

## RECYCLING SERVICES AGREEMENT

This Recycling Services Agreement (the "Agreement") is made and entered into this July 1, 2020 ("Effective Date"), by and between Town of Natick, Massachusetts ("Generator") and Casella Recycling, LLC ("Processor").

In consideration of the covenants and undertakings of the parties hereto and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Generator and Processor hereby agree as follows:

### 1. FACILITY

"Facility" means the Processor's processing facility located at 24 Bunker Hill Industrial Park, Charlestown, MA or 15 Hardscrabble Road, Auburn, MA.

Hours of Operation at the Facility shall be as follows:

Monday through Friday      6 AM to 5 PM (Auburn)

Saturday                      6 AM to 3 PM (Auburn)

Holiday Closings:              New Year's Day, Memorial Day, 4th of July, Labor Day,  
Thanksgiving Day, Christmas Day.

Should additional deliveries be required arrangements can be made through mutual agreement between parties.

### 2. RECYCLABLES

Specifications, Volumes and Pricing. Generator agrees to deliver, and Processor agrees to accept, the following grades as defined in Schedule B in conformance with the quality standard in Paragraph 3 below.

The recyclable materials that are subject to this Agreement include: residential single stream and other recyclable commodities produced by Generator (collectively, the "Recyclables").

### 3. RESPONSIBILITIES OF GENERATOR

Generator shall deliver or cause to be delivered to the Facility all Recyclables received by collections made by Generator from the Town and the Town Transfer Station located at West St. & Rt 27.

#### Acceptable/Unacceptable Materials

Generator shall comply with the descriptions of Acceptable Recyclable Materials attached hereto as Schedule B and shall deliver only Acceptable Materials to the Facility. Any material that is not "Acceptable Recyclable Materials" is "Unacceptable Material". Processor shall have the right to inspect all inbound loads from the Generator. Upon inspection, Generator may downgrade loads which contain or appear to contain contaminants of greater than twenty percent (20%) of the designated load. The entire cost arising from Generator's delivery of any Unacceptable Material (including without limitation, transportation, re-loading, clean-up, alternate disposal and the like) shall be the sole responsibility of the Generator. Title to Unacceptable Material shall not pass from Generator to Processor. Generator shall

indemnify, hold Processor harmless, and promptly reimburse Processor for all damages, losses and expenses, including reasonable attorney's fees and federal, state or local fines and penalties, resulting from the inclusion of any hazardous waste or hazardous materials in any load delivered by the Generator to the Facility, regardless of any allegation that Processor should have discovered the inclusion of such materials prior to accepting delivery of such load. Generator will make reasonable efforts to eliminate the scavenging of recyclables prior to delivery to the Facility. Generator will cause its loads to be delivered in conformance with the Facility operating hours.

#### **4. RESPONSIBILITIES OF PROCESSOR**

Processor will receive, process, and market all Recyclables delivered to the Facility by the Generator. Processor will provide Generator with a monthly report which shall indicate the date, time, and net weight for each load, a report of the total tons received for that calendar month, and a billing summary.

#### **5. TERM**

**Initial Term.** The initial term of this Agreement shall commence on the Effective Date and shall expire on June 30, 2023 (the "Initial Term").

Extensions and Renewals: The Term may be extended for two (2) consecutive one (1) year terms upon mutual agreement of the parties.

#### **6. PRICE**

Pricing shall be as described in Schedule A. All invoices shall be paid net thirty (30) days from date of invoice.

#### **7. STANDARD TERMS & CONDITIONS**

Processor's Standard Terms & Conditions are attached hereto as Schedule C and are incorporated herein.

#### **8. NOTICES**

All notices to be given under this Agreement shall be in writing and delivered personally, shall be mailed by U.S. Express, registered or certified mail, return receipt requested or an overnight service with receipt as follows:

Processor: Casella Recycling, LLC  
24 Bunker Hill Industrial Park  
Charlestown, MA 02129

With a copy to Casella Waste Systems, Inc.  
25 Greens Hill Lane  
Rutland, VT 05701  
Attn: General Counsel

Generator: Town of Natick  
13 East Central Street  
Natick, MA 01670  
Attn: William Chenard, Deputy Town Administrator, Operations

IN WITNESS HEREOF, the parties have executed this agreement as of the Effective Date.

