SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): AUGUST 11, 2000

CASELLA WASTE SYSTEMS, INC.
(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

0-23211	03-0338873
(Commission File Number)	(I.R.S. Employer Identification No.)

25 Greens Hill Lane, P.O. Box 866 Rutland, Vermont	05701
(Address of Principal Executive Offices)	(Zip Code)

(802) 775-0325
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS.

On August 11, 2000, Casella Waste Systems, Inc. (the "Company") completed the sale of 55,750 shares of its Series A Convertible Preferred Stock ("the "Series A Preferred Stock") for approximately $55.8 million. The Company sold the Series A Preferred Stock pursuant to that certain Preferred Stock Purchase Agreement, dated as of June 28, 2000, by and among the Company and the Purchasers identified therein (the "Agreement").

Each share of Series A Preferred Stock issued in the transaction is convertible, at any time and from time to time, into shares of the Company's Class A Common Stock, at an initial conversion price of $14 per share. The conversion price is subject to adjustment if the Company (i) subdivides its common stock by effecting a stock split or stock dividend, or (ii) subject to certain exceptions, issues or sells additional shares of common stock or securities convertible into common stock for less than $14 per share. The Series A Preferred Stock accrues preferential dividends daily and on a cumulative basis at an annual rate of five percent (5%) of its liquidation value, as defined in the Agreement, payable quarterly in arrears in additional shares of Series A Preferred Stock through August 11, 2003 and thereafter, at the option of the Company, in either cash or additional shares of Series A Preferred Stock. At any time on or after the occurrence of a change of control and for a period of 30

days thereafter, holders of Series A Preferred Stock will have the right to require the Company to redeem all or a portion of their stock at a redemption price equal to its liquidation value. All outstanding shares of Series A Preferred Stock are subject to mandatory redemption by the Company on August 11, 2007 pursuant to the terms of the Agreement.

The Purchasers are entitled to nominate one person who shall be included among the Company's nominees for election to the Board of Directors as the Purchaser Director for so long as they hold at least 20% of the Class A Common Stock issued or issuable upon conversion of the Preferred Shares (the "Underlying Common Stock") and, so long as they own at least 20% of the Preferred Shares, the Purchasers shall have the right to designate one person to serve as Purchaser Observer. The holders of the Preferred Shares also are entitled to vote, as a class, with holders of common stock on each matter submitted to a vote of the Company's stockholders. Each share of Series A Convertible Preferred Stock has a number of votes equal to the number of shares of Class A Common Stock issuable upon conversion of a share of Series A Convertible Preferred Stock.

Pursuant to the terms of the Agreement, the Company filed a Certificate of Designation with the Secretary of State of Delaware, creating the Series A Convertible Preferred Stock. This Current Report on Form 8-K is being filed for the purpose of filing as exhibits the Agreement, the Certificate of Designation, a Registration Rights Agreement, dated August 11, 2000, by and among the Company and the Purchasers, the Second Amended and Restated By-Laws of the Company, as amended to date, and certain amendments to that Amended and Restated Revolving Credit and Term Loan Agreement, dated January 12, 1998, between the Company and Fleet National Bank (f/k/a BankBoston, N.A.). A copy of the Registrant's press release announcing the sale of the Series A Preferred Stock is attached as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) EXHIBITS.

3.1 Second Amended and Restated By-laws of the Company, as amended to date.

4.1 Certificate of Designation creating Series A Convertible Preferred Stock.

10.1 Preferred Stock Purchase Agreement, dated as of June 28, 2000, by and among the Company and the Purchasers identified therein.

10.2 Registration Rights Agreement, dated as of August 11, 2000, by and among the Company and the Purchasers identified therein.

10.3 First Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated December 14, 1999, between the Company and Fleet National Bank (f/k/a BankBoston, N.A.).

10.4 Second Amendment to Amended and Restated Revolving Credit and Term Loan Agreement and Consent, dated December 14, 1999, between the Company and Fleet National Bank (f/k/a BankBoston, N.A.).

10.5 Third Amendment to Amended and Restated Revolving Credit and Term Loan Agreement and Consent, dated December 14, 1999, between the Company and Fleet National Bank (f/k/a BankBoston, N.A.).

10.6 Fourth Amendment to Amended and Restated Revolving Credit and Term Loan Agreement and Consent, dated December 14, 1999,

between the Company and Fleet National Bank (f/k/a BankBoston, N.A.).

99.1 Press Release regarding Sale of Series A Preferred Stock of the Company dated August 16, 2000.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 18, 2000

CASELLA WASTE SYSTEMS, INC.

(Registrant)

By: /s/ John W. Casella

John W. Casella
President and Secretary

EXHIBIT INDEX

Exhibit Number	DESCRIPTION
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99.1	Press Release regarding Sale of Series A Preferred Stock of the

Company dated August 16, 2000.

Exhibit 3.1

AMENDMENT OF THE
SECOND AMENDED AND RESTATED BY-LAWS
OF
CASELLA WASTE SYSTEMS, INC.

Pursuant to Section 109
of the General Corporation Law of
the State of Delaware

Casella Waste Systems, Inc. (hereinafter called the "Corporation"), organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify as follows:

The Board of Directors of the Corporation acting by unanimous written consent in accordance with Sections 109 and 141(f) of the Delaware General Corporation Law on June 21, 2000, duly adopted resolutions setting forth an amendment to the Corporation's Second Amended and Restated By-Laws. The resolutions setting forth the amendment to the Corporation's Second Amended and Restated By-Laws are as follows:

VOTED: That Section 2.13 of Article II of the Corporation's Second Amended and Restated By-Laws be and hereby is deleted and the following article is inserted in lieu thereof:

> "2.13 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination; provided further that the Board of Directors shall meet at least once during each of the corporation's fiscal quarters. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders."

FURTHER
VOTED: That a new Section 6.3 of Article VI of the Corporation's Second Amended and Restated By-Laws be and hereby is adopted:

> "6.3 By the Holders of Series A Convertible Preferred Stock. Notwithstanding any other provision of law, the Certificate of Incorporation or these By-laws (including the Section 6.2), and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of a majority of the outstanding shares of the corporation's Series A Convertible Preferred Stock, $.01 par value per share, shall be required to
>
> amend or repeal, or to adopt any provision inconsistent with, the provisions of Section 2.13, or the provisions of this Section 6.3."

IN WITNESS WHEREOF, the Corporation has caused this amendment to the Corporation's Second Amended and Restated By-Laws to be signed by its President on this 21st day of June, 2000.

CASELLA WASTE SYSTEMS, INC.

By: /s/ John W. Casella

John W. Casella
President

SECOND AMENDED AND RESTATED

BY-LAWS

OF

CASELLA WASTE SYSTEMS, INC.

Effective: November 3, 1997

CASELLA WASTE SYSTEMS, INC.

BY-LAWS

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BY-LAWS

OF

CASELLA WASTE SYSTEMS, INC.

ARTICLE 1 - Stockholders

1.1 Place of Meetings. All meetings of stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Board of Directors or the President or, if not so designated, at the registered office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board of Directors or the President (which date shall not be a legal holiday in the place where the meeting is to be held) at the time and place to be fixed by the Board of Directors or the President and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, the Board of Directors shall cause the meeting to be held as soon thereafter as convenient. If no annual meeting is held in accordance with the foregoing provisions, a special meeting may be held in lieu of the annual meeting, and any action taken at that special meeting shall have the same effect as if it had been taken at the annual meeting, and in such case all references in these By-laws to the annual meeting of the stockholders shall be deemed to refer to such special meeting.

1.3 Special Meetings. Special meetings of stockholders may be called at any time by the President or by the Chairman of the Board. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

1.5 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder.

Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, at a place within the city where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of shares representing a majority of the votes entitled to be cast on matters other than the election of the Class A Director, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that a quorum shall only be deemed to be present for purposes of the election of the Class A Director if the holders of shares representing a majority of the votes entitled to be cast by the holders of the Class A Common Stock are present or represented by proxy.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting, may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for him by written proxy executed by the stockholder or his authorized agent and delivered to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, the holders of shares of stock representing a majority of the votes cast on a matter (or if

there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of shares of stock of that class representing a majority of the votes cast on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these By-Laws. Except as otherwise provided by these By-laws, when a quorum is present at any meeting, any election by stockholders shall be determined by a plurality of the votes cast on the election.

1.10 Introduction of Business at Meeting. Except as otherwise provided by law, at any annual or special meeting of stockholders only such business shall be conducted as shall have been properly brought before the meeting. In order to be properly brought before the meeting, such business must have been either (A) specified in the written notice of the meeting (or any supplement thereto) given to stockholders of record on the record date for such meeting by or at the direction of the Board of Directors, (B) brought before the meeting at the direction of the Board of Directors or the chairman of the meeting or (C) specified in a written notice given by or on behalf of a stockholder of record on the record date for such meeting entitled to vote thereat or a duly authorized proxy for such stockholder, in accordance with all of the following requirements. A notice referred to in clause (C) hereof must be delivered personally to or mailed to and received at the principal executive office of the corporation, addressed to the attention of the Secretary, not more than ten (10) days after the date of the initial notice referred to in clause (A) hereof, in the case of business to be brought before a special meeting of stockholders, and not less than thirty (30) days prior to the first anniversary date of the initial notice referred to in clause (A) hereof to the previous year's annual

meeting, in the case of business to be brought before an annual meeting of stockholders. Such notice referred to in clause (C) hereof shall set forth (i) a full description of each such item of business proposed to be brought before the meeting, (ii) the name and address of the person proposing to bring such business before the meeting, (iii) the class and number of shares held of record, held beneficially and represented by proxy by such person as of the record date for meeting (if such date has been made publicly available) and as of the date of such notice, (iv) if any item of such business involves nomination for director, all information regarding each such nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission pursuant to Section 14 of the Securities Act of 1934, as amended, or any successor thereto, and the written consent of each such nominee to serve if elected, and (v) all other information that would be required to be filed with the Securities and Exchange Commission if, with respect to the business proposed to be brought before the meeting, the person proposing such business was a participant in a solicitation subject to Section 14 of the Securities Exchange Act of 1934, as amended, or any successor thereto. No business shall be brought before any meeting of stockholders of the Corporation otherwise than as provided in this paragraph.

Nothing in the foregoing provisions shall obligate the corporation or the Board of Directors to include information as to any nominee for director submitted by a stockholder in any proxy statement or other communication sent to stockholders.

The chairman of the meeting may, if the facts warrant, determine and declare to the meeting that any proposed item of business was not brought before the meeting in accordance with the foregoing procedure and, if he should so determine, he shall so declare to the meeting and the defective item of business shall be disregarded.

1.11 Action without Meeting. Stockholders of the corporation may not take any action by written consent in lieu of a meeting.

ARTICLE 2 - Directors

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number of Directors. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of a majority of the Board of Directors, but in no event shall be less than three. The number of directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of the stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the corporation.

2.3 Classes of Directors. The Board of Directors shall be and is divided into three classes: Class I, Class II and Class III. No one class shall have more than one director more than any other class. If a fraction is contained in the quotient arrived at by dividing the authorized number of directors by three, then, if such fraction is one-third, the extra director shall be a member of Class I and, if such fraction is two-thirds, one of the extra directors shall be a member of Class I and the other extra director shall be a member of Class II, unless otherwise provided for from time to time by resolution adopted by a majority of the Board of Directors. The Class A Director shall be in Class I.

2.4 Election of Directors. The holders of Class A Common Stock, voting separately as a class, shall be entitled to elect one director (the "Class A Director"). All other directors shall be elected by the holders of the Class A Common Stock and Class B Common Stock, if any, voting together as a single

class.

2.5 Terms of Office. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, however, that each initial director in Class I shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending April 30, 1998; each initial director in Class II shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending April 30, 1999; and each initial director in Class III shall serve for a term ending on the date of the annual meeting next following the end of the Corporation's fiscal year ending April 30, 2000.

2.6 Allocation of Directors Among Classes in the Event of Increases or Decreases in the Number of Directors. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as director of the class of which he is a member until the expiration of his current term or his prior death, retirement or resignation and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to ensure that no one class has more than one director more than any other class. To the extent possible, consistent with the foregoing rule, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of office are to expire at the earliest dates following such allocation, unless otherwise provided for from time to time by resolution adopted by a majority of the directors then in office, although less than a quorum.

2.7 Tenure. Notwithstanding any provisions to the contrary contained herein, each director shall hold office until his successor is elected and qualified, or until his earlier death, resignation or removal.

2.8 Vacancies. Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, may be filled only by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, if applicable, and a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next election of the class for which such director shall have been chosen and until his successor is elected and qualified, or until his earlier death, resignation or removal.

2.9 Quorum. A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number so fixed constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meting, until a quorum shall be present.

2.10 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law or the Certificate of Incorporation or these By-Laws.

2.11 Removal. Any one or more or all of the directors may be removed, with or without cause, by the holders of shares representing at least seventy-five percent (75%) of the votes which all the stockholders would be entitled to cast at any election of directors or class of directors (other than an election of the Class A Director); provided, however, that the Class A Director may be removed only by the holders of at least seventy-five percent (75%) of the outstanding shares of Class A Common Stock.

