

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

### I. RECITALS

This Settlement Agreement and Mutual Release is made by Southbridge Recycling & Disposal Park, Inc. ("SRDP"), a Massachusetts corporation with a principal place of business at 25 Green Hill Lane, Rutland, VT 05702; Casella Waste Systems, Inc. ("Casella"), a Delaware corporation with a principal place of business at 25 Green Hill Lane, Rutland, VT 05702; and the Town of Southbridge ("Town"), a Massachusetts municipality with its principal office at 41 Elm Street, Southbridge, Massachusetts 01550. Together, SRDP, Casella and the Town are the "Parties."

WHEREAS, SRDP operates the landfill owned by the Town and located on Barefoot Road in the Town of Southbridge ("Landfill") pursuant to a May 29, 2007 Extension of Agreement for the Operation of the Barefoot Road Sanitary Landfill, and Refuse and Recyclables Collection, Southbridge, Massachusetts ("Extension Agreement");

WHEREAS, Casella entered into a June 8, 2008 Guaranty Agreement with the Town guaranteeing SRDP's performance of the Extension Agreement;

WHEREAS, the Extension Agreement contains a provision for SRDP to provide curbside trash collection to Town residents at SRDP's sole cost and expense;

WHEREAS, in 2015 during routine private well sampling in connection with the Landfill, contaminants (including 1,4 dioxane) were detected in certain private wells in Charlton, some of which showed levels above reportable limits in accordance with regulatory guidelines;

WHEREAS, SRDP reported the exceedances to the Massachusetts Department of Environmental Protection ("MassDEP");

WHEREAS, MassDEP required that SRDP (as operator of the Landfill) and the Town (as owner) assess the contamination pursuant to M.G.L. c. 21E and the Massachusetts Contingency Plan, 310 CMR 40.0000;

WHEREAS, on or about April 26, 2017, SRDP, Casella, the Town, the Town of Charlton, and MassDEP entered into an Administrative Consent Order ("Waterline ACO") to address the well contamination;

WHEREAS, on or about May 1, 2017, the parties entered into the 21E Claims Settlement and Water System Construction Funding Agreement ("21E Settlement Agreement");

WHEREAS, on January 22, 2016, SRDP submitted to MassDEP an Application for a Determination of Site Suitability to permit the disposal of waste into areas not previously permitted;

WHEREAS, on February 15, 2017, MassDEP issued a Negative Report on Site Suitability;

WHEREAS, by correspondence dated August 3, 2017, SRDP and Casella notified the Town of their decision to cease operations at the Landfill no later than December 31, 2018;

WHEREAS, a dispute has arisen among the parties as to whether events of Force Majeure or Change in Law have occurred under the Extension Agreement as a result of, among other things, changes in regulatory thresholds for 1,4 dioxane, the Charlton well contamination, the Waterline ACO, the orders of MassDEP regarding remediation, MassDEP's interpretation of federal terms relating to agricultural land ("Prime" and "Farmland of Unique Importance), and MassDEP's Negative Report on Site Suitability;

WHEREAS, SRDP and Casella have asserted that SRDP's obligations under the Extension Agreement, including curbside trash collection, are terminable on December 31, 2018 as a result of alleged events of Force Majeure or Change in Law;

WHEREAS, the Town filed suit in Town of Southbridge v. Casella Waste Systems, Inc., et al., Worcester Superior Court, Civil Action No. 18CV00763B ("Superior Court Litigation"), seeking a declaration and to compel SRDP and Casella to provide free curbside collection to Town residents under the Extension Agreement and the Guaranty Agreement through May 28, 2027;

WHEREAS, Casella and SRDP have denied the Town's claims in the Superior Court Litigation;

WHEREAS, SRDP has asserted counterclaims against the Town in the Superior Court Litigation alleging that: (1) the Town misrepresented the Town's authority with respect to the "Triangle Parcel" causing damages to SRDP; (2) the Town failed to refund Royalty Payments received by the Town from SRDP in excess of the Town's entitlement; and (3) SRDP is entitled to a declaration that SRDP may terminate the Extension Agreement and its obligation to continue providing free curbside trash collection to the Town as a result of the Town's alleged breaches and on the basis of Force Majeure or Change in Law;

WHEREAS, the Town has denied SRDP's counterclaims in the Superior Court Litigation; and

WHEREAS, the parties wish to avoid the expense and uncertainty of litigation without any admission of liability by any Party.