**Casella Recycling, LLC**

By: \_\_\_\_\_

Name: Bob Cappadona

Title: Vice President

Date: \_\_\_\_\_

**Town of Natick, MA.**

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## SCHEDULE A PRICING TERMS

### Single Stream Pricing Formula:

ACR - Threshold = Rebate (Charge)

**Average Commodity Revenue "(ACR)"** - means the current market value for each recyclable commodity (including residue tons) less any direct costs of Processor related to transportation, capital improvements, storage, or marketing of product divided by the total tons of commodities shipped from that facility over the same month.

If Recyclables are received from the Generator that materially distort the ACR, causing an excessive shift in value, the Processor reserves the right to make a mid-month ACR adjustment to reflect the value for that month. In addition, if there is a material change in the ACR during any thirty-day period, the Processor reserves the right to make an immediate adjustment to the ACR

**Rebate (Charge)** - means the percentage of value paid to the Generator when the ACR is greater than the Threshold. When the Rebate is negative, each dollar below the ACR will be charged to the Generator.

Rebate Split = 50% to Generator when ACR is above Threshold

**Threshold** - means the base rate required to process Recyclables (including increases in labor expenses due to federal, state or local law) and to cover capital investments. Threshold will be increased annually beginning on the anniversary date of the Effective date, and each anniversary date thereafter, to an amount equal to the percentage increase of the CPI-U All Urban NE Index (source – Survey of Current Business – Department of Labor) as compiled by the most recent twelve (12) month period for which such data is available as compared with the comparable figure for the prior twelve month period. Notwithstanding anything to the contrary, the increase shall not be less than three and one quarter percent (3.25%) per year. Processor reserves the right to adjust the Threshold during the Term in the case of extraordinary fluctuations in the recyclable commodity market.

Threshold for Residential Single Stream = \$100.00

### Example Pricing Scenarios:

ACR above Threshold	ACR below Threshold
ACR = \$125 per ton Threshold = \$100.00 per ton	ACR = \$12.50 per ton Threshold = \$100.00 per ton
Pricing Formula $\$125 - \$100.00 = \$25.00$	Pricing Formula $\$12.50 - \$100.00 = (\$87.50)$
<b>Rebate:</b> 50% <i>over</i> Threshold (to Generator) and dollar for dollar below the Threshold (to Processor)	<b>Rebate/Charge:</b> 50% <i>over</i> Threshold (to Generator) and dollar for dollar below the Threshold (to Processor)
<b>Net Payment</b> to Generator is <b>\$12.50</b> /ton (\$25.00 x 50%)	<b>Net Charge</b> to Generator is <b>(\$87.50)</b> /ton (\$87.50 x 100%)

**SCHEDULE A**  
**PRICING TERMS, Continued**

- \$100.00 threshold based on less than 10% contamination.
- Threshold will increase to \$105 if contamination is over 10%.
- Contamination rate over 20% is subject to our standard contamination charge of \$225/ton x percentage of contamination.
- Contamination rate over 50% is full rejection subject \$225/ton x 100% of load.

Casella has implemented a Contamination Audit Protocol. Audits will be conducted periodically and the above-referenced pricing for contamination will apply to all Town material on a quarterly basis (to be billed in arrears). Audit results would be available for Natick to review on site at any time. Casella must provide notification to Natick, in writing, within 30 days, should it intend to change Natick's base price based on results of the Contamination Audit.

