

AMENDMENT TO LEACHATE
DISPOSAL AGREEMENT

This Amendment to Leachate Disposal Agreement (“Amendment”), made and entered into as of this 2nd day of November, 2006 by and between RED SHIELD ENVIRONMENTAL, LLC, a Delaware limited liability company (“Red Shield”), and NEW ENGLAND WASTE SERVICES OF ME, LANDFILL OPERATION COMPANY, LLC (“NEWSMELOC”), a Maine limited liability company with a place of business in Saco, Maine.

WITNESSETH:

WHEREAS, NEWSMELOC and Fort James Operating Company (“FJ”) entered into a Leachate Disposal Agreement (the “Agreement”), dated as of February 5, 2004;

WHEREAS, FJ has ceased operation of the WTP (as defined in the Agreement) and, on or about this date, is conveying the WTP and certain other assets of FJ located in Old Town, Maine to the State of Maine, acting by and through the Maine Rural Development Authority (the “State”), which in turn, on or about this date, is conveying such assets to Red Shield; and

WHEREAS, in order to induce Casella Waste Systems, Inc., an affiliate of NEWSMELOC, to enter into certain agreements in connection with such asset transfers, all of FJ’s rights and obligations under the Agreement have been assigned to and assumed by Red Shield, under an assignment and assumption agreement of near or even date herewith, to which assignment and assumption NEWSMELOC hereby consents; and

WHEREAS, the parties are willing to agree to certain amendments to the Agreement;

NOW, THEREFORE, in consideration of the terms and conditions of this Amendment and the mutual benefits to be derived, the parties hereto agree as follows:

1. The recitals and identification of the parties to this Amendment set forth above are incorporated by this reference as though fully set forth herein.
2. The Agreement is hereby amended to cause all references to “leachate” to mean “the liquid or semi-solid residue from waste deposited at the Landfill and (i) either collected within a liner system to be installed at the Landfill, or (ii) otherwise collected at the Landfill for disposal.”

3. The first recital of the Agreement is hereby amended and restated in its entirety as follows:

WHEREAS, FJ owns and intends in the future to operate a certain Wastewater Treatment Plant located at the FJ paper mill in Old Town, Maine (the "WTP"), that is intended to provide for the treatment and disposal of wastewater pursuant to duly issued and valid licenses and permits; and

4. The definition of Landfill Sale Agreement is hereby amended to mean the Amended and Restated Agreement Regarding Solid Waste Disposal Facility Acquisition and Operation dated February 5, 2004, as amended by the First Amendment to the Amended and Restated Agreement Regarding Solid Waste Disposal Facility Acquisition and Operation of near or even date herewith.

5. The fifth recital of the Agreement is hereby amended by deleting the words "to the WTP" therefrom.

6. Section 1.1 of the Agreement is hereby amended and restated in its entirety as follows:

1.1 During the term of the capacity commitments under Section 5.1 of the Landfill Sale Agreement, FJ or its successors and assigns or successor owners, shall provide at least one source for treatment of leachate produced at the Landfill (the "Source" or "Sources"), for a five-year rolling average of up to fifteen million (15,000,000) gallons of leachate per year (the "Disposal Average"), which may include by way of example and not in limitation, processing at its WTP subject to the conditions specified herein, processing at the Old Town waste water treatment facility, and/or processing at the Brewer waste water treatment facility; provided, however, that in no event shall FJ be obligated to provide one or more sources of treatment for more than seventeen million five hundred thousand (17,500,000) gallons of leachate in any single year.

The Disposal Average will be calculated over a rolling five-year period. At the end of each five-year period, any unused capacity shall be credited to NEWSMELOC for the following rolling five-year period, and FJ shall bill NEWSMELOC for the disposal of any leachate in excess of the Disposal Average for the cost incurred by FJ with respect to such excess.

7. Section 1.2 of the Agreement is hereby amended and restated in its entirety as follows:

1.2 Each owner and/or operator of a Source shall only be required to receive and treat leachate from the Landfill at such Source in accordance with all applicable laws, regulations, permits, approvals and the provisions set forth herein during the term of this Agreement.

8. Section 1.3 of the Agreement is hereby amended by replacing the word "WTP" with the following: "Source designated by FJ from time to time and at any time, at NEWSMELOC's sole cost and expense, subject, however, to the reimbursement provisions hereof,".

9. Section 1.4 of the Agreement is hereby amended and restated in its entirety as follows:

1.4 NEWSMELOC shall exercise its best and most diligent efforts to cooperate with FJ to establish a leachate disposal agreement with the City of Old Town as one of the Sources.

