

**FIRST AMENDMENT TO
THE TOWN OF SENECA HOST AGREEMENT**

THIS FIRST AMENDMENT to the Town of Seneca Host Agreement (the "Amendment") is made and entered into this 16 ^{21st October 2008} day of November, 2007 (the "Amendment Effective Date"), by and between the TOWN OF SENECA, a political subdivision organized and existing under the laws of the State of New York (the "Town") and CASELLA WASTE SERVICES OF ONTARIO, LLC ("Casella of Ontario") a New York limited liability corporation having its principal place of business at 803 Cascadilla Street, Ithaca, New York, and the successor-in-interest of NEW ENGLAND WASTE SERVICES OF N.Y., INC. ("NEWSNY"); and CASELLA WASTE SYSTEMS, INC., a Delaware corporation having its principal place of business located at 25 Greens Hill Lane, Rutland, Vermont ("Casella").

WHEREAS, on or about November 25, 2003, NEWSNY, Casella, and Ontario County (the "County") entered into an Operation, Management and Lease Agreement whereby NEWSNY took over operation of the Ontario County Landfill (the "OMLA");

WHEREAS on or about December 8, 2003, NEWSNY, Casella and the Town entered into a Host Agreement providing for certain payments and benefits to the Town;

WHEREAS, on or about January 13, 2004, in conjunction with the privatization of the Ontario County Landfill, the Town, NEWSNY and Casella entered into a Host Agreement that contained certain agreements relating to the Town Convenience Station;

WHEREAS, on or about June 30, 2004 NEWSNY, upon notice to the Town, assigned all rights and obligations under the OMLA and the Host Agreement to Casella of Ontario;

WHEREAS, section 10(b) of the Host Agreement provides that NEWSNY has the option of relocating the Town Convenience Station as defined therein;

WHEREAS, NEWSNY and the Town have agreed that it is in the best interests of NEWSNY and the Town to not relocate the Town Convenience Station, but to have NEWSNY take over operation of the Town Convenience Station, and for the parties to amend the Host Agreement in accordance therewith;

WHEREAS, Casella of Ontario's operation of the Ontario County Landfill, flares excess methane gas. Casella of Ontario and the Town agree to use their collective best efforts to reduce this practice as soon as is reasonably practicable, and further agree that within six (6) months of the Town's approval of this Agreement, Casella of Ontario shall present to the Town a plan for the excess gas being generated by the Ontario County Landfill; with the goal of implementing such plan within twelve (12) to twenty-four (24) months of the Town's approval of this Agreement. In the event that said Plan is not acceptable to the Town of Seneca, then the Town of Seneca and Casella Waste agree to submit the question of what is an acceptable plan to the judgment of an impartial third party with knowledge and expertise of these questions.

WHEREAS, all parties to the Host Agreement agree that since circumstances have changed since the original agreements were executed, it is in the best interest of all parties and

the people of the Town of Seneca that the Host Agreement should be amended to take into consideration such circumstances;

NOW, THEREFORE, in consideration of these promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, agree as follows:

1. The parties acknowledge that a 49.9% permit modification has been applied for, which, if issued, will result in additional tonnage permitted, and therefore, additional payments to the Town. The parties agree and acknowledge, therefore, that:

(a) The current permit limit is 2,000 tons per day with annual limits of 612,000 tons per year on 306 working days.

(b) If the 49.9% permit modification is granted, the permit will allow for the disposal of 2,999 tons per day with annual limits of 917,694 tons per year on 306 working days.

2. Upon issuance of the 49.9% permit modification in final form, where such issuance is unappealable or any appeals taken have been resolved in favor of the applicant, Casella of Ontario shall pay to the Town of Seneca the total amount of One Million Dollars to be paid in yearly amounts as billed by the Town not to exceed Two Hundred Thousand Dollars in any one year to support the construction of approximately 36 miles of water lines in the Town. The Water Line Project is estimated to take a period of five-seven years to complete. Casella of Ontario shall not be obligated under any circumstances to pay more than Two Hundred Thousand Dollars per year for this project.

3. Section 29 of the Host Agreement is deleted in its entirety and replaced with the following:

“29. CONDITIONS FOR RENEGOTIATION OF HOST BENEFITS. This Agreement has been prepared based upon a Landfill located on property currently owned by the County of Ontario, with a capacity of 2,999 tons per day of Acceptable Waste, excluding BUD Material, for a Term of 25 years. In the event that NEWSNY increases the daily tonnage rate to more than 2,999 tons per day of Acceptable Waste, excluding BUD Material, or proposes a landfill design with capacity to allow the Landfill to operate for a term substantially longer than 25 years, the Town may elect to renegotiate the Host Fees as described herein. Both parties will renegotiate in good faith.”

4. As of the Amendment Effective Date, the Town hereby grants Casella of Ontario an exclusive lease, franchise, license, right and privilege to operate, use and manage the Town Convenience Station, and to take all actions appurtenant thereto, continuing for the Term as governed by the provisions of the Host Agreement, including, without limitation: the exclusive use of any local, state or federal Permits authorizing the construction or operation of the Town Convenience Station, which shall remain in the Town's name; and the right to accept or reject waste at the Town Convenience Station at Casella of Ontario's sole discretion.