## Schedule B Recyclable Material Specifications

**Single Stream Residential Mix** – Consists of recyclable fibers and containers collected in a single container

### Single Stream Acceptable Recyclable Materials

<ul style="list-style-type: none"> <li>☆ Newspaper</li> <li>☆ Magazines</li> <li>☆ Cardboard boxes</li> <li>☆ Brown bags</li> <li>☆ Junk mail</li> <li>☆ Phone books</li> <li>☆ Catalogs</li> <li>☆ Soft cover books</li> <li>☆ Envelops</li> <li>☆ Advertisements &amp; inserts</li> <li>☆ Boxboard &amp; paperboard <ul style="list-style-type: none"> <li>○ Cereal boxes</li> <li>○ Pasta boxes</li> <li>○ Shoe boxes</li> </ul> </li> <li>☆ Mixed office paper</li> </ul>	<ul style="list-style-type: none"> <li>☆ Plastic bottles <ul style="list-style-type: none"> <li>○ Milk jugs</li> <li>○ Bleach/detergent bottles</li> <li>○ Soda/juice bottles</li> <li>○ Shampoo bottles</li> <li>○ Water bottles</li> <li>○ Cottage cheese containers</li> <li>○ Margarine containers</li> <li>○ Yogurt containers</li> </ul> </li> <li>☆ Rigid plastics <ul style="list-style-type: none"> <li>○ Large buckets</li> <li>○ Laundry baskets</li> <li>○ Plastic chairs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☆ Aluminum can &amp; bottles <ul style="list-style-type: none"> <li>○ Pie plates/trays/foil)</li> </ul> </li> <li>☆ Tin cans <ul style="list-style-type: none"> <li>○ Steel</li> </ul> </li> <li>☆ Glass bottles &amp; jars</li> </ul>
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### Not Acceptable (in any residential/commercial or commingled mix)

<ul style="list-style-type: none"> <li>✗ Plastic bags or bagged recyclables</li> <li>✗ No coated paper items <ul style="list-style-type: none"> <li>○ Waxed coffee or soda cups</li> <li>○ Waxed paper plates</li> <li>○ Items with any type of plastic coated lining</li> </ul> </li> <li>✗ No disposable items <ul style="list-style-type: none"> <li>○ Polystyrene (Styrofoam)</li> <li>○ Napkins</li> <li>○ Tissues</li> <li>○ Paper towels</li> <li>○ Plastic utensils</li> <li>○ Dirty recycling</li> <li>○ Register tape</li> <li>○ Condiment packets</li> <li>○ Straws</li> <li>○ Stirrers</li> <li>○ Coffee pods</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✗ No toys, clothing or hangers</li> <li>✗ No wood waste or waste (bodily or food) <ul style="list-style-type: none"> <li>○ Rope</li> <li>○ Twine</li> <li>○ Diapers</li> <li>○ Food</li> <li>○ Pet waste</li> <li>○ Yard waste</li> </ul> </li> <li>✗ No plastic wrap, film or tarps <ul style="list-style-type: none"> <li>○ Food bags</li> <li>○ Wrappers</li> <li>○ Plastic or shrink wrap</li> <li>○ Tarps</li> </ul> </li> <li>✗ No hazardous material <ul style="list-style-type: none"> <li>○ Fire extinguishers</li> <li>○ Propane tanks</li> <li>○ Paint cans</li> <li>○ Held a toxic substance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✗ No rubber or scrap metal</li> <li>✗ No medical waste</li> <li>✗ No ceramics, pots, pans or baking glass <ul style="list-style-type: none"> <li>○ No window glass</li> <li>○ Mirrors</li> </ul> </li> <li>✗ No electronic items, batteries or bulbs</li> <li>✗ No appliances</li> </ul>
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## SCHEDULE C STANDARD TERMS & CONDITIONS

**Governing Law.** This Agreement and any issues arising hereunder or relating hereto shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, regardless of choice of law principles

**Venue.** The Parties agree that all actions or proceedings arising in connection with this agreement shall be tried and litigated only in the U.S. District Court for the District of Massachusetts or the Massachusetts Superior Court, sitting in Middlesex County.

**Limitation of Liability.** Neither party shall be liable to the other for special, incidental, exemplary, punitive or consequential damages including without limitation loss of use, loss of profits or revenues, or cost of substitute or re-performed services, suffered, asserted or alleged by either party or any third party arising from or relating to this Agreement, regardless of whether those damages are claimed under contract, warranty, indemnity, tort or any other theory at law or in equity.