2.12 Resignation. Any director may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other

event.

2.13 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.14 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Delaware, designated in a call by the Chairman of the Board, President, two or more directors, or by one director in the event that there is only a single director in office.

2.15 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the

directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 48 hours in advance of the meeting, (ii) by sending a telegram or telex, or delivering written notice by hand, to his last known business or home address at least 48 hours in advance of the meeting, or (iii) by mailing written notice to his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.16 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.17 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

2.18 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors.

2.19 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall

preclude any director from serving the corporation or any of its parent or

subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 - Officers

3.1 Enumeration. The officers of the corporation shall consist of a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Chairman of the Board, a Vice-Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers, and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until his successor is elected and qualified, unless a different term is specified in the vote choosing or appointing him, or until his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Any officer may be removed at any time, with or without cause, by vote of a majority of the entire number of directors then in office.

Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise, unless such compensation is expressly provided in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary.

Each such successor shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified, or until his earlier death, resignation or removal.

3.7 Chairman of the Board and Vice-Chairman of the Board. The Board of Directors may appoint a Chairman of the Board and may designate the Chairman of the Board as Chief Executive Officer. If the Board of Directors appoints a Chairman of the Board, he shall perform such duties and possess such powers as are assigned to him by the Board of Directors. If the Board of Directors appoints a Vice-Chairman of the Board, he shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in him by the Board of Directors.

3.8 President. The President shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the stockholders and, if he is a director, at all meetings of the Board of Directors. Unless the Board of Directors has designated the Chairman of the Board or another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The President shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President, the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary, (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.11 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him by the Board of Directors or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer, (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.12 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

ARTICLE 4 - Capital Stock

4.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. Every holder of stock of the corporation shall be entitled to have a certificate, in such form as may be prescribed by law and

by the Board of Directors, certifying the number and class of shares owned by him in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman or Vice-Chairman, if any, of the Board of Directors, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the By-laws, applicable securities laws or any agreement among any number of shareholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5. Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a record date for a written consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is properly delivered to the corporation. The record date

for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE 5 - General Provisions

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of May in each year and end on the last day of April in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these By-laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

5.4 Voting of Securities. Except as the directors may otherwise designate, the President or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Transactions with Interested Parties. Except as otherwise specified by the Board of Directors, no contract or transaction between the corporation and one or more of the directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon,

and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee of the Board of Directors, or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

5.8 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

5.9 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE 6 - Amendments

6.1 By the Board of Directors. These By-laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

6.2 By the Stockholders. Subject to the following paragraph, these By-laws may be altered, amended or repealed or new by-laws may be adopted by the affirmative vote of the holders of shares representing a majority of the votes which all of the stockholders would be entitled to cast at any election of directors or class of directors (other than an election of the Class A Director) at any regular meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new by-laws shall have been stated in the notice of such special meeting.

Notwithstanding any other provision of law, the Certificate of Incorporation or these By-Laws (including the preceding paragraph), and notwithstanding the fact that a lesser percentage may be specified by law, the affirmative vote of the holders of shares representing at least 75% of the votes which all the stockholders would be entitled to cast at any election of directors or class of directors (other than an election of the Class A Director) shall be required to amend or repeal, or to adopt any provision inconsistent with, the provisions of Sections 1.10 or 1.11, the provisions of Article II, or the provisions of this Section 6.2.

Exhibit 4.1

Certificate of Designation of Rights, Preferences
and Limitations of Series A Convertible Preferred Stock

of

Casella Waste Systems, Inc.

Casella Waste Systems, Inc., a Delaware corporation (the "Corporation"), pursuant to authority conferred on the Board of Directors of the Corporation by the Certificate of Incorporation and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, certifies that the Board of Directors of the Corporation, at a meeting duly called and held, at which a quorum was present and acting throughout, duly adopted the following resolution:

RESOLVED: That, pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation be and hereby is established, consisting of 55,750 shares, to be designated "Series A Convertible Preferred Stock" (hereinafter "Series A Preferred Stock"); that the Board of Directors be and hereby is authorized to issue such shares of Series A Preferred Stock from time to time and for such consideration and on such terms as the Board of Directors shall determine; and that, subject to the limitations provided by law and by the Certificate of Incorporation, the powers, designations, preferences and relative, participating, optional or other special rights of, and the qualifications, limitations or restrictions upon, the Series A Preferred Stock shall be as follows:

1. Dividends.

(a) Holders of the outstanding shares of Series A Preferred Stock will be entitled to receive dividends on each share of the Series A Preferred Stock, when and if declared by the Board of Directors, out of funds legally available therefor, at a rate per annum equal to 5.0% of the Liquidation Value, payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year (unless such day is not a business day, in which event such dividends shall be payable on the next succeeding business day) (each such date being a "Dividend Payment Date" and each such quarterly period being a "Dividend Period"), commencing on

October 31, 2000. Each such dividend shall be payable to the holders of record of shares of the Series A Preferred Stock as they appear on the stock register of the Corporation at the close of business on the corresponding Record Date. As used herein, the term "Record Date" means, with respect to the dividend payable on January 31, April 30, July 31 and October 31, respectively, of each year, the preceding January 15, April 15, July 15 and October 15, or such other date, not more than 60 days or less than 10 days preceding the payment dates thereof, as shall be fixed as the record date by the Board of Directors. Dividends, whether or not declared and whether or not there shall be earnings or surplus, will accrue on a daily basis and accumulate on the last day of each Dividend Period in accordance with the following sentence. If cash dividends are not declared by the Board of Directors and paid to the holders of the outstanding shares of Series A Preferred Stock on or before the respective Dividend Payment Date, such dividend shall accumulate by adding to the Accreted Value for each share of Series A Preferred Stock an amount equal to the Applicable Percentage multiplied by the Accreted Value as of the immediately preceding Dividend Payment Date.

(b) Commencing on the third anniversary of the Closing Date, any dividend on the Series A Preferred Stock may, at the option of the Corporation, be paid in cash; provided, however, that, with respect to any Dividend Payment Date occurring prior to the third anniversary of the Closing Date, all such dividends shall not be declared or paid and the amount thereof shall accumulate as described in Section 1(a) above. As used herein, the "Applicable Percentage" for each full Dividend Period for the Series A Preferred Stock shall be 1.25%. The Applicable Percentage for the initial Dividend Period, or any other period shorter than a full period, shall be computed on the basis of a per annum rate of 5.0% and the actual number of days elapsed over a 365-day year.

(c) If at any time after the fourth anniversary of the Closing Date, the average Market Price of the Class A Common Stock for a period of 30 consecutive trading days equals or exceeds $34.30 (subject to appropriate adjustments for stock splits, stock dividends, combinations and other similar recapitalizations after the Closing Date affecting the shares of the Common Stock), then the dividend on the Series A Preferred Stock shall cease to accrue; provided that the Corporation shall not have elected (or been required) to pay any dividend in cash pursuant to Section 1(b) prior to the fourth anniversary of the Closing Date.

(d) All dividends paid with respect to shares of the Series A Preferred Stock shall be paid pro rata to the holders thereof entitled thereto.

(e) If accrued dividends on the Series A Preferred Stock for all prior periods have not been (i) paid in full or (ii) added to the Accreted Value pursuant to Section 1(a), then any dividend declared on any Parity Stock or Junior Stock (other than the Common Stock) will be declared ratably on the Series A Preferred Stock in proportion to accrued and unpaid dividends on the Series A Preferred Stock and such Parity Stock or Junior Stock (other than the Common Stock) and if dividends on any Parity Stock or Junior Stock (other than the Common Stock) are due and payable and have not been paid in full, then any dividend declared on the Series A Preferred Stock will be declared ratably on the Parity Stock or Junior Stock (other than the Common Stock) in proportion to accrued and unpaid dividends on the Series A Preferred Stock and such Parity Stock or Junior Stock (other than the Common Stock).

(f) So long as any shares of Series A Preferred Stock are outstanding, if the Corporation pays a dividend or distribution in cash on the Common Stock (other than dividends or distributions payable solely in Common Stock) then at the same time the Corporation shall declare and pay a dividend on each share of Series A Preferred Stock in the amount equal to the dividends that would be paid with respect to a share of Series A Preferred Stock if converted by the holder thereof into Common Stock on the date established as the record date with respect to such dividend on the Common Stock and there shall be no adjustment to the Series A Conversion Price with respect to such dividend.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment shall be made to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series A Preferred Stock (such Common Stock and other stock being collectively referred to as "Junior Stock") by reason of their ownership thereof, an amount equal to the greater of (i) the Liquidation Value, plus all accrued but unpaid dividends accrued but unpaid since the most recent Dividend Payment Date, or (ii) such amount per share as would have been payable had each such share been converted into Class A Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution or winding up. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock and Parity Stock the full amount to which they shall be entitled, the holders of shares of Series A Preferred Stock and any Parity Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all amounts required to be paid to the holders of Series A Preferred Stock and any Parity Stock in accordance with Section 2(a), upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

(c) Unless the holders of a majority of the shares of Series A Preferred Stock determine otherwise, any (i) merger or consolidation in which

(A) the Corporation is a constituent party or (B) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation (except any such merger or consolidation involving the Corporation or a subsidiary in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold immediately following such merger or consolidation at least 50% by voting power of the capital stock of (x) the surviving or resulting corporation or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation), or (ii) the sale

of all or substantially all the assets of the Corporation (other than a transfer of all or substantially all of the assets of the Corporation to one or more wholly owned subsidiaries), shall be deemed to be a liquidation of the Corporation for purposes of this Section 2, and the agreement or plan of merger or consolidation with respect to such merger, consolidation or sale shall provide that the consideration payable to the stockholders of the Corporation (in the case of a merger or consolidation), or consideration payable to the Corporation, together with all other available assets of the Corporation (in the case of an asset sale), shall be distributed to the holders of capital stock of the Corporation in accordance with Sections 2(a) and 2(b) above. The amount deemed distributed to the holders of Series A Preferred Stock upon any such merger, consolidation or sale shall be the cash or the value of the property, rights or securities distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or other securities shall be determined in good faith by the Board of Directors of the Corporation. For the purposes of this Section 2, except as expressly set forth in this Section 2(c), neither the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation or merger of the Corporation with or into one or more other entities shall be deemed to be a liquidation, dissolution or winding-up of the Corporation.

3. Voting.

(a) On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation, each holder of outstanding shares of Series A Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Class A Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law, by the provisions of the Corporation's Certificate of Incorporation, by the provisions of Section 3(b) or Section 3(c) below or any other provision hereof specifically requiring the vote of the Series A Preferred Stock or by the provisions establishing any other series of Preferred Stock, holders of Series A Preferred Stock and of any other outstanding series of Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) The Corporation shall not amend, alter or repeal the preferences, special rights or other powers of the Series A Preferred Stock or otherwise amend its Certificate of Incorporation (whether by amendment, merger, reorganization or otherwise) so as to affect adversely the Series A Preferred Stock, without the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class. For this purpose, without limiting the generality of the foregoing, the authorization of any shares of capital stock with preference or priority over the Series A Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation shall be deemed to affect adversely the Series A Preferred Stock, and subject to the provisions of Section 3(c), the authorization of any shares of capital stock on a parity or junior to with Series A Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Corporation shall not be deemed to affect adversely the Series A Preferred Stock. The number of authorized shares of Series A Preferred Stock may be increased or decreased (but not below the number of shares then

outstanding) by the directors of the Corporation pursuant to Section 151 of the General Corporation Law of Delaware or by the affirmative vote of the holders of a majority of the votes entitled to be cast by the then outstanding shares of the Common Stock, Series A Preferred Stock and all other classes or series of stock of the Corporation entitled to vote thereon, voting as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of Delaware.

(c) In addition to any other rights provided by law, so long as at least 15% of the initial number of shares of Series A Preferred Stock shall be outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than 50% of the then outstanding shares of Series A Preferred Stock:

(i) issue any Parity Stock, Junior Stock (other than Common Stock) or convertible securities (other than stock options and other awards with respect to Common Stock given to employees, directors and consultants) ("Restricted Instruments") unless, in the opinion of counsel to the Corporation reasonably satisfactory to the holders of a majority of the shares of Series A Preferred Stock, (A) the issuance of such Restricted Instruments will not cause the Series A Preferred Stock to be treated as preferred stock for purposes of Section 305 of the Internal Revenue Code of 1986, as amended (the "Code"), and (B) regardless of whether the Corporation has or is expected to have current or accumulated earnings and profits, the terms of such Restricted Instruments will not permit or give rise to a distribution under Section 301 of the Code or a transaction treated as a distribution under Section 305(c) of the Code which will cause the holders of Series A Preferred Stock to realize income by reason of Section 305 of the Code;

(ii) declare or pay any dividends or make any other direct or indirect distribution on account of any capital stock (other than Series A Preferred Stock or Common Stock); or

(iii) redeem, repurchase, otherwise acquire or enter into any transaction involving the disposition of any shares of capital stock (other than a disposition of such shares by the Company) unless, in the opinion of counsel to the Corporation reasonably satisfactory to the holders of a majority of the shares of Series A Preferred Stock, regardless of whether the Corporation has or is expected to have current or accumulated earnings and profits, such transaction will not cause the holders Series A Preferred Stock to realize income by reason of Section 305 of the Code; provided however that this Section 3(c)(iii) shall not apply to repurchases by the Corporation of Common Stock on the open market in which the identity of the seller is unknown to the Corporation or to redemptions by the Corporation pursuant to Section 6 or Section 7.