5. Section 10(b) of the Host Agreement is deleted in its entirety and replaced with the following:

“(b) Operation of Town Convenience Station: At no cost to the Town, NEWSNY shall provide residents of the Town with free disposal of Acceptable Waste and Recyclable Materials at the Town Convenience Station and free transportation of such Acceptable Waste to the Facilities, subject to the following:

(i) NEWSNY shall use commercially reasonable efforts to obtain and maintain all Permits relating to the construction and operation of the Town Convenience Station. NEWSNY shall obtain all new and renewal Permits in the Town’s name. The Town shall, as permitted by law, vest in NEWSNY all operational authority under the Permits held by the Town. The Town shall cooperate with NEWSNY in obtaining and maintaining compliance with all Permits during the Term. The parties agree to use good faith and due diligence in obtaining Permits and any renewals, modifications and amendments thereto.

(ii) NEWSNY shall be responsible for the performance of all day-to-day operations of the Town Convenience Station. NEWSNY shall be responsible for providing and maintaining all necessary services, facilities for the receiving and handling of Acceptable Waste and Recyclable Materials to be disposed of or handled at the Town Convenience Station. Such responsibilities shall include without limitation (A) employing all necessary personnel to operate the Town Convenience Station and (B) providing all services incidental to the business of operating the Town Convenience Station (including security, accounting, legal, fire prevention and pollution control).

(iii) NEWSNY shall have full physical and managerial control of all lands and buildings comprising the Town Convenience Station, subject only to the express limitations of the Host Agreement. NEWSNY shall accept only Acceptable Waste at the Town Convenience Station. NEWSNY shall reject Excluded Waste delivered to the Town Convenience Station, which provision shall not limit NEWSNY’s right of recourse against the transporter or generator of the Excluded Waste. NEWSNY shall have the right to detain and inspect the contents of all vehicles which are delivering waste to the Town Convenience Station to ensure that Excluded Waste is not being delivered. NEWSNY shall have the right to refuse or reject such Excluded Waste in its sole discretion or, if not detected prior to entering the Town Convenience Station, and NEWSNY can identify the resident who delivered the Excluded Waste, NEWSNY shall have the right, at its sole discretion, to (A) remove the Excluded Waste at the resident’s expense and (B) ensure its proper disposal at the resident’s expense. NEWSNY shall have the right to prevent the use of the Town Convenience Station by such resident until such time as the expenses for (A) and (B) above are paid. NEWSNY shall

have the right to ban any and all residents who deliver or attempt to deliver Excluded Waste to the Town Convenience Station.

(iv) NEWSNY will operate the Town Convenience Station in compliance with all applicable laws and regulations of Governmental Authorities and all Permits. NEWSNY will provide the Town with annual tonnage reports.

(v) NEWSNY shall have the right to operate the Town Convenience Station at hours of its choosing from 7:00 A.M. to 6:00 P.M. Monday and Wednesday; from 7:00 A.M. to 3:00 P.M. Saturday.

(vi) NEWSNY shall have the right to erect one or more storage sheds or similar structures at the Town Convenience Station.

(vii) Any and all revenue and income generated by or at the Town Convenience Station shall be collected by NEWSNY and shall be the property of NEWSNY.

(viii) The Town shall indemnify, hold harmless and release NEWSNY and NEWSNY's successors and assigns from any and all claims, costs, damages, expenses, judgments, liabilities, suits, causes of action, demands, losses, bodily harm, personal injury, death, property damage, obligations, environmental liens, fees, charges, fines and penalties, of any nature or kind whatsoever, whether direct or indirect, express or implied, known or unknown, contingent or otherwise, including without limitation consequential damages and legal costs and expenses (including the costs of enforcement of the indemnities provided herein) ("Losses") arising from (A) the presence at the Town Convenience Station as of the date of this amendment of any hazardous, toxic or radioactive substance, as defined by any federal, state or local law, statute, ordinance, rule, regulation or guidance document; (B) the presence at the Town Convenience Station after the date of this amendment of any hazardous substance that has migrated to the Property from any real property adjacent to the Town Convenience Station now, previously or later owned, leased by or used by the Town; and (C) the Town's violation of any federal, state or local environmental laws during the time of the Town's operation of the Town Convenience Station.

(ix) NEWSNY shall indemnify, hold harmless and release the Town and its successors and assigns from any and all Losses arising from NEWSNY's operation of the Town Convenience Station and NEWSNY's violation of any federal, state or local environmental laws during NEWSNY's operation of the Town Convenience Station, provided, however, that (A) NEWSNY shall have no liability for indemnifying the Town for Losses arising during the operation of the Town Convenience Station by the Town or any party not affiliated with NEWSNY; and (B)

this indemnity shall not survive the expiration or earlier termination of the Host Agreement.”

6. Casella of Ontario also agrees to cooperate with the Town to obtain landfill gas from the Landfill for use by the Town at its offices and buildings.

7. All references in this Amendment to future obligations of NEWSNY shall be understood to mean future obligations of Casella of Ontario only, and shall not be understood to be joint obligations. The guarantee obligations of Casella Waste Systems, Inc. under Section 11 of the Host Agreement are not altered or expanded by this Amendment.

8. Capitalized terms used herein which are not otherwise defined herein shall have the meanings as defined in the Host Agreement.

9. As amended by this Amendment, the Host Agreement continues in full force and effect.

IN WITNESS WHEREOF, the Town, Casella of Ontario and Casella have caused their respective duly authorized officers to execute this First Amendment to the Host Agreement, effective as of the day and year first written above.

TOWN OF SENECA, NEW YORK

By: 

Name: Donald N Jensen II

Title: Supervisor

CASELLA WASTE SERVICES OF ONTARIO, LLC

By: 

Name: Timothy A. Cretny

Title: Authorized Signatory

CASELLA WASTE SYSTEMS, INC.

By: 

Name: Timothy A. Cretny

Title: Region Vice President