN B900		
28385	Pro Heat Unit x3		
28480	Gideon Air Cleaner		
29668	2007 Fusion Machine		
30288	Bench Press		

30338	Radio Control System for Crane		
30367	Track Loader Cat 299c		JSP01105
30666	John Deere 850J Crawler Dozer	90131	1T0850JXJA0190710
30715	Plow/Forks for Track Loader		
30716	GPS System for JD850	90131*	
30934	Winter Tracks for Skidsteer		
30935	GPS Upgrade	90131**	
31705	2001 Johnston J4000 SP ST Swee	90165	1J9VM4H351C172058
31706	Receiver Board Assembly	90131***	
32069	Skidsteer Attachments		
34942	GPS Receiver Antennas	90131*****	
35554	Sulfa Treat Can x4		
36875	Thiopaq		
36743	GPS Upgrade Trimble		
8335	20YD, RO OPEN TOP		
19922	Router, WAN Interface card		S32396059
22681	Kronos Time Clock		
30339	Tables/Chairs-Conference Room		
	GEM Landfill Gas Monitor		
	Scale System		
29835	Block Heater		

SCHEDULE 2

34827 Sulfa Treat System
15449 Gas Blower
35554 Sulfa Treat Can x4