(d) Notwithstanding any other provision in the Corporation's Certificate of Incorporation or By-laws, the holders of the Series A Preferred Stock may take action by written consent in lieu of a meeting.

4. Optional Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into fully paid and nonassessable shares of Class A Common Stock. The number of shares of Class A Common Stock deliverable upon conversion of a share of Series A Preferred Stock is determined by dividing the Liquidation Value on the applicable date plus all accrued but unpaid dividends which have not been added to the Accreted Value in accordance with Section 1(a) by the Series A Conversion Price (as defined below) in effect at the time of conversion. The "Series A Conversion Price" shall initially be $14.00. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Class A Common Stock, shall be subject to adjustment as provided below.

In the event of a notice of redemption of any shares of Series A Preferred Stock pursuant to Section 6 hereof, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the first full day preceding the date fixed for redemption, unless the redemption price is not paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation of the Corporation, the Conversion Rights shall terminate at the close of business on the first full day preceding the date fixed for the payment of any amounts distributable on liquidation to the holders of Series A Preferred Stock.

(b) Fractional Shares. No fractional shares of Class A Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then effective Series A Conversion Price.

(c) Mechanics of Conversion.

(i) In order for a holder of Series A Preferred Stock to convert shares of Series A Preferred Stock into shares of Class A Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock, at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any portion of the shares of the Series A Preferred Stock represented by such certificate or certificates. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Class A Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his or its attorney duly authorized in writing. The date of receipt of such certificates and notice by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) shall be the conversion date ("Conversion Date"), and the shares of Class A Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver at such office to such holder of Series A Preferred Stock, or to his or its nominees, a certificate or certificates for the number of shares of Class A Common Stock to which such holder shall be entitled, together with cash in lieu of any fraction of a share.

(ii) The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Class A Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Class A Common Stock at such adjusted Series A Conversion Price.

(iii) All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares hereunder, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Class A Common Stock in exchange therefor and payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and shall not be reissued, and the Corporation (without the need for stockholder action) will take such appropriate action as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

(iv) The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of

shares of Class A Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Class A Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(d) Adjustments to Series A Conversion Price for Diluting Issues:

(i) Special Definitions. For purposes of this Section 4, the following definitions shall apply:

(A) "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(B) "Series A Original Issue Date" shall mean the date on which a share of Series A Preferred Stock was first issued.

(C) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(D) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4(d)(iii) below, deemed to be issued) by the Corporation after the Series A Original Issue Date, other than:

(I) shares of Common Stock issued or issuable upon conversion or exchange of any Convertible Securities or exercise of any Options outstanding on the Series A Original Issue Date;

(II) shares of Convertible Securities or Common Stock issued or issuable as a dividend or distribution on Series A Preferred Stock or the adjustment of the Series A Conversion Price;

(III) shares of Common Stock issued or issuable by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Section 4(e) or 4(f) below;

(IV) shares of Common Stock (or Options with respect thereto) issued or issuable to employees or directors of, or consultants to, the Corporation pursuant to a plan or arrangement approved by the Board of Directors of the Corporation; or

(V) shares of Convertible Securities or Common Stock (or Options with respect thereto) issued or issuable as consideration for the acquisition of a business or of assets (whether pursuant to a merger, asset acquisition or otherwise) or to the Corporation's joint venture partners in exchange for interests in the relevant joint venture, but only to the extent that the consideration per share (determined pursuant to Section 4(d)(v)) for such transactions consummated after the Closing Date is equal to or greater than $10.00 (subject to appropriate adjustments for stock splits, dividends, combinations and other similar recapitalizations after the Closing Date).

(ii) No Adjustment of Series A Conversion Price. No adjustment in the Series A Conversion Price shall be made as the result of the issuance of Additional Shares of Common Stock if: (a) the consideration per share (determined pursuant to Subsection 4(d)(v)) for such Additional Share of Common

Stock issued or deemed to be issued by the Corporation is equal to or greater than the applicable Series A Conversion Price in effect immediately prior to the issuance or deemed issuance of such Additional Shares, or (b) prior to such issuance or deemed issuance, the Corporation receives written notice from the holders of at least 50% of the

then outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock.

(iii) Issue of Securities Deemed Issue of Additional Shares of Common Stock. If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date (unless such Options or Convertible Securities are excluded from the definition of Additional Shares of Common Stock pursuant to Section 4(d)(I)(D) above), provided that (i) if those Options are only exercisable upon the occurrence of certain triggering events, then the Options will be deemed not to be issued or outstanding, and the Series A Conversion Price will not be adjusted with respect to such Options, until the triggering events occur, and (ii) Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section 4(d)(v) hereof) of such Additional Shares of Common Stock would be less than the applicable Series A Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) No further adjustment in the Series A Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) If such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, upon the exercise, conversion or exchange thereof, the Series A Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) Upon the expiration or termination of any such unexercised Option or unconverted Convertible Security, the Series A Conversion Price shall not be readjusted, but the Additional Shares of Common Stock deemed issued as the result of the original issue of such Option or Convertible Security shall not be deemed issued for the purposes of any subsequent adjustment of the Series A Conversion Price;

(D) In the event of any change in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security, including, but not limited to, a change resulting from the anti-dilution provisions thereof, the Series A Conversion Price then in effect shall forthwith be readjusted to

such Series A Conversion Price as would have obtained had the adjustment which was made upon the issuance of such Option or Convertible Security not exercised, converted or exchanged prior to such change been made upon the basis of such change; and

(E) No readjustment pursuant to clause (B) or (D) above shall have the effect of increasing the Series A Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price on the original adjustment date, or (ii) the Series A Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

In the event the Corporation, after the Series A Original Issue Date, amends the terms of any such Options or Convertible Securities (whether such Options or Convertible Securities were outstanding on the Series A Original Issue Date or were issued after the Series A Original Issue Date), then such Options or Convertible Securities, as so amended, shall be deemed to have been issued after the Series A Original Issue Date and the provisions of this Subsection 4(d)(iii) shall apply.

(iv) Adjustment of Series A Conversion Price Upon Issuance of Additional Shares of Common Stock.

In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4(d)(iii)), without consideration or for a consideration per share less than the applicable Series A Conversion Price in effect immediately prior to such issue, then and in such event, such Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Series A Conversion Price by a fraction, (A) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue plus (2) the number of shares of Common Stock which the aggregate consideration received or to be received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Series A Conversion Price; and (B) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued; provided that, (i) for the purpose of this Section 4(d)(iv), all shares of Common Stock issuable upon conversion or exchange of Convertible Securities outstanding immediately prior to such issue shall be deemed to be outstanding, and (ii) the number of shares of Common Stock deemed issuable upon conversion or exchange of such outstanding Convertible Securities shall not give effect to any adjustments to the conversion or exchange price or conversion or exchange rate of such Convertible Securities resulting from the issuance of Additional Shares of Common Stock that is the subject of this calculation.

(v) Determination of Consideration. For purposes of this Subsection 4(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property: Such consideration shall:

(I) insofar as it consists of cash, be computed at the aggregate of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(II) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(III) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (I) and (II) above, as determined in good faith by the Board of Directors.

(B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4(d)(iii), relating to Options and Convertible Securities, shall be determined by dividing

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series A Original Issue Date effect a subdivision of the outstanding Class A Common Stock, the Series A Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Series A Original Issue Date combine the outstanding shares of Class A Common Stock, the Series A Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall

become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time, or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Series A Conversion Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Class A Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Class A Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Class A Common Stock issuable in payment of such dividend or distribution;

provided, however, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(g) Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2(c), if there shall occur any reorganization, recapitalization, consolidation or merger involving the Corporation in which the Class A Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by paragraphs (e) or (f) of this Section 4), then, following any such reorganization, recapitalization, consolidation or merger, each share of Series A Preferred Stock shall be convertible into the kind and amount of securities, cash or other property which a holder of the number of shares of Class A Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good

faith by the Board of Directors) shall be made in the application of the provisions in this Section 4 set forth with respect to the rights and interest thereafter of the holders of the Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

(h) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

(i) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Class A Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

(j) Notice of Record Date. In the event:

(i) the Corporation shall take a record of the holders of its Class A Common Stock (or other stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(ii) of any capital reorganization of the Corporation, any reclassification of the Class A Common Stock of the Corporation, any consolidation or merger of the Corporation with or into another corporation (other than a consolidation or merger in which the Corporation is the surviving entity and its Class A Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Corporation; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will mail or cause to be mailed to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Class A Common Stock (or such other stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation,

merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least 10 days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

(a) In the event that the Corporation elects to (and is eligible to) redeem less than all of the issued and outstanding shares of Series A Preferred Stock pursuant to Section 6(a), then, upon such redemption, the Corporation may, but is not obligated, to cause the remaining shares of Series A Preferred Stock which were not redeemed to be automatically converted into shares of Class A Common Stock at the then effective conversion ratio. On the date of a mandatory conversion pursuant to this Section 5 (a) ("Mandatory Conversion Date"), the number of authorized shares of Preferred Stock shall be automatically reduced by the number of shares of Preferred Stock that had been designated as Series A Preferred Stock, and all provisions included under the caption "Series A Convertible Preferred Stock", and all references to the Series A Preferred Stock, shall be deleted and shall be of no further force or effect.

(b) All holders of record of shares of Series A Preferred Stock shall be given written notice of the Mandatory Conversion Date and the place designated for mandatory conversion of such shares of Series A Preferred Stock pursuant to this Section 5 and the redemption of the remaining shares of Series A Preferred Stock pursuant to Section 6 and Section 7. Such notice shall be sent by first class or registered mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Mandatory Redemption Date to each holder of record of the Series A Preferred Stock at such holder's address as the same appears on the stock register of the Corporation; provided that neither the failure to give such notice nor any defect therein shall affect the validity of the giving of notice for the mandatory conversion of any share of any share of Series A Preferred Stock to be converted except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. Upon receipt of such notice, each holder of shares of Series A Preferred Stock shall surrender his or its certificate or certificates for all such shares to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Class A Common Stock to which such holder is entitled pursuant to this Section 5. On the Mandatory Conversion Date, the number of shares of the outstanding shares of Series A Preferred Stock not redeemed in accordance with Section 6(a) shall be deemed to have been converted into shares of Class A Common Stock and all rights set forth herein with respect to the Series A Preferred Stock so converted, including the rights, if any, to receive notices and vote (other than as a holder of Class A Common Stock) will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of shares of Class A Common Stock into which such Series A Preferred Stock has been converted, and payment of any declared but unpaid dividends thereon. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his or its attorney duly authorized in writing. As soon as practicable after the Mandatory Conversion Date and the surrender of the certificate or certificates for Series A Preferred Stock, the Corporation shall cause to be issued and delivered to such holder, or on his or its written order, a certificate or certificates for the number of full shares of Class A Common Stock issuable on such conversion in accordance with the provisions

hereof and cash as provided in Section 4(b) in respect of any fraction of a share of Class A Common Stock otherwise issuable upon such conversion.

(c) All certificates evidencing shares of Series A Preferred Stock which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the Mandatory Conversion Date, be deemed to have been retired and cancelled and the shares of Series A Preferred Stock represented thereby converted into Class A Common Stock for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date. Such converted Series A Preferred Stock may not be reissued, and the Corporation will thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Redemption.

(a) Subject to the right of the holders of Series A Preferred Stock to convert such shares in accordance with Section 4 hereof, beginning on the

third anniversary of the Closing Date and continuing until the seventh anniversary of the Closing Date, the Corporation may redeem at its option all of the issued and outstanding shares of Series A Preferred Stock, at any time at a redemption price per share in cash (the "Optional Redemption Price") equal to the greater of (i) 90% of the Current Market Value of the number of shares of Class A Common Stock into which a share of Series A Preferred Stock could be converted by the holder on the date of the notice of redemption pursuant to Section 7(b) or (ii) an amount which will provide the holders of the Series A Preferred Stock with a 30% IRR on Original Investment to the date of redemption; provided that if the redemption occurs prior to the fourth anniversary of the Closing Date, the Optional Redemption Price shall not be less than the greater of (i) a 30% IRR on Original Investment and (ii) a Return on Investment of Three Times the Original Investment, in each case to the date of redemption; provided, further, that in the event the Optional Redemption Price is equal to 90% of the Current Market Value of the number of shares of Class A Common Stock into which a share of Series Preferred Stock could be converted on the date of the notice of redemption pursuant to Section 7(b), then the Corporation may redeem less than all (but in no event less than 50%) of the issued and outstanding shares of Series A Preferred Stock.