NOW, THEREFORE, in consideration of the terms and conditions of this Settlement Agreement, the Parties agree as follows:

## II. DEFINITIONS

The following definitions shall be applicable for the purposes of this Settlement Agreement:

## Settlement Agreement and Mutual Release

A. "Settlement Agreement" means this Settlement Agreement and Mutual Release.

B. "Claims" means the claims and counterclaims asserted by the Parties in the Superior Court Litigation under any legal or equitable theory, including the Town's claim that SRDP and Casella are obligated to provide free curbside trash collection to Town residents through May 28, 2027; and SRDP's counterclaims that: (1) the Town misrepresented the Town's authority with respect to the "Triangle Parcel" causing damages to SRDP; (2) the Town failed to refund Royalty Payments received by the Town from SRDP in excess of the Town's entitlement; and (3) SRDP is entitled to a declaration that SRDP may terminate the Extension Agreement and its obligation to continue providing free curbside trash collection to the Town as a result of the Town's alleged breaches and on the basis of Force Majeure or Change in Law. "Claims" for purposes of this Settlement Agreement shall not include, apply to, affect, or address issues the parties may have arising out of or related to Toxics Action Center, Inc. et al v. Casella Waste Systems, Inc. et al., Case No. 4:17-cv-40089-TSH, pending in the U.S. District Court for the District of Massachusetts, Central Division.

### III. COVENANTS

A. SRDP and Casella reaffirm and agree to perform all of their obligations under the Extension Agreement and the Guaranty Agreement, including but not limited to curbside trash collection (as set forth herein and referenced in §3.4(d) and Exhibit H of the Extension Agreement), payment on the Industrial Park Road bond (as referenced in §7.3 of the Extension Agreement), maintenance of the FAM (as referenced in §6.2 of the Extension Agreement) and the bond for curbside trash collection (as referenced in §3.4(e) of the Extension Agreement), payment on the Waterline Bond (as referenced in §§ 2.3 and 2.4 of the 21E Settlement Agreement), and payment of all Closure and Post-Closure costs (as referenced in §§ 3.4(a) and 6.1 of the Extension Agreement). SRDP and Casella agree that neither the Extension Agreement, the Guaranty Agreement, nor any of their obligations under the Extension Agreement or the Guaranty Agreement are presently excusable or terminable on the basis of Force Majeure, Change in Law, or on any other basis under the Extension Agreement, the Guaranty Agreement or at law or equity.

B. The Town reaffirms and agrees to perform its obligations under the Extension Agreement and the Guaranty Agreement.

C. SRDP and Casella affirm that the Town has not breached any of the Town's obligations under the Extension Agreement or the Guaranty Agreement.

D. Curbside Collection & Transfer Station.

1. SRDP and Casella will provide free curbside trash collection to the Town and Town residents, in accordance with the specifications in Exhibit H of the Extension Agreement, as amended, from the date of this Settlement Agreement through March 31, 2024. These free curbside trash collection services will also include seasonal curbside leaf collection in accordance with the Parties' past custom and practice. SRDP and Casella will allow the Town continued access through lots identified on the Southbridge Assessor's Map as Lots 4-1-A, 4-5-A

and 4-5-B, in accordance with the Parties' custom and practice, in order to access the Town-owned lot identified on the Southbridge Assessor's Map as Lot 4-5 for leaf disposal, through March 31, 2024. Attached as Exhibit A is a map identifying these parcels at issue.

2. The Town reaffirms and agrees to perform its obligations set forth in Exhibit H of the Extension Agreement, as amended, from the date of this Settlement Agreement through March 31, 2024.
3. SRDP and Casella guarantee that the curbside collection obligations set forth in this Settlement Agreement will continue through March 31, 2024, will be performed, and will not be excused or terminated for any reason, including but not limited to Force Majeure, Change in Law, or on any other basis under the Extension Agreement, the Guaranty Agreement or at law or equity.
4. SRDP and Casella may close the Transfer Station at their convenience after December 31, 2018.
5. The Town waives and releases SRDP and Casella from any curbside trash collection obligation for the time period of April 1, 2024 through May 28, 2027.