**Disclaimer of Joint Venture, Partnership, and Agency.** This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties or to impose any partnership obligation or liability upon either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent of representative of, or to otherwise bind, the other party. Generator and its employees and agents shall not be entitled to any Processor fringe benefits and hereby expressly waive any claim or right now or hereafter accruing against Processor arising out of the operation of any applicable workers' compensation law.

**Force Majeure.**

Neither party shall be liable to the other for damages without limitation (including liquidated damages) if such party's performance is delayed or prevented due to an event of Force Majeure, including, without limitation: (i) an act of God, epidemic, landslide, lightning, earthquake, fire, explosion, storm, flood or similar occurrence; (ii) an act of public enemy, war, blockage, insurrection, riot, general unrest or restraint of government and people, civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence; (iii) a strike, work slowdown, or similar industrial or labor action; (iv) an order or judgment (including without limitation a temporary restraining order, temporary injunction, preliminary injunction, permanent injunction, or cease and desist order) or other act of any federal, state, county or local court, administrative agency or governmental office or body which prevents a party's obligations as contemplated by this Agreement; (v) a significant change in economic conditions; or (vi) adoption or change (including a change in interpretation, enforcement or permit requirement) of any federal, state or local regulation after the Effective Date of this Agreement, preventing performance or compliance with the obligations hereunder.

In such event, the affected party shall promptly notify the other of the event of Force Majeure and its likely duration. During the continuation of the Force Majeure Event, the nonperforming party shall (i) exercise commercially reasonable efforts to mitigate or limit damages to the performing party; (ii) exercise commercially reasonable due diligence to overcome the Force Majeure event; (iii) to the extent it is able, continue to perform its obligations under this Agreement; and (iv) cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure event requires. In the event of a delay in either party's performance of its obligation hereunder for more than sixty days due to a Force Majeure, the other party may, at any time thereafter, terminate this Agreement. Should such acts or events occur, both parties shall use their best efforts to overcome the difficulties arising and to resume as soon as reasonably possible the normal pursuit of the services set forth in this Agreement.

**Change in Law.**

If legislation is enacted on a national or state level that requires a redeemable deposit on any of the items listed as recyclables, the parties agree that the Processor's economic position will have been negatively impacted. If deposit bill legislation goes into effect, or any other Change in Law occurs, the Processor and Generator will renegotiate the price of the Agreement in good faith to rectify the negative economic impact to Processor. If the parties cannot reach a mutually satisfactory arrangement, the Processor may terminate the Agreement with sixty (60) days' notice to the Generator without further obligation.

**Representations and Warranties of Authority.** Each party represents and warrants to the other that: it is duly qualified to do business and is in good standing in every jurisdiction in which this Agreement requires its performance; it has full power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action by

such party; and the execution and delivery of this Agreement by such party and the performance of the terms, covenants and conditions contained herein will not violate the articles of incorporation or by-laws of such party, or any order of a court or arbitrator, and will not conflict with and will not constitute a material breach of, or default under, the provisions of any material contract by which either party is bound. These warranties shall survive the expiration or termination of this Agreement.

**Termination.** This Agreement may be terminated at any time by both parties upon mutual written agreement; or immediately upon notice by either party in the event that any of the representations and warranties contained in this Agreement are shown to be untrue; or by either party in the event of a failure by the other party to perform a material obligation as follows (a "Default"): if the Default has not been cured by the defaulting party within thirty (30) days from receipt of notice from the non-defaulting party, the non-defaulting party may (i) terminate this Agreement immediately upon notice, or (ii) agree in writing that the defaulting party is diligently pursuing a cure, and extend the cure period at its sole discretion, subject to immediate termination upon notice.

**Entire Agreement.** It is understood and agreed that all understandings and agreements heretofore had between and parties thereto are merged in this Agreement, which alone fully and completely expresses their agreement and contains all of the terms agreed upon between the parties with respect to the subject matter of this Agreement, and that this Agreement is entered into after full investigation, neither party relying upon any statement or representation, not embodied in this Agreement, made by the other. All exhibits, schedules and other attachments are a part of this Agreement and the contents thereof are incorporated herein by reference.