(b) Promptly following the occurrence of a Change of Control, the Corporation shall notify (a "Change of Control Notice") the holders of the Series A Preferred Stock of such occurrence. Within thirty days after the Corporation sends a Change of Control Notice, each holder of shares of Series A Preferred Stock shall have the option to the extent the Corporation shall have funds legally available therefor, to require the Corporation to redeem such holder's shares of Series A Preferred Stock, or such portion thereof as may be determined by such holder, at a redemption price per share (the "Elective Redemption Price") in cash equal to the Liquidation Value as of the date of the Change of Control (which date shall be the redemption date for purposes hereof). Any election pursuant to this Section 6(b) must be made by written notice delivered to the offices of the Corporation, accompanied by certificates representing the shares to be redeemed within thirty days following the mailing of the Change of Control Notice. Such notice shall be signed by the holder of the shares to be redeemed and must specify the number of shares to be redeemed.

(c) All outstanding shares of Series A Preferred Stock shall be redeemed by the Corporation at a price per share equal to the Liquidation Value plus all accrued but unpaid dividends that have not been added to the Accreted Value in accordance with Section 1(a) as of the date of redemption (the "Mandatory Redemption Price") on the seventh anniversary of the Closing Date (the "Mandatory Redemption Date"). If the Corporation does not have sufficient funds legally available to redeem the Series A Preferred Stock on the Mandatory Redemption Date, the Corporation shall redeem a pro rata portion of each holder's shares of Series A Preferred Stock out of funds legally available therefor and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

(d) If the Corporation is unable or shall fail to discharge its obligation to redeem all outstanding shares of Series A Preferred Stock pursuant to Section 6(c) (a "Mandatory Redemption Obligation") for any reason, including as a result of the failure of the Corporation to have funds legally available to make such redemption, the Mandatory Redemption Obligation shall be discharged as soon as the Corporation is able to discharge such Mandatory Redemption Obligation and the Board of Directors shall take all action commercially reasonable to enable the Corporation to discharge such Mandatory Redemption Obligation, including without limitation increasing the capital surplus of the Corporation if possible. If and so long as any Mandatory Redemption Obligation with respect to the Series A Preferred Stock shall not be fully discharged, the Corporation shall not (i) declare or pay any dividend or distribution with respect to, or directly or indirectly, redeem, purchase, or otherwise acquire any Parity Stock or discharge any mandatory or optional redemption, sinking fund or other similar obligation in respect of any Parity Stock or Junior Stock (except in connection with a redemption, sinking fund or other similar obligation to be satisfied pro rata with the Series A Preferred Stock and except for dividends on Parity Stock which are payable solely in additional shares of or by the increase in the liquidation value of Parity Stock, in each case, pursuant to the terms thereof) or (ii) declare or pay any dividend or distribution with respect to, or directly or indirectly redeem, purchase, or otherwise acquire, any Junior Stock, or, directly or indirectly, discharge any mandatory or optional redemption, sinking fund or other similar obligation in

respect of any Junior Stock (other than a redemption, purchase or other acquisition of shares of Common Stock made pursuant to an employee incentive or benefit plan or arrangement of the Corporation or any subsidiary or other agreement or arrangement between an employee and the Corporation or any subsidiary approved by the Board of Directors or any committee thereof and other than dividends on Junior Stock which are payable solely in additional shares of or by the increase in the liquidation value of Junior Stock, in each case, pursuant to the terms thereof).

(e) Shares of Series A Preferred Stock which have been redeemed pursuant to this Section 6 will be cancelled and will not under any circumstances be reissued, sold or transferred and the Corporation will from time to time take such appropriate action as may be necessary to reduce the authorized Series A Preferred Stock accordingly.

7. Procedure for Redemption.

(a) In the event that fewer than all the outstanding shares of Series A Preferred Stock are to be redeemed in accordance with the provisions of Section 6(a) (which in no event shall be less than 50% of the then outstanding Series A Preferred Stock), the number of

shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be selected pro rata (with any fractional shares being rounded to the nearest whole share).

(b) In the event the Corporation shall redeem shares of Series A Preferred Stock pursuant to Section 6(a) or Section 6(c), notice of such redemption shall be given by first class or registered mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the redemption date, to each holder of record of the shares to be redeemed at such holder's address as the same appears on the stock register of the Corporation; provided that neither the failure to give such notice nor any defect therein shall affect the validity of the giving of notice for the redemption of any share of Series A Preferred Stock to be redeemed except as to the holder to whom the Corporation has failed to give said notice or except as to the holder whose notice was defective. Each such notice shall state: (i) the redemption date; (ii) the number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed in accordance with Section 6(a), the number of shares to be redeemed from such holder; (iii) the Optional Redemption Price or the Mandatory Redemption Price, as the case may be; and (iv) the place or places where certificates for such shares are to be surrendered for payment of the Optional Redemption Price or the Mandatory Redemption Price, as the case may be.

(c) Notice having been received by the Corporation as set forth in Section 6(b) or having been mailed by the Corporation as set forth in Section 7(b), from and after the redemption date, dividends on the shares of Series A Preferred Stock so called pursuant to Section 6(a) or Section 6(c), or surrendered for redemption pursuant to Section 6(b), shall cease to accrue, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Optional Redemption Price, the Mandatory Redemption Price or the Elective Redemption Price, as the case may be) shall cease. Upon surrender in accordance with said notice of the certificates for any shares so redeemed (properly endorsed or assigned for transfer, if the Board of Directors shall so require and the notice shall so state), such share shall be redeemed by the Corporation at the Optional Redemption Price, the Mandatory Redemption Price or the Elective Redemption Price, as the case may be.

(d) Unless there shall have been a failure to pay the Optional Redemption Price, the Mandatory Redemption Price or the Elective Redemption Price, as applicable, on the applicable redemption date all rights of the holder of each share redeemed on such date as a stockholder of the Corporation by reason of the ownership of such share will cease, except the right to receive the Optional Redemption Price, the Mandatory Redemption Price or the Elective Redemption Price, as applicable, of such share, without interest, upon presentation and surrender of the certificate representing such share, and such share will not from and after such applicable redemption date be deemed to be outstanding.

8. Definitions.

"A 30% IRR on Original Investment" shall mean in connection with the redemption of any share of Series A Preferred Stock, a 30% internal rate of return on investment to the holder of such share, calculated from the date of issuance of such share of Series A Preferred Stock to

the date of receipt of the Optional Redemption Price and based on the Liquidation Value of such share on the date of issuance and the Optional Redemption Price.

"A Return on Investment of Three Times the Original Investment" shall mean in connection with the redemption of any share of Series A Preferred Stock, the receipt by the holder of such share of an amount equal to or greater than three times (3x) the Liquidation Value of such share as of the date of issuance.

"Accreted Value" means, with respect to one share of Series A Preferred Stock, the amount equal to $1,000.00 plus the amount of any dividends added to the Accreted Value in accordance with Section 1(a) (which aggregate amount shall be subject to adjustment whenever there shall occur a stock split, combination, reclassification, or other similar event involving the Series A Preferred Stock occurring after the Closing Date).

"Change of Control" means the occurrence of any of the following events: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than holders of the Series A Preferred Stock or John or Douglas Casella becomes the "beneficial owner" (as defined in Rule 13d-3 and 13d-5 under the Exchange Act) of more than 50% of the total voting stock of the Corporation or (b) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by the Board of Directors or whose nomination for election by the stockholders of the Corporation was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved or whose nomination was made by the holders of the Series A Preferred Stock) cease for any reason to constitute a majority of the Board of Directors then in office other than pursuant to provisions of the Purchase Agreement relating to nomination, election, resignation or removal of directors under certain circumstances described therein; provided, however, that a "Change of Control" shall not include any event which is deemed to be a liquidation of the Corporation for purposes of Section 2 or any merger or consolidation of the Corporation immediately after which holders of the outstanding voting stock of the Corporation immediately prior to such transaction hold 50% or more of the outstanding voting stock of the surviving company or its parent company.

"Class A Common Stock" shall mean the Corporation's Class A Common Stock, par value $0.01 per share, and any other capital stock of the Corporation into which such stock is reclassified or reconstituted.

"Closing Date" shall have the meaning given such term in the Purchase Agreement.

"Common Stock" shall mean the Class A Common Stock, the Corporation's Class B Common Stock, par value $0.01 per share, and any other class of common stock of the Corporation created after the date hereof.

"Current Market Value" means the average of the daily Market Prices of the Class A Common Stock for 15 consecutive trading days immediately preceding the date for which such value is to be determined.

"Liquidation Value" means, at a given time with respect to one share of Series A Preferred Stock, the Accreted Value as of such time.

"Market Price" means, with respect to the Class A Common Stock, on any given day, (i) the price of the last trade, as reported on the Nasdaq Stock Market, not identified as having been reported late to such system, or (ii) if the Class A Common Stock is so traded, but not so quoted, the average of the last bid and ask prices, as those prices are reported on the Nasdaq Stock

Market, or (iii) if the Class A Common Stock is not listed or authorized for trading on the Nasdaq Stock Market or any comparable system, the average of the closing bid and asked prices as furnished by two members of the National Association of Securities Dealers, Inc. selected from time to time by the Corporation for that purpose. If the Class A Common Stock is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Class A Common Stock shall be deemed to be the fair value per share of such security as determined in good faith by the Board of Directors of the Corporation.

"Parity Stock" means any class of capital stock of the Corporation or series of Preferred Stock of the Corporation established hereafter by the Board of Directors, the terms of which expressly provide that such class or series will rank on a parity with the Series A Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution.

"Preferred Stock" shall mean the Corporation's preferred stock, par value $0.01 per share.

"Purchase Agreement" means the Preferred Stock Purchase Agreement dated as of June 28, 2000 among the Corporation and the purchasers named therein.

9. Waiver. Any of the rights of the holders of Series A Preferred Stock set forth herein may be waived by the affirmative vote of the holders of a majority of the shares of Series A Preferred Stock then outstanding.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be signed by its President this 8th day of August, 2000.

CASELLA WASTE SYSTEMS, INC.

By: /s/ John W. Casella

John W. Casella, President

Exhibit 10.1

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PREFERRED STOCK PURCHASE AGREEMENT

by and among

CASELLA WASTE SYSTEMS, INC.

and

the Persons listed on Schedule 1 attached hereto

Dated as of June 28, 2000

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SCHEDULES

EXHIBITS

PREFERRED STOCK PURCHASE AGREEMENT

THIS PREFERRED STOCK PURCHASE AGREEMENT is dated as of June 28, 2000, by and among Casella Waste Systems, Inc., a Delaware corporation (the "Company"), and the Persons whose names are set forth on Schedule 1 attached hereto, as such schedule is updated from time to time (individually, a "Purchaser" and collectively, the "Purchasers").

STATEMENT OF PURPOSE

WHEREAS, the Company will designate a new series of its preferred stock, par value $0.01 per share, which shall be called the Company's Series A Convertible Preferred Stock (the "Preferred Stock"), which shall be convertible into shares of the Company's Class A common stock, par value $0.01 per share, in accordance with the terms of the Company's Certificate of Designation amending the Company's Certificate of Incorporation;

WHEREAS, the Purchasers wish to purchase at the Closing (as defined below), upon the terms and conditions stated in this Agreement, an aggregate of 55,750 shares of the Preferred Stock to be purchased by the Purchasers; and

WHEREAS, the Company and the Purchasers have reached certain agreements with regard to the foregoing transactions, all upon the terms and conditions more particularly described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as

follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Accredited Investor" means any "accredited investor" within the meaning of Rule 501(a) under the Securities Act.

"Affiliate" means, with respect to a Person, any Person (other than a Subsidiary) which directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. The term "control" means (i) the power to vote 25% or more of the securities or other equity interests of a Person having ordinary voting power (on a fully

diluted basis), or (ii) the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise; provided, however, that, for purposes of Section 7.12 (transfer restrictions), the percentage contained in clause (i) of the definition of "control" shall be "50%" instead of "25%."

"Agreement" means this Preferred Stock Purchase Agreement, as amended or supplemented from time to time.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in Boston, Massachusetts are authorized or required by law or executive order to close.

"Bylaws" means the Bylaws of the Company as amended pursuant to Section 3.13 on or prior to the Closing Date and attached hereto as Exhibit A.

"Certificate of Designation" means the Certificate of Designation of the Company relating to the Preferred Stock filed with the Secretary of State of the State of Delaware on or prior to the Closing Date and attached hereto as Exhibit B, as subsequently amended, supplemented or otherwise modified.

"Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the Company as in effect on the date hereof and as amended by the Certificate of Designation.

"Class B Common Stock" means the Company's Class B common stock, par value $0.01 per share, or any other capital stock of the Company into which such stock is reclassified or reconstituted.

"Closing" has the meaning assigned thereto in Section 2.2.

"Closing Date" has the meaning assigned thereto in Section 2.2.

"Closing Failure" has the meaning assigned thereto in Section 8.3(a).

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the Company's Class A common stock, par value $0.01 per share, or any other capital stock of the Company into which such stock is reclassified or reconstituted.

"Company" has the meaning assigned thereto in the Preamble.

"Company Indemnified Party" has the meaning assigned thereto in Section 8.1.