10. Section 3.1 of the Agreement is hereby amended to read in its entirety as follows:

3.1 There shall be no fee for the treatment of Landfill leachate at the WTP. Effective as of the earlier of (a) the Start Date (as defined in a certain "Old Town Leachate Agreement" by and among Red Shield, NEWSMELOC, and the City of Old Town, of near or even date hereof), or (b) fifty-six (56) days following the date hereof, FJ shall reimburse NEWSMELOC for the cost of disposal fees assessed to, and incurred by NEWSMELOC for the disposal of leachate at the other Sources designated by FJ, not including transportation costs, testing costs, costs of pretreating leachate, or other costs (the "Additional Costs"); provided, however, that in the event the Additional Costs at Sources other than WTP exceed the Additional Costs NEWSMELOC would incur to dispose of leachate at the WTP, under the terms of this Agreement, FJ shall reimburse NEWSMELOC for the difference within thirty (30) days after receipt of NEWSMELOC's invoice thereof. For the year ending on the first anniversary of the Start Date, the disposal fee for which FJ shall reimburse NEWSMELOC shall not exceed \$300,000 plus fifty percent (50%) of any incremental disposal costs (in excess of \$300,000) and any Additional Costs incurred by NEWSMELOC that exceed the Additional Costs NEWSMELOC would incur to dispose of leachate at the WTP.

11. Articles 4, 5 and 6 of the Agreement shall only apply to the disposal of leachate at WTP.

12. Section 4.4.8 of the Agreement is hereby deleted in its entirety.

13. The Agreement is hereby amended by inserting Article 6A after Article 6 as follows:

ARTICLE 6A. RULES AND REQUIREMENTS AT OTHER SOURCES

NEWSMELOC shall comply with, observe and perform at its sole cost and expense, subject to section 3.1 of the Agreement, as amended hereby, the requirements of each other Source regarding leachate disposal procedures, limitations on leachate, and leachate sampling and monitoring requirements, including, without limitation, any chemical pretreatment of the leachate.

14. Section 7.3 of the Agreement is hereby amended by replacing the words “accept and treat leachate from NEWSMELOC” in the third line with the following “dispose, or cause to be disposed, leachate from NEWSMELOC, at any and all Sources.”

15. The Agreement is hereby amended by inserting the following section:

12.3 Either party may terminate this Agreement in the event that NEWSMELOC is recirculating all of the leachate produced at the Landfill, and has obtained all permits, licenses, and approvals necessary in order to do so.

16. Section 14.7 of the Agreement is hereby amended to read in its entirety as follows:

14.7 This Agreement shall not be assigned by either party without the written consent of the other, which consent shall not be unreasonably withheld or delayed. Notwithstanding the preceding sentence, however, this Agreement may be assigned by NEWSMELOC without consent to any entity controlling, controlled by, or under common control with NEWSMELOC, provided, however, that such entity shall by virtue of such assignment assume all of the liabilities, obligations and commitments of NEWSMELOC hereunder and provided further that NEWSMELOC shall not be relieved of any such liabilities, obligations and commitments hereunder.

17. The Agreement is hereby amended by deleting in its entirety the “Acknowledgement of Arbitration” provision therefrom.

18. Notwithstanding anything in the Agreement to the contrary, Red Shield shall have the unrestricted right to mortgage and pledge its rights under the

Agreement without the State's consent, and encumber the Agreement with any type of security interest to secure debt, or other similar instrument creating a lien or other encumbrance on Red Shield's interest in the Agreement, regardless of the priority thereof (hereinafter, "Security Interest," and each lender with a Security Interest, a "Lender"), any assignment thereof and any modification or amendment of any of the terms thereof, including, without limitation, any extension, renewal or refinancing of any indebtedness secured thereby or an additional advance secured by any Security Interest or any additional Security Interest given to secure the same. A Lender, or its designee, or any purchaser in foreclosure proceedings (including, without limitation, an entity formed by a Lender) may become a legal owner of Red Shield's interest under the Agreement through such foreclosure proceedings or by assignment of Red Shield's interest under the Agreement in lieu of foreclosure. A Lender may enforce its rights under its Security Interest and acquire title to Red Shield's interest in the Agreement in any lawful way. The parties agree that nothing in the Agreement shall be deemed to impose any liability or obligation on (i) any mortgagee or secured party that may at any time hold a mortgage lien on or a security interest in the Agreement, or (ii) any party that becomes a mortgagee in possession, secured party in possession or receiver with respect to the Agreement. With respect to a party that is assigned the rights under the Agreement through a mortgage foreclosure, secured party sale or deed or bill of sale in lieu thereof, such party shall assume the obligations and liabilities under the Agreement first arising as of the date of such assignment.

19. In all other respects, the Agreement shall remain in full force and effect in accordance with its terms.

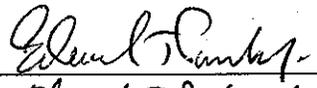
[Signature page follows]

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

NEW ENGLAND WASTE SERVICES
OF ME, LANDFILL OPERATING
COMPANY, LLC

By: 
Name: Brian O'Brien
Title: Authorized Agent

RED SHIELD ENVIRONMENTAL, LLC

By: 
Name: Edward T. Paslauskis
Title: Chairman