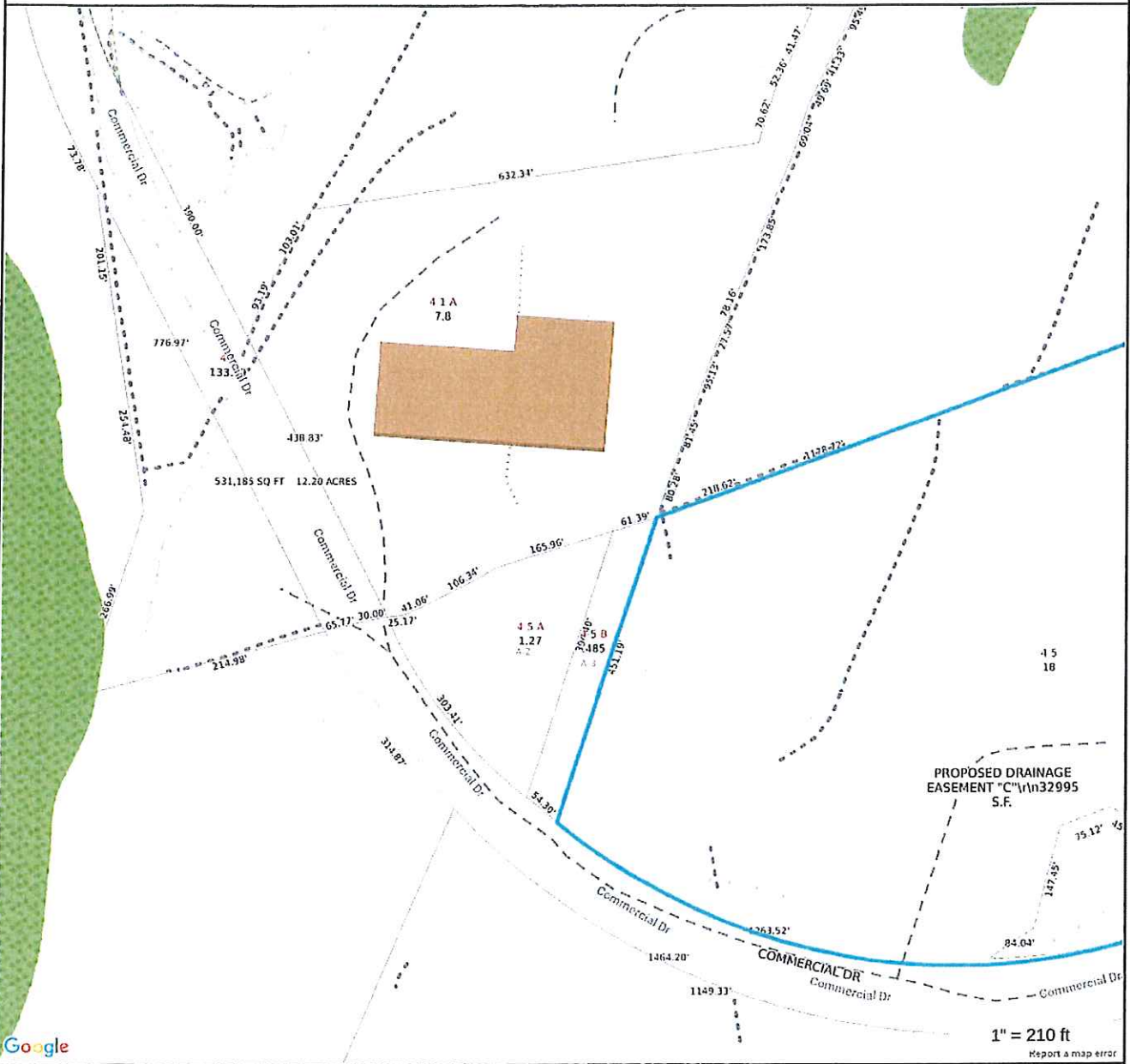
E. Release of Claims by the Town. As a material inducement to SRDP and Casella to enter into this Settlement Agreement, the Town, as a free and voluntary act, hereby forever releases, discharges and covenants not to sue SRDP and Casella, and all of their officers, directors, employees, shareholders, agents, successors, assigns, representatives and attorneys for any and all Claims, as that term is defined in §II.B. above.