"Company Liabilities" has the meaning assigned thereto in Section 8.1.

"Contractual Obligations" means, with respect to a Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument to which such Person is a party or by which it or any of its property is bound.

"Current SEC Reports" has the meaning assigned thereto in Section 5.22.

"DGCL" has the meaning assigned thereto in Section 2.1.

"Environmental Law" means any federal, state, foreign or local statute, law, rule, regulation, ordinance, code or rule of common law now in effect and in each case as amended, and any applicable judicial interpretation thereof, including any legally binding judicial or administrative order, consent decree or judgment, relating to the environment, employee, health and safety or Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. ss. 9601 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. ss. 6901 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. ss. 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. ss. 2601 et seq.; the Clean Air Act, 42 U.S.C. ss. 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. ss. 201 & 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. ss. 2701 et seq.; the Emergency Planning and the Community Right-to-Know Act of 1986, 42 U.S.C. ss. 11001 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. ss. 1801 et seq. and the Occupational Safety and Health Act, 29 U.S.C. ss. 651 et seq.; and any state and local or foreign counterparts or equivalents, in each case as amended from time to time.

"Equity Securities" has the meaning assigned thereto in Section 7.6.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any corporation, trade or business that is, along with the Company, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in Section 414(b) and 414(c), respectively, of the Code or Section 4001 of ERISA.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Statements" has the meaning assigned thereto in Section 5.8.

"GAAP" means generally accepted United States accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board that are applicable to the circumstances as of the date of determination.

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision of any thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Hazardous Materials" means (i) any petroleum or petroleum products, radioactive materials, asbestos in any form that is friable, urea formaldehyde foam insulation, polychlorinated biphenyls, and radon gas; and (ii) any chemicals, materials or substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous substances", "restricted hazardous wastes", "toxic substances" or "toxic pollutants" under any applicable Environmental Law.

"Indebtedness" means as to any Person, at a particular time, (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which such Person otherwise assures a creditor against loss, (b) obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which obligations such Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which

obligations such Person assures a creditor against loss, (c) obligations of such Person to purchase or repurchase accounts receivable, chattel paper or other payment rights sold or assigned by such Person, (d) indebtedness or obligations of such Person under or with respect to letters of credit, notes, bonds or other debt instruments (other than letters of credit that are cash collateralized) and (e) all obligations of such Person under any interest rate swap, cap or collar agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in interest rates, in each case whether contingent or matured.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), priority or other security agreement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the Uniform Commercial Code or any other similar recording or notice statute, and any lease having substantially the same effect as any of the foregoing).

"Material Adverse Change" means a material adverse change in (i) the business, operations, assets, condition (financial or otherwise) or properties of the Company and its Subsidiaries, taken as a whole or (ii) the ability of the Company to perform its obligations, taken as a whole, under the Transaction Documents.

"Material Adverse Effect" means a material adverse effect upon (i) the business, operations, assets, condition (financial or otherwise) or properties of the Company and its Subsidiaries, taken as a whole, or (ii) the ability of the Company to perform its obligations, taken as a whole, under the Transaction Documents.

"Material Controversy" means a controversy that arises among the Company and any of the holders of the Company's outstanding Common Stock in respect of the purchase of the Preferred Stock pursuant to this Agreement.

"Multiemployer Plan" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which the Company or any ERISA Affiliate makes, is making or is obligated to make contributions or has made or been obligated to make contributions.

"Notices" has the meaning assigned thereto in Section 9.2.

"Organizational Documents" means with respect to a corporation, the articles of incorporation and by-laws of such corporation; with respect to a partnership, the certificate of partnership (or limited partnership, as applicable) and partnership agreement, together with the analogous documents for any corporate or partnership general partner; and in any case, any other document governing the formation and conduct of business by such entity.

"Other Proposal" has the meaning assigned thereto in Section 7.6.

"PBGC" means the Pension Benefit Guaranty Corporation established under Title IV of ERISA or any other governmental agency, department or instrumentality succeeding to its functions.

"Permitted Transferee" means any Person to whom a Purchaser or Permitted Transferee has transferred Preferred Stock in accordance with Section 7.12.

"Person" means any individual, firm, corporation, partnership, trust, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Plan" means (i) an "employee pension plan" as defined in Section 3(2) of ERISA, (ii) an "employee welfare benefit plan" as defined in Section 3(1) of ERISA or (iii) any other employee benefit or fringe benefit plan or program, whether established by Requirements of Law, a written agreement or other instrument, or custom or informal understanding.

"Preferred Stock" means the Series A Convertible Preferred Stock of the Company, or any other capital stock of the Company into which such stock is reclassified or reconstituted.

"Purchaser(s)" has the meaning assigned thereto in the Preamble and their successors and permitted assigns.

"Purchaser Director" means any person nominated or designated by the Purchasers to serve as a director of the Company pursuant to this Agreement.

"Purchaser Observer" means any person designated by the Purchasers to serve as an observer at meetings of the Board of Directors pursuant to this Agreement.

"Registration Rights Agreement" means the Registration Rights Agreement dated as of the Closing Date among the Company and the Purchasers listed on the signature pages thereto and attached hereto as Exhibit C.

"Regulation D" means Rule 506 of Regulation D as promulgated by the Commission.

"Regulatory Authorizations" means all approvals, authorizations, licenses, filings, notices, registrations, consents, permits, exemptions, registrations, qualifications, designations, declarations, or other actions or undertakings made by, to or in respect of any Governmental Authority, including any of the foregoing under any Environmental Law necessary in order to enable the Company or its Subsidiaries to provide waste management service of the type provided or proposed to be provided by such entity as of the date hereof.

"Reportable Event" has the meaning assigned thereto in ERISA for which notice has not been waived by regulation.

"Representatives" has the meaning assigned thereto in Section 7.8.

"Required Holders" has the meaning assigned thereto in Section 9.4.

"Requirements of Law" means, with respect to a Person, the Organizational Documents of such Person, and any law, treaty, rule, regulation, right, privilege, qualification, license, permit or franchise or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated or referred to herein, including all applicable common law, all provisions of all applicable material state and federal constitutions, statutes, rules, regulations and orders of all governmental bodies, all Regulatory Authorizations issued to the Company or its Subsidiaries, and all Environmental Laws.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Loan Agreement" means the Amended and Restated Revolving Credit and Term Loan Agreement dated as of August 6, 1997 to which the Company is a party as a borrower, as amended from time to time in accordance with the terms thereof.

"Senior Loan Documents" means the Senior Loan Agreement and each other Loan Document as defined and referred to in the Senior Loan Agreement, as amended from time to time in accordance with the terms thereof.

"Standstill Period" has the meaning assigned thereto in Section 7.11.

"Stock Option Plan" means the 1997 Stock Incentive Plan of the Company as in effect on the date hereof, as it may be amended from time to time, and any and all stock options and other stock-based awards issued pursuant thereto.

"Subsidiary" means, as to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the

happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time.

"Taxes" means all taxes, assessments, fees and other charges levied upon the properties of the Company and its Subsidiaries as shown upon all federal, state and local tax returns and reports, U.S. and non-U.S., required to be filed by such entity.

"Tax Return" means any return (including any information return), report, statement, form or other document required to be filed with or submitted to any Governmental Authority in connection with the determination, assessment, collection or payment of any Taxes.

"Transaction Documents" means, collectively, this Agreement and the Registration Rights Agreement.

"Underlying Common Stock" means all shares of Common Stock issued or issuable upon conversion of the Preferred Stock issued pursuant to this Agreement as of the date of any determination (which number shall be determined, with respect to any given date, based upon the conversion price with respect to the Preferred Stock in effect as of such date).

"United States" and "U.S." shall mean the United States of America.

"Year 2000 Compliant" means that the computer systems and switches and related equipment and software (i) are capable of recognizing, processing, managing, representing, interpreting, and manipulating correctly date-related data for dates earlier and later than January 1, 2000, (ii) have the ability to provide date recognition for any data element without limitation (including, but not limited to, date-related data represented without a century designation, date-related data whose year is represented by only two digits and date fields assigned special values), (iii) have the ability to automatically function into and beyond the year 2000 without human intervention and without any change in operations associated with the advent of the year 2000, (iv) have the ability to correctly interpret data, dates and time into and beyond the year 2000, (v) have the ability not to produce noncompliance in existing information, nor otherwise corrupt such data into and beyond the year 2000, (vi) have the ability to correctly process after January 1, 2000 data containing dates before that date, and (vii) have the ability to recognize all "leap years," including February 29, 2000.

1.2 Accounting Terms. All accounting terms used herein not expressly defined in this Agreement shall have the respective meanings given to them in accordance with sound accounting practice. The term "sound accounting practice" shall mean such accounting practice as, in the opinion of the independent certified public accountants regularly retained by the

Company, conforms at the time to GAAP applied on a consistent basis except for changes with which such accountants concur.

ARTICLE II

PURCHASE AND SALE OF PREFERRED STOCK

2.1 Purchase and Sale of the Preferred Stock. Subject to the terms and conditions hereof, the Company agrees to issue to the Purchasers, and each Purchaser agrees severally and not jointly to purchase from the Company, on the Closing Date, the number of shares of the Preferred Stock allocated by Berkshire Fund V Investment Corp. to such Purchaser for a purchase price of $1,000 per share for an aggregate purchase price of $55,750,000. Notwithstanding the foregoing, in the event any Purchaser (other than Berkshire Fund V Investment Corp.) fails to purchase any of the shares of Preferred Stock allotted to such Purchaser, Berkshire Fund V Investment Corp. shall purchase such shares, subject to the terms and conditions hereof. Between the date hereof and the Closing Date, Berkshire Fund V Investment Corp. shall have the right to allocate up to 2,000 shares of the Preferred Stock to additional Purchasers that are not currently listed on Schedule 1, subject to the prior written approval of the Company in its sole discretion; provided, however, that (i) Berkshire Fund V

Investment Corp. shall offer such shares of Preferred Stock only to Accredited Investors and (ii) each such additional Purchaser shall sign a joinder to this Agreement pursuant to which such additional Purchaser shall agree to be bound by the terms and conditions of this Agreement, including without limitation those terms and conditions set forth in Articles 6 and 7 hereof. Upon the execution of such joinder by the additional Purchaser and the acceptance of such joinder by the Company, Schedule 1 hereto shall be updated to reflect such allocation and such additional Purchaser shall be deemed for all purposes hereof to be a "Purchaser." The Preferred Stock shall have the powers, rights and preferences as set forth in the Certificate of Designation, which Certificate of Designation will be duly adopted by the Board of Directors prior to the Closing Date in accordance with the provisions of Section 151 of the Delaware General Corporation Law of the State of Delaware (the "DGCL") and will be filed with the Secretary of State of the State of Delaware prior to or contemporaneously with the Closing Date pursuant to the DGCL. A true and correct copy of the Certificate of Incorporation of the Company as currently in effect prior to the adoption and filing of the Certificate of Designation has heretofore been furnished to the Purchasers by the Company.

2.2 Closing. Subject to the terms and conditions of this Agreement, the issuance and purchase of the Preferred Stock shall take place at the closing (the "Closing") to be held at the offices of Ropes & Gray, One International Place, Boston, Massachusetts, as soon as reasonably practicable after all necessary approvals and consents, if any, have been obtained and after all applicable waiting periods have expired (the "Closing Date"). At the Closing, the Company shall deliver to the Purchasers certificates representing the 55,750 shares of the Preferred Stock against delivery to the Company by the Purchasers of the purchase price therefor by wire transfer of immediately available funds.

ARTICLE III

CONDITIONS TO THE OBLIGATION OF THE PURCHASERS TO CLOSE

The obligation of Berkshire Fund V Investment Corp. and any other Purchaser to purchase the shares of Preferred Stock at the Closing, to pay the purchase price therefor at the Closing and to perform any other obligations hereunder shall be subject to the reasonable satisfaction as determined by each Purchaser of the following conditions on or before the Closing Date:

3.1 Representations and Warranties. The representations and warranties of the Company contained in Article 5 hereof shall be true and correct (i) when made and (ii) on and as of the Closing Date as if made on and as of such date (except for representations and warranties that speak as of a specific date in which case the representation or warranty only need be true and correct as of the specified date).

3.2 Compliance with this Agreement. The Company shall have performed and complied in all material respects with all of the agreements, obligations, covenants and conditions set forth in this Agreement or any other Transaction Document or contemplated herein or therein that are required to be performed or complied with by the Company on or before the Closing Date.

3.3 Officer's Certificate. Each Purchaser shall have received a certificate dated as of the Closing Date from the chief executive officer and chief financial officer of the Company, substantially in the form of Exhibit D, to the effect that (a) all representations and warranties of the Company contained in this Agreement are true and correct, (b) the Company is not in violation in any material respect of any of the covenants contained in this Agreement, (c) all conditions precedent to the Closing to be performed by the Company have been duly performed in all material respects, and (d) no Material Controversy has occurred prior to Closing.