**Amendment.** This Agreement may not be amended, modified or supplemented, except in writing and signed by the parties.

**Non-Waiver.** No waiver by any party to this Agreement of any failure or refusal by the other party to comply with its obligations shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No waiver by either Party of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by either Party with respect to any default, misrepresentation, or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

**Severability. Modification Required By Law.** If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions thereof or hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreement of the parties herein set forth.

**Headings, Pronouns.** The headings of sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. The pronouns "he", "she" or "it" are also used for convenience, and in the event that an improper pronoun has been used, it shall be deemed changed so as to render the sentence in which it is contained effective in accordance with its terms.

**Successors and Assigns.** This Agreement and all of the provisions thereof and hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

**Assignment.** Neither this Agreement nor any of the rights, interests, obligations, and remedies hereunder shall be assigned by either party, including by operation of law, without the prior written consent of the other, such consent to not be unreasonably withheld, conditioned or delayed, except (1) to its parents, subsidiaries and affiliates, (2) at its expense to a person, firm, or corporation acquiring all or substantially all of the business and assets of the assigning party provided that the assignee assumes the obligations of the assigning party arising hereunder from and after the date of acquisition, and (3) as security to entities providing financing for the assigning party or for any of its affiliates, or for construction, reconstruction, modification, replacement or operation of any of the facilities of the assigning party or its parents, subsidiaries or affiliates.

**Construction.** This Agreement and its exhibits and schedules are the result of negotiations between the parties and have been reviewed by all parties. Accordingly, this Agreement will be deemed to be the product of the parties thereto and no ambiguity will be construed in favor of or against any party.



**No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

**No Brokers.** The parties agree that they have entered into this Agreement without the benefit or assistance of any brokers, and each party agrees to indemnify, defend and hold the other harmless from any and all costs, expenses, losses or liabilities arising out of any claim by any person or entity that such person or entity acted as or was retained by the indemnifying party as a finder or broker with respect to the transaction described in this Agreement.

**Further Acts.** Each party agrees to perform any further acts and to execute, acknowledge, and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

**Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which together will constitute one and the same instrument.

**Disputes.** If a claim or dispute arises out of this Agreement or its performance, the parties agree to endeavor in good faith to resolve it equitably through negotiation, or if that fails, through non-binding mediation under the rules of the American Arbitration Association, before having recourse to the courts. However, prior to or during negotiation or mediation, either party may initiate litigation that would otherwise become barred by a statute of limitations.

**Press Releases and Announcements.** No party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other party; provided, however, that any party may make any public disclosure it believes in good faith is required by applicable law, regulation or stock market rule (in which case the disclosing party shall use reasonable efforts to advise the other party and provide them with a copy of the proposed disclosure prior to making the disclosure).

**Mutual Indemnification.**

To the extent allowed by law, each of the parties (each, an "Indemnifying Party") shall indemnify and hold harmless the other party and any director, officer, affiliate, partner, member, employee, or elected or appointed official of the other party (each, an "Indemnified Party") from and against any and all claims, actions, suits, judgments, proceedings, liabilities, obligations, losses, and damages, amounts paid in settlement, interest, costs and expenses (including reasonable attorney's fees), penalties (civil, criminal or administrative), court costs and other out-of-pocket expenses incurred in investigating, preparing or de-fending the foregoing) relating to or arising from personal injury, bodily harm or death, property damage or damage to the environment ("Losses") incurred or suffered by any Indemnified Party to the extent that such Losses arise by reason of, or result from (i) the material breach or inaccuracy of any representation or warranty of the Indemnifying Party contained in this Agreement; (ii) the material breach by the Indemnifying Party of any of its covenants or agreements contained in this Agreement, or (iii) the gross negligence or willful misconduct of the Indemnifying Party or any of its agents, employees or subcontractors; to the extent not waived by the other party, in each case.

The indemnification obligations of Indemnifying Party under this Section shall inure to the benefit of the directors, officers, affiliates, employees and elected or appointed officials of Indemnified Party; and shall survive expiration or earlier termination of this Agreement.