F. Release of Claims by SRDP and Casella. As a material inducement to the Town to enter into this Settlement Agreement, SRDP and Casella, as free and voluntary acts, hereby forever release, discharge and covenant not to sue the Town, and all of its officers, directors, employees, agents, successors, assigns, representatives and attorneys for any and all Claims, as that term is defined in §II.B. above.

G. Dismissal of Litigation. Upon Execution of this Settlement Agreement in full, the Parties shall execute a stipulation of dismissal, dismissing the Superior Court Litigation with prejudice as to all claims and counterclaims, each party to bear its own costs and attorney's fees, and all rights of appeal waived.

#### IV. ADDITIONAL PROVISIONS

A. Severability. Any finding by a court of competent jurisdiction that a term, clause or provision hereof is invalid or unenforceable shall not affect the validity or operation of any other term, clause or provision unless such invalidity substantially and materially diminishes or negates the benefits received by any party, in which case this Settlement Agreement shall be construed and enforced in a manner that reflects, as closely as possible, the parties' intentions.



**Property Information**  
 Property ID 004-005-00001  
 Location COMMERCIAL DRIVE  
 Owner SOUTHBRIDGE TOWN OF



**MAP FOR REFERENCE ONLY  
 NOT A LEGAL DOCUMENT**

Town of Southbridge, MA makes no claims and no warranties, expressed or implied, concerning the validity or accuracy of the GIS data presented on this map.

Parcels updated July 2017  
 Properties updated 10/31/2018

Settlement Agreement and Mutual Release

**EXHIBIT A**

Settlement Agreement and Mutual Release

B. Entire Agreement. This Settlement Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Settlement Agreement, and may be amended, modified or superseded only by a written agreement signed by both Parties. No Party may assign this Settlement Agreement without the written consent to such assignment from the other two Parties, as may be provided in each of their sole and absolute discretion.

C. Notice. All notices or other communications to be given hereunder shall be in writing and may be given by personal delivery, by Federal Express or by registered or certified United States mail, return receipt requested, and properly addressed as follows:

To the Town:                                  Town of Southbridge Town Council  
41 Elm Street  
Southbridge, Massachusetts 01550  
Attn: Chairman

With a copy to:                                David K. McCay, Esq.  
Mirick O'Connell  
1800 West Park Drive, Suite 400  
Westborough, MA 01581

To SRDP or Casella:                        President  
Casella Waste Systems Inc.  
25 Green Hill Lane  
Rutland, VT 05702

With a copy to:                                David Schmitt, Esq.  
Casella Waste Systems Inc.  
25 Green Hill Lane  
Rutland, VT 05702

D. Governing Law & Forum Selection. This Settlement Agreement shall be governed, interpreted, and construed in accordance with the laws of the Commonwealth of Massachusetts. Any action to enforce this Settlement Agreement shall be brought and maintained exclusively in the courts in the Commonwealth of Massachusetts, Worcester County.

E. Joint Preparation of Settlement Agreement. This Settlement Agreement shall not be construed against the Party preparing it, but shall be construed as if it were prepared jointly by all affected persons, and any uncertainty or ambiguity, or both, shall not be interpreted against any such person.

F. Counterparts and Electronic Execution. This Settlement Agreement may be executed and delivered: (a) in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; and (b) by facsimile or email, in which case the instrument so executed and delivered shall be binding and effective for all purposes.

Settlement Agreement and Mutual Release

G. Authority. The individuals executing this Settlement Agreement on behalf of any Party or Parties represent that they have obtained all necessary approvals and authority to so execute this Settlement Agreement.

H. Effective Date. The Effective Date of this Settlement Agreement shall be the date the last of the Parties signs the Settlement Agreement.

I. No Admission of Liability. This Settlement Agreement is, in part, a resolution of disputed claims and shall not be deemed an admission of liability by any party.

SOUTHBRIDGE RECYCLING AND DISPOSAL PARK, INC.

By: B. C. [Signature]  
Title: Vice President  
Date: 11/7/18

CASELLA WASTE SYSTEMS, INC.

By: B. C. [Signature]  
Title: Regional Vice President  
Date: 11/7/18

TOWN OF SOUTHBRIDGE

By: Ronald San Angelo [Signature]  
Ronald San Angelo  
Town Manager  
Date: 11/8/2018

Approved and authorized by vote of the  
Southbridge Town Council on 11/5/, 2018