3.4 Secretary's Certificate, Good Standing Certificates. Each Purchaser shall have received a certificate from the Company dated the Closing Date and signed by the Secretary or an Assistant Secretary of the Company, substantially in the form of Exhibit E, certifying (a) that the attached copies of the Certificate of Incorporation, Bylaws or other applicable governance documents and resolutions of the Board of Directors of the Company (i) authorizing the issuance of the Preferred Stock pursuant to this Agreement, the issuance of any Common Stock upon conversion thereof, the Certificate of Designation and the Bylaws and (ii) approving this Agreement, each of the other Transaction

Documents and the transactions contemplated hereby and thereby to which it is a party, are all true, complete and correct and remain unamended and in full force and effect, (b) as to the incumbency and specimen signature of each officer of the Company executing this Agreement and the other Transaction Documents to which it is a party and any other document delivered in connection herewith or therewith on behalf of the Company and (c) as to the good standing of the Company and its Subsidiaries in each such entity's state of organization.

3.5 Transaction Documents. Each Purchaser shall have received and approved true, complete and correct copies of the executed Transaction Documents, each of which will be in full force and effect as of the Closing Date.

3.6 Purchase Permitted by Applicable Laws. The acquisition of and payment for the Preferred Stock to be acquired by each Purchaser at the Closing and the consummation of the transactions contemplated hereby at the Closing (a) shall not be prohibited by any Requirements of Law, and (b) shall not subject any Purchaser to any penalty or, in its reasonable judgment, other adverse condition under or pursuant to any Requirements of Law.

3.7 Opinions of Counsel. The Purchasers shall have received from Hale and Dorr LLP, special legal counsel for the Company, an opinion substantially in the form of Exhibit F, dated as of the Closing Date.

3.8 HSR Clearance. Any required clearance under the Hart-Scott-Rodino Act to sell the Preferred Stock upon the terms of this Agreement shall have been obtained.

3.9 Certificate of Designation. On or prior to the Closing, the Certificate of Designation shall have been duly filed with the Secretary of State of the State of Delaware, all in accordance with the applicable provisions of the DGCL, and the Certificate of Designation shall constitute a legal and valid amendment of the Certificate of Incorporation and, as of the Closing, the Certificate of Incorporation shall not have been otherwise amended.

3.10 Preferred Stock Certificate. Each Purchaser shall have received from the Company a duly executed preferred stock certificate, substantially in the form of Exhibit G, dated the Closing Date representing the number of shares of Preferred Stock purchased by it at the Closing.

3.11 Required Contractual Consents. The Company shall have received any consents required pursuant to the terms of the Senior Loan Agreement or any other material Contractual Obligation in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

3.12 Required Governmental Consents. The Company shall have received all Regulatory Authorizations and other Governmental Authority approvals or consents required in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

3.13 Amendment of Bylaws. The Bylaws shall have been amended (i) to require regular meetings of the Company's board of directors to be held at least once during each of the Company's fiscal quarters and (ii) to provide that no amendment to the preceding provisions of the Bylaws shall be effective without the approval of holders of a majority of the outstanding shares of the Preferred Stock issued to the Purchasers under this Agreement. The Bylaws as so

amended shall be in full force and effect as of the Closing and shall not have been further amended.

3.14 Registration Rights Agreement. The Purchasers shall have received a Registration Rights Agreement, substantially in the form of Exhibit C, dated the Closing Date duly executed by all parties thereto.

3.15 Listing of Shares. The Company shall have listed with The Nasdaq Stock Market the maximum number of shares of Common Stock issuable upon conversion of the Preferred Stock pursuant to the terms of the Certificate of Designation.

3.16 Audited Financials. The Company shall have delivered to the Purchasers the audited financial statements of the Company for the fiscal year ended April 30, 2000 together with a "clean" audit report of the Company's certified public accountants.

ARTICLE IV

CONDITIONS TO THE OBLIGATION OF THE COMPANY TO CLOSE

The obligations of the Company to issue and sell the Preferred Stock at the Closing and to perform its other obligations hereunder at the Closing shall be subject to the satisfaction as determined by the Company of the following conditions on or before the Closing Date:

4.1 Representations and Warranties True. The representations and warranties of each of the Purchasers contained in Article 6 hereof shall be true and correct (i) when made and (ii) on and as of the Closing Date as if made on and as of such date.

4.2 Compliance with this Agreement. Each of the Purchasers shall have performed and complied in all material respects with all of its agreements and conditions set forth or contemplated herein that are required to be performed or complied with by each of the Purchasers on or before the Closing Date.

4.3 Issuance Permitted by Requirements of Laws. The issuance of the Preferred Stock to be issued by the Company hereunder at the Closing and the consummation of the transactions contemplated hereby at the Closing (a) shall not be prohibited by any Requirements of Law and (b) shall not subject the Company to any penalty or, in its reasonable judgment, other adverse condition under or pursuant to any Requirements of Law.

4.4 HSR Clearance. Any required clearance under the Hart-Scott-Rodino Act to acquire the Preferred Stock upon the terms of this Agreement shall have been obtained.

4.5 Transaction Documents. The Company shall have received copies of each of the Transaction Documents duly executed by all parties thereto.

4.6 Required Contractual Consents. The Company shall have received any consents required pursuant to the terms of the Senior Loan Agreement or any other material

Contractual Obligation in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

4.7 Delivery of Purchase Price. The Company shall have received payment for the Preferred Stock by wire transfer in immediately available funds.

4.8 Required Governmental Consents. The Company shall have received all Regulatory Authorizations and other Governmental Authority approvals or consents required in connection with the execution and delivery by the Company of this Agreement and the other Transaction Documents and the consummation of the transactions to be performed by the Company contemplated by the Transaction Documents.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchasers as follows:

5.1 Organization and Qualification. Each of the Company and its Subsidiaries is duly organized, validly existing and in good standing under the laws of its state of organization. Each of the Company and its Subsidiaries is

duly qualified to do business and in good standing in each jurisdiction in which the failure to receive or retain such qualification would reasonably be expected to have a Material Adverse Effect.

5.2 Authority and Authorization. Each of the Company and its Subsidiaries has all requisite corporate right, power, authority and legal right to carry on its business, to own or lease its properties and to execute and deliver and perform its obligations under this Agreement, and, in the case of the Company, to execute and deliver and to perform its obligations under the Transaction Documents and consummate the transactions contemplated by the Transaction Documents. The Company's execution, delivery and performance of the Transaction Documents and any other documents or instruments to be delivered pursuant thereto to which it is a party have been duly and validly authorized by all necessary corporate proceedings on the part of the Company. Upon issuance, the Preferred Stock will be validly issued, fully paid and nonassessable, and will not have been issued in violation of or subject to any preemptive rights, and the shares of Common Stock issuable upon conversion of the Preferred Stock will be reserved for issuance, and upon issuance will be validly issued, fully paid and nonassessable, and will not have been issued in violation of or be subject to any preemptive rights.

5.3 Execution and Binding Effect. This Agreement and all other Transaction Documents to which the Company is a party have been or will be duly and validly executed and delivered by the Company, and constitute or, when executed and delivered, will constitute, the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights generally.

5.4 Governmental Authorizations. Except as set forth on Schedule 5.4, no authorization, consent, approval, license, exemption or other action by, and no registration, qualification, designation, declaration or filing with, any Governmental Authority is or will be necessary in connection with the execution and delivery of this Agreement or any other Transaction Documents by the Company, consummation by the Company of the transactions herein or therein contemplated, performance of or compliance by the Company with the terms and conditions hereof or thereof or the legality, validity and enforceability hereof or thereof.

5.5 Regulatory Authorizations. Each of the Company and its Subsidiaries holds all Regulatory Authorizations material for the conduct of its business as now conducted and has conducted its business in substantial compliance with such Regulatory Authorizations except where the failure to possess or comply with such Regulatory Authorizations would not reasonably be expected to have a Material Adverse Effect. All such Regulatory Authorizations are in full force and effect, are subject to no further administrative or judicial review and are therefore final.

5.6 Agreements and Other Documents. As of the date hereof, the Company has provided or made available to the Purchasers, accurate and complete copies (or summaries) of all of the following agreements or documents to which the Company or any of its Subsidiaries is subject and each of which is listed on Schedule 5.6: (a) instruments or documents evidencing Indebtedness of the Company or its Subsidiaries and any security interest granted by the Company or its Subsidiaries with respect thereto; and (b) instruments and agreements evidencing the issuance of any equity securities, warrants, rights or options to purchase equity securities of the Company or its Subsidiaries.

5.7 Absence of Conflicts. The execution and delivery of this Agreement and the other Transaction Documents to which the Company is a party, the consummation by the Company of the transactions herein or therein contemplated and the performance of or compliance with the terms and conditions hereof or thereof by the Company will not, directly or indirectly (and with or without notice or the passage of time or both), (a) violate any material Requirements of Law material to the Company or its Subsidiaries; (b) conflict with or result in a breach of or a default under the Organizational Documents of the Company or its Subsidiaries or any material Contractual Obligation to which the Company or its Subsidiaries is a party or by which such entity or its properties are bound; (c) result in the creation or imposition of any Lien upon any property (now owned or hereafter acquired); or (d) violate or conflict with, or give any Governmental Authority the right to challenge the transactions contemplated by

the Transaction Documents or revoke, withdraw, suspend, cancel, terminate or modify, any Regulatory Authorization issued to or held by the Company or any Subsidiary (other than as set forth on Schedule 5.7).

5.8 Financial Statements. The Company has furnished to the Purchasers the most recent annual financial statements (the "Financial Statements"), certified by the Chief Financial Officer, including balance sheets and related statements of income, retained earnings and cash flow, as described on Schedule 5.8. Such Financial Statements (including the notes thereto) present fairly in all material respects the financial condition of the Company and its Subsidiaries

on a consolidated basis as of the end of such fiscal period and the results of its operations and the changes in its financial position for the fiscal period then ended, all in conformity with GAAP applied on a basis consistent with that of the preceding fiscal period. Neither the Company nor its Subsidiaries has incurred any obligation or liability (absolute, contingent, liquidated or unliquidated) material to the Company and its Subsidiaries, taken as a whole , except for (i) those reflected in the Financial Statements on Schedule 5.8, (ii) those that have been incurred or have arisen in the ordinary course of business since April 30, 2000, (iii) those disclosed in the Company's filings with the Commission, (iv) those listed on schedules attached to this Agreement and (v) those permitted or arising under this Agreement and the other Transaction Documents. The Company and each of its Subsidiaries have made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect their respective transactions and dispositions of their assets in all material respects.

5.9 Compliance with Material Agreements. As of the date hereof, except as set forth on Schedule 5.9, neither the Company nor any of its Subsidiaries or, to the Company's knowledge, any other party is in violation of any term of any material Contractual Obligation that is required to be filed with the Commission (a "Material Contractual Obligation") to which it is a party or by which it or its properties are bound that would reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 5.9, no event has occurred or circumstance exists that (with or without notice or the passage of time or both) would result in a default in a material respect under a Material Contractual Obligation or would give any party to a Material Contractual Obligation the right to exercise any remedy under such Contractual Obligation or to cancel, terminate or modify such Material Contractual Obligation which would reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 5.9, neither the Company nor any Subsidiary has given notice to or received notice from any other Person relating to an alleged, possible or potential default under any Material Contractual Obligation which would reasonably be expected to have a Material Adverse Effect.

5.10 Labor Matters. As of the date hereof, the Company represents that, to the best of its knowledge, and except as set forth in Schedule 5.10, (a) no strikes against either the Company or its Subsidiaries are pending or, to the Company's knowledge, threatened, and no other labor disputes that could reasonably be expected to have a Material Adverse Effect are pending or, to the Company's knowledge, threatened; (b) hours worked by and payment made to employees of the Company or any of its Subsidiaries comply with the Fair Labor Standards Act and each other federal, state, local or foreign law applicable to such matter; (c) all payments due from either the Company or its Subsidiaries for employee health and welfare insurance have been paid or accrued as a liability on the books of such entity; (d) neither the Company nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement or any employment agreement (e) there is no organizing activity involving either the Company or its Subsidiaries pending or, to either the Company or its Subsidiaries' knowledge, threatened by any labor union or group of employees; (f) there are no representation proceedings pending or, to the Company's knowledge, threatened with the National Labor Relations Board, and no labor organization or group of employees of either the Company or its Subsidiaries has made a pending demand for recognition; and (g) there are no complaints or charges against either the Company or its Subsidiaries pending or, to the knowledge of the executive officers of the Company, threatened to be filed with any Governmental Authority or arbitrator based on, arising

out of, in connection with, or otherwise relating to the employment or termination of employment by either the Company or its Subsidiaries of any individual which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

5.11 Litigation.

(a) Except as set forth in Schedule 5.11, there is no pending action, suit or, to the Company's knowledge, threatened proceeding by or before any Governmental Authority against the Company or any of its Subsidiaries or affecting any of its properties, rights or licenses which if adversely decided would reasonably be expected to have a Material Adverse Effect. There is no pending or, to the Company's knowledge, threatened action, suit or proceeding that challenges the transactions contemplated by the Transaction Documents or that would have the effect of preventing, delaying, making illegal or otherwise interfering with the transactions contemplated by the Transaction Documents.

(b) Neither the Company nor any Subsidiary is in violation of any applicable Requirements of Law the consequences of the violation of which would reasonably be expected to have a Material Adverse Effect .

5.12 Rights to Property. Each of the Company and its Subsidiaries has good and marketable title, subject only to the encumbrances permitted under the Senior Loan Agreement, to all personal property purported to be owned by it and to all property reflected in the most recent balance sheet referred to in Section 5.8 (except as sold or otherwise disposed of in the ordinary course of business as no longer used or useful in the conduct of the business). Each lease of real and personal property to which the Company or any of its Subsidiaries is a party is in full force and effect and, except for such defaults as would not have a Material Adverse Effect, is not subject to termination because of default or otherwise.

5.13 Taxes.

(a) Except as set forth in Schedule 5.13, all material Tax Returns required to be filed by each of the Company and its Subsidiaries have been properly prepared, executed and filed and were correct and complete in all material respects, and all Taxes upon such entity or upon any of its respective properties, incomes, sales or franchises which are shown to be due and payable thereon have been paid, other than Taxes or assessments the validity or amount of which such entity is contesting in good faith. The Tax reserves and provisions for Taxes on the books of each of the Company and its Subsidiaries are adequate for all open years and for its current fiscal period. Except as set forth on Schedule 5.13, none of these Tax Returns is currently under audit or examination, and neither the Company nor any Subsidiary has received notice from any Governmental Authority that (i) any Tax Return that it filed will be audited or examined or that (ii) it is or may be liable for additional Taxes in respect of any Tax Return or for payment of Taxes in respect of a Tax Return that it did not file (because, for example, it believed that it was not subject to taxation by the jurisdiction in question).

(b) Except as set forth on Schedule 5.13, the Company and its Subsidiaries have withheld and paid to the proper Governmental Authorities all Taxes that they were required to withhold and pay in respect of compensation or other amounts paid to any employee or

independent contractor except for amounts as to which the failure to withhold would not have a Material Adverse Effect.

(c) Except as set forth on Schedule 5.13, neither the Company nor any Subsidiary has extended the time in which to file any Tax Return, waived the statute of limitations for any Tax or agreed to any extension of time for a Tax assessment or deficiency.

5.14 No Material Adverse Change. Since January 31, 2000, (i) except as set forth on Schedule 5.14, there has been no Material Adverse Change and (ii) except as set forth on Schedule 5.14 and the transactions contemplated by this Agreement and the other Transaction Documents, the Company and its Subsidiaries have operated their business in the ordinary course of business in all material respects.

5.15 No Brokerage Fees. No brokerage or other fee, commission or compensation is to be paid by the Company or any Subsidiary to any Person in connection with the transactions hereunder except as contemplated herein.

5.16 ERISA.

(a) Except for such defaults as would not have a Material Adverse Effect, in the case of each Plan that the Company or any Subsidiary maintains or contributes to (or ever maintained or contributed to): (i) the Plan (and each related trust or insurance policy) complies (or complied) in form and in operation in all material respects with the applicable requirements of ERISA and the Code, as the case may be; (ii) all required contributions to or premiums or other payments in respect of the Plan have been paid, and all required reports and descriptions have been filed with the proper Governmental Authority or distributed to participants as appropriate; (iii) there have been no "prohibited transactions" (as defined in Section 406 of ERISA and Section 4975 of the Code) in respect of the Plan; (iv) no action, suit, proceeding, arbitration, hearing or investigation in respect of the administration of the Plan or the investment of Plan assets is pending or, to the Company's knowledge, threatened, and to the Company's knowledge, there is no basis for any such action, suit, proceeding, arbitration, hearing or investigation; and (v) except as set forth on Schedule 5.16, no Plan is subject to Title IV of ERISA.

(b) Except to the extent required by Section 4980B of the Code, neither the Company nor any Subsidiary provides health or other welfare benefits to any retired or former employee or is obligated to provide health or other welfare benefits to any active employee following his or her retirement or other termination of service.

5.17 Intellectual Property. Each of the Company and its Subsidiaries owns or possesses the right to use all patents, trademarks, service marks, trade names, copyrights, know-how, franchises, software and software licenses used in or necessary for the operation of its business as currently conducted, free from burdensome restrictions except where such failure to own or possess the right to use would not reasonably be expected to have a Material Adverse Effect. Each executive officer and senior manager of the Company and its Subsidiaries has executed and delivered to the Company a confidentiality agreement. To the Company's knowledge, no present or former executive officer or senior manager has breached any such agreement.

5.18 Environmental. Each of the Company and its Subsidiaries is in compliance with all Environmental Laws applicable to such entity or its business except for such non-compliances as in the aggregate would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 5.18(a), neither the Company nor any of its Subsidiaries has received written notice of, or is aware of, any violation or alleged violation, or any liability or asserted liability, under any Environmental Law, with respect to such entity or its business or its premises which would reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 5.18(b), neither the Company nor any of its Subsidiaries has any liability for environmental clean-up, removal, remediation, or damages, except for such environmental clean-up, removal, remediation, or damages, as in the aggregate would not reasonably be expected to have a Material Adverse Effect.

5.19 Subsidiaries. Neither the Company nor its Subsidiaries has any Subsidiaries, other than the Subsidiaries listed on Schedule 5.19 and, except as set forth on such schedule, all such Subsidiaries are wholly-owned, directly or indirectly, by the Company.

5.20 Transactions with Affiliates. No Affiliate and no employee, officer or director of either the Company or any of its Subsidiaries or any individual related by blood, marriage, adoption or otherwise to any such Affiliate, employee, officer or director, or any Person in which any such Affiliate, employee, officer, director or individual related thereto owns any material beneficial interest, is a party to any material agreement, contract, commitment or transaction with the Company or any of its Affiliates or has any material interest in any material property used by the Company or any of its Affiliates, except as set forth on Schedule 5.20.

5.21 Capitalization. As of the date hereof, the authorized capital stock

of the Company and its Subsidiaries is as described on Schedule 5.21. As of June 23, 2000, the issued and outstanding shares of the Company and its Subsidiaries are as described on Schedule 5.21. As of the Closing Date, the authorized capital stock of the Company and its Subsidiaries is as described on Schedule 5.21 and the issued and outstanding shares of the Company and its Subsidiaries are not materially different than as described on Schedule 5.21. As of the Closing Date, all outstanding shares of capital stock of the Company and its Subsidiaries will be duly authorized and validly issued, fully paid, nonassessable and free and clear of any Lien created by the Company or any Subsidiary thereof (other than Liens under the Senior Loan Documents). Except as described in Schedule 5.21, no other class of capital stock or other ownership interests of the Company or its Subsidiaries are authorized or outstanding. Except as described in Schedule 5.21, neither the Company nor any Subsidiary is subject to any obligation (contingent or otherwise) to repurchase, redeem or otherwise acquire its capital stock or any warrants, options or other rights to acquire its capital stock. The Company does not have any outstanding securities convertible into capital stock of the Company (other than the Class B Common Stock and, as of the Closing, the Preferred Stock and outstanding options); and except for shares of Common Stock reserved for issuance upon the exercise of outstanding warrants or in connection with the Company Stock Option Plan, the Company does not have any shares of capital stock reserved for issuance (other than shares of Common Stock reserved for issuance upon conversion of the Class B Common Stock and, as of the Closing, upon conversion of the Preferred Stock). Except as set forth on Schedule 5.21 and other than the Company's outstanding warrants and

stock options and this Agreement, the Company does not have any commitment to authorize, issue or sell any of its capital stock or securities convertible into or exchangeable for any of its capital stock. Neither the Company nor any of its Subsidiaries is a party to any "phantom stock", employee stock option plan, other equity-based incentive plan or similar agreement, other than the Company Stock Option Plan. Schedule 5.21 sets forth the number of shares of capital stock reserved for issuance upon the exercise of options granted or available to be granted under the Company Stock Option Plan. Schedule 5.21 also lists all of the Company's outstanding warrants to purchase capital stock. Except as set forth on Schedule 5.21, there are no preemptive or similar rights to purchase or otherwise acquire equity securities of, or interests in, the Company or any of its Subsidiaries pursuant to any Requirements of Law or Contractual Obligations applicable to the Company or any of its Subsidiaries. Except as set forth on Schedule 5.21 there are no existing rights with respect to registration or sale or resale under the Securities Act or the securities or blue sky laws of any state or jurisdiction of any securities of the Company or any of its Subsidiaries. The shares of Preferred Stock to be issued to each Purchaser on the Closing Date, upon issuance to such Purchaser, have the designations, preferences, qualifications, limitations, restrictions and such special and relevant rights as are set forth in the Certificate of Designation and the DGCL.

5.22 Commission Filings. Since November 1997 (the date of the Company's initial public offering), the Company has filed with the Commission, on a timely basis, all registration statements, reports on Form 10-K, 10-Q and 8-K, proxy statements and information statements, and other documents that it was required to file under the Securities Act or the Exchange Act. As of the respective dates of such filings, none of the Company's filings with the Commission contained (and those reports filed with the Commission on or after the date on which the Company filed its Annual Report on Form 10-K for the fiscal year ended April 30, 1999, including such Annual Report (the "Current SEC Reports") do not contain) an untrue statement of a material fact or omitted (and the Current SEC Reports do not omit) to state any material fact necessary to make any statement of a material fact that it contained, in light of the circumstances in which made, not misleading; and when filed with the Commission, each of such filings with the Commission complied in all material respects with the applicable requirements of the Securities Act or Exchange Act, as applicable. The Company has taken all actions which would be required to permit sales of its securities under Rule 144 under the Securities Act.

5.23 Investment Company; Public Utility Holding Company. Neither the Company nor any of its Subsidiaries is an "investment company" or a "company controlled by an investment company" or an "affiliated person" or "promoter" or "principal underwriter" for, an "investment company," within the meaning of the Investment Company Act of 1940, as amended, or a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding

company" or of a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.24 Securities Act. Based upon the representations and warranties of each Purchaser in Article 6 of this Agreement, (i) the Preferred Stock to be issued pursuant to the terms of this Agreement and the Common Stock issuable upon conversion of such Preferred Stock and (ii) the issuance by the Company thereof, are not required to be registered under the Securities Act or under the securities or blue sky laws of any state or jurisdiction.

5.25 Certain Payments. Other than discounts, rebates and incentives provided to customers and commissions and similar compensation paid to sales agents in the ordinary course of business, neither the Company nor any Subsidiary nor any officer, director, employee or agent of the Company or any Subsidiary or, to the Company's knowledge, any other Person associated with or acting for or on behalf of the Company or any Subsidiary, has directly or indirectly made or paid any contribution, gift, bribe, rebate, payoff, kickback or other payment (whether in money, property or services or any other form) to any Person (i) in order to gain or pay for favorable treatment in obtaining business or special concessions or (ii) in violation of any Requirements of Law (including Section 30A of the Exchange Act).

5.26 Year 2000 Compliance. To the knowledge of the Company and except as set forth in the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 2000, the computer systems and switches of the Company (including all software, hardware, workstations and related components, automated devices, embedded chips and other date sensitive equipment) are Year 2000 Compliant except where the failure to be Year 2000 Compliant would not have a Material Adverse Effect.

5.27 Trade Relations. Except as set forth on Schedule 5.27, there exists no actual or, to the knowledge of the Company, threatened termination, cancellation or limitation of, or any modification or change in, the business relationship between the Company or any of its Subsidiaries and any customer or supplier that would reasonably be expected to have a Material Adverse Effect or to prevent the Company or any of its Subsidiaries from conducting their business after the consummation of the transactions contemplated by this Agreement in substantially the same manner as it is currently being conducted or is proposed to be conducted.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser as to itself and not as to any other Purchaser hereby severally represents and warrants to the Company, as appropriate, as follows:

6.1 Authorization; No Contravention. Such Purchaser (unless an individual) is duly organized, validly existing and in good standing as a corporation, limited liability company or general or limited partnership under the laws of the state of its incorporation or formation. The execution, delivery and performance by such Purchaser of this Agreement (a) is within the such Purchaser's power and authority and has been duly authorized by all necessary partnership, company or corporate action, (b) does not contravene the terms of such Purchaser's Organizational Documents or any amendment thereof and (c) will not violate, conflict with or result in any breach or contravention of any material Contractual Obligation of such Purchaser, or any material Requirement of Law directly relating to such Purchaser. Any Purchaser which is a corporation, partnership or trust represents that it has not been organized, reorganized or recapitalized specifically for the purpose of investing in the Company.

6.2 Binding Effect. This Agreement has been duly executed and delivered by such Purchaser, and this Agreement constitutes the legal, valid and binding obligation of such Purchaser enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar

laws affecting the enforcement of creditors' rights generally or by general equitable principles relating to enforceability.

6.3 Accredited Investor; Purchase for Own Account. Such Purchaser is acquiring the Shares, and the shares of Common Stock into which the Shares may be converted, for his, her or its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and, except as contemplated by this Agreement, such Purchaser has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof. Such Purchaser is an Accredited Investor. If such Purchaser should in the future decide to dispose of such Preferred Stock or any shares of Common Stock issued upon conversion of the Preferred Stock, such Purchaser understands and agrees that it may do so only in compliance with the Securities Act and applicable state securities laws as then in effect. Such Purchaser agrees to the imprinting, so long as required by law, of a legend on certificates representing such Preferred Stock or any shares of Common Stock issued upon conversion of the Preferred Stock to the following effect:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR IF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED."

The requirement to include the legend set forth above shall cease and terminate as to any particular shares of Preferred Stock or Common Stock (a) when, in the opinion of Ropes & Gray, or other counsel reasonably acceptable to the Company, such legend is no longer required in order to assure compliance by the Company with the Securities Act or (b) when such shares have been effectively registered under the Securities Act or transferred pursuant to Rule 144. Whenever (x) such requirement shall cease and terminate as to any such shares or (y) such shares shall be transferable under paragraph (k) of Rule 144, the holder thereof shall be entitled to receive from the Company, without expense, new certificates not bearing the legend set forth above.

Such Purchaser also agrees to the imprinting, so long as required by law, of a legend on certificates representing its shares of Preferred Stock:

> "THESE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS, INCLUDING CERTAIN TRANSFER

> RESTRICTIONS, OF THAT CERTAIN PREFERRED STOCK PURCHASE AGREEMENT, DATED AS OF JUNE 28, 2000, AMONG THE COMPANY AND CERTAIN OF THE COMPANY'S STOCKHOLDERS. A COPY OF SUCH AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST TO THE COMPANY MADE BY THE HOLDER OF THIS CERTIFICATE."

6.4 Governmental Authorizations. Except for clearance under the Hart-Scott-Rodino Act, no notice to, consent of, or registration, filing or declaration with, any Governmental Authority is required in connection with such Purchaser's execution, delivery and performance of this Agreement and the Transaction Documents and consummation of the contemplated transactions.

6.5 No Brokers or Finders. No agent, broker, finder, or investment or commercial banker or other Person or firm engaged by or acting on behalf of such Purchaser in connection with the negotiation, execution or performance of this Agreement or the transactions contemplated herein is or will be entitled to any brokerage or finder's or similar fee or other commission as a result of this Agreement or such transaction.

6.6 Ownership of Company Securities; Voting and Other Agreements. Immediately following the Closing, such Purchaser will not beneficially own any securities of the Company other than the Preferred Stock. Such Purchaser does not have any agreements, arrangements or understandings with any other Person (other than with other Purchasers who are Affiliates of such Purchaser) with regard to acquiring, holding, voting or disposing of the securities of the Company other than as set forth in this Agreement and in the other Transaction Documents to which such Purchaser is a party.

6.7 Sufficient Funds. Such Purchaser shall have available funds sufficient to purchase its allocation of Shares in accordance with the terms of this Agreement and to perform its obligations hereunder.

ARTICLE VII

COVENANTS

7.1 HSR Clearance. The Company and each of the Purchasers shall cooperate with and provide each other, respectively, with any information that each party reasonably requires to file such notices and responses as may be necessary to enable each party to obtain any required clearance under the Hart-Scott-Rodino Act. Each such Purchaser required to obtain such clearance agrees to use all reasonable best efforts to obtain such clearance as promptly as practicable on or prior to the Closing Date.

7.2 Reservation of Shares. The Company shall at all times reserve and keep available out of the aggregate of its authorized but unissued shares, free of preemptive rights,

such number of its duly authorized shares of Common Stock as shall be sufficient to enable the Company to issue Common Stock upon conversion of all such Preferred Stock.

7.3 Delivery of Financial and Business Information. The Company shall deliver promptly upon becoming available, one copy of each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally to (i) each Purchaser and (ii) each Permitted Transferee (holding at least 5% of the Underlying Common Stock), so long as at least 25% of the Underlying Common Stock continues to be beneficially owned by the Purchasers and Permitted Transferees.

7.4 Access to Properties. Prior to Closing, the Company shall permit representatives designated by the Purchasers upon reasonable notice, during normal business hours and at such other times as such Purchasers reasonably may request, and without unreasonable interference with the Company's operations, to visit and inspect, at their expense, any of the properties, offices, personnel, accountants and advisors of the Company and its Subsidiaries with respect to any of the businesses and assets of the Company and its Subsidiaries, and the transactions contemplated by the Transaction Documents, and to examine the corporate and financial records of the Company and its Subsidiaries.

7.5 Pre-Closing Covenants. At all times after execution of this Agreement and prior to the Closing (unless and until this Agreement is terminated in accordance with its terms), the Company shall not, without the prior written consent of the Purchasers (except as otherwise expressly permitted or required by this Agreement or any of the Transaction Documents), directly or indirectly take or commit to take any action that would cause an adjustment to the Conversion Price under Section 4 of the Certificate of Designation if the Certificate of Designation had been duly filed and in effect as of the date of this Agreement.

7.6 Exclusivity.

(a) The Company shall not, and shall cause its Affiliates, employees, investment bankers, attorneys, accountants and other agents not to, initiate, solicit or encourage any inquiries relating to, or the making of any Other Proposal or engage in negotiations or discussions with, or furnish any information to, any third party relating to any Other Proposal. As used in this Section 7.6, "Other Proposal" means any proposal made by any Person, other than the Purchasers, as a group, to acquire from the Company or any of its Affiliates for cash, any convertible preferred stock, any other capital stock or any securities having equity or profit participation features ("Equity Securities"), or any debt securities in lieu of, or substitution for, any Equity Securities (other than grants or exercises of stock awards pursuant to the Company's Stock Option Plan or as otherwise approved by the Company's Board of Directors).

The Company shall advise the Purchasers in writing of (i) the receipt, directly or indirectly, of any inquiries relating to an Other Proposal promptly following such receipt and (ii) the status of any discussions or negotiations with respect thereto. Following the receipt, directly or indirectly of any Other

Proposal (or any inquiry referred to in clause (i) above), the Company shall furnish to the Purchasers either a copy of such Other Proposal (or such inquiry) or a written summary of such Other Proposal (or such inquiry). In addition, the Company shall not, and shall

cause its Affiliates, employees, investment bankers, attorneys, accountants and other agents not to, actually consummate, or enter into any Contractual Obligation or otherwise commit to consummate, any transaction that includes or would include as any part thereof the acquisition by any Person, other than the Purchasers, directly or indirectly, from the Company or any of its Affiliates, any Equity Securities, or any debt securities in lieu of or substitution for any Equity Securities (other than grants or exercises of stock awards pursuant to the Company's Stock Option Plan or as otherwise approved by the Company's Board of Directors).

(b) The restrictions on and obligations of the Company under Section 7.6(a) shall terminate on the earlier to occur of (i) the Closing Date or (ii) the termination of this Agreement pursuant to Section 8.3(a).

7.7 Tax Matters. The Purchasers intend that any increase in the Accreted Value (as defined in the Certificate of Designation) of the Preferred Stock will, when paid or accrued, be includible in the Purchasers' gross income for federal, state or local tax purposes. So long as the Company concludes in good faith, with the assistance and advice of its accountants and counsel, that there is a reasonable basis to make or file Tax Returns that are consistent with such intention, all the Tax Returns that the Company shall make or file shall be consistent with such intention.

7.8 Confidentiality. For one year after the Closing Date, each Purchaser will hold, and will use its reasonable efforts to cause its Permitted Transferees, and each Purchaser's and each Permitted Transferee's officers, partners, directors, employees, accountants, counsel, consultants, advisors and agents (the "Representatives") to hold, in confidence, at all times unless compelled to disclose by judicial or administrative process or by other Requirements of Law, all confidential documents and information concerning the Company and it Affiliates that are furnished to such Purchaser and its Permitted Transferees, except to the extent that such information can be shown to have been (i) previously known on a nonconfidential basis by such Purchaser, Permitted Transferee or such Representatives or (ii) in the public domain through no fault of such Purchaser, such Permitted Transferee or such Representative. If any Purchaser or Permitted Transferee, or any of their respective Representatives is requested to disclose any confidential information by judicial or administrative process or by other Requirements of Law, such Person shall promptly notify the Company of such request so that the Company may seek an appropriate protective order. Each Purchaser agrees that it will not, and will use its reasonable best efforts to cause its Permitted Transferees and the Representatives not to, use any confidential documents or information for any purpose other than monitoring and evaluating its investment in the Company and in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each Purchaser will, and will use its reasonable best efforts to cause its Representatives to, destroy or deliver to the Company all documents and other materials, and all copies thereof, obtained by such Purchaser, or on its behalf, from the Company in connection with this Agreement and an investment in the Company.

7.9 Schedule 13D and 13G. Each Purchaser agrees to provide the Company with a copy of any Schedule 13D or 13G that it intends to file at any time with the Commission in connection with their purchase of Preferred Stock in advance of such filing.

7.10 Election of Directors. (a) The Company represents and warrants that there is one vacancy on the Board of Directors. Effective as of the Closing, the Board of Directors shall appoint one Purchaser Director designated by the holders of a majority of the Preferred Stock to fill the current vacancy and the Purchasers shall designate one person to serve as the Purchaser Observer. The Purchaser Director shall be appointed to each committee of the Board of Directors. The Purchaser Observer shall execute a confidentiality agreement with

the Company in form and substance reasonably acceptable to the Company.

(b) So long as the Purchasers and the Permitted Transferees hold at least 20% of the Underlying Common Stock, the holders of a majority of the Preferred Stock shall continue to have the right to nominate one person who shall be included among the Company's nominees for election to the Board as the Purchaser Director and, so long as they own at least 20% of the shares of Preferred Stock, the Purchasers shall have the right to designate one person to serve as Purchaser Observer. The Company shall nominate each person so designated as Purchaser Director and shall use reasonable efforts to have the nominee of the holders of a majority of the Preferred Stock elected to the Board of Directors.

(c) If at any time holders of Preferred Stock entitled to nominate a director notify the Board of Directors of their wish to remove any incumbent Preferred Director as a director, that incumbent Preferred Director shall immediately resign from the Board or the Board shall vote to remove the Purchaser Director (if his or her removal is permitted under the Bylaws and the DGCL). Removal of an incumbent Preferred Director by the Board or the resignation of an incumbent Purchaser Director otherwise than at the request of the holders of a majority of the Preferred Stock require their prior written consent unless the removal is based upon the Purchaser Director's willful misconduct or gross negligence.

(d) If at any time a vacancy is created on the Board by reason of the incapacity, death, removal or resignation of an incumbent Purchaser Director, the holders of a majority of the Preferred Stock may designate a person to fill the vacancy (who promptly shall be appointed by the incumbent directors). If at any time an incumbent Purchaser Observer is unable to serve in that capacity by reason of his or her incapacity, death or resignation, the Purchasers may designate a person to fill the vacancy or may leave the position unfilled.

(e) At each meeting of stockholders of the Company at which directors are elected, the nominees for directors proposed by the Company shall include the Preferred Director required pursuant to this Agreement.

7.11 Standstill. During either (i) the period commencing on the date hereof and ending on the seventh anniversary of the Closing Date or (ii) the period commencing on the termination of this Agreement pursuant to Section 8.3 and ending on the first anniversary of such termination (the "Standstill Period"), except as (a) specifically permitted by this Agreement or (b) specifically approved in writing by the Board of Directors of the Company, the Purchasers shall not, and shall cause any Affiliates to not, in any manner, directly or indirectly, either individually or together with any person or persons acting in concert of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act), acquire, or offer or agree to acquire, or become the beneficial owner of or obtain any rights in respect of any capital stock of the

Company, except (x) shares of Common Stock that may be issuable upon the conversion of the Preferred Stock, (y) securities of the Company or any of its successors issued as dividends or as a result of stock splits and similar reclassifications or received in a consolidation, merger or other business combination in respect of, in exchange for or upon conversion of Preferred Stock or securities held by the Purchasers or any of their Affiliates at the time of such dividend, split, reclassification, consolidation or merger or business combination or (z) shares of Common Stock of the Company acquired in market or privately negotiated transactions provided that the aggregate number of such shares of Common Stock so acquired plus all shares of Underlying Common Stock held by such Purchasers or their Affiliates do not exceed at the time of such acquisition in excess of twenty-five (25%) of all the issued and outstanding shares of Common Stock of the Company on a fully-diluted basis, assuming the exercise of all securities exercisable into Common Stock and the conversion of all securities convertible into Common Stock.

7.12 Transfer Restrictions. No Purchaser or Permitted Transferee shall assign, pledge, sell or otherwise transfer any Preferred Stock, except (i) to an Affiliate of a Purchaser, (ii) to any other Person with the prior written consent of the Company's Board of Directors, (iii) to the Company in connection with its redemption or conversion to Common Stock pursuant to the Certificate of Designation, or (iv) in connection with a tender offer approved by the Company's Board of Directors. No transfer otherwise permissible shall be effective unless the Permitted Transferee agrees in writing expressly for the Company's benefit

to be bound by the provisions of this Agreement, and in this event, the transferor shall not be liable for the transferee's performance of its obligations under this Agreement.

7.13 Use of Proceeds. The Company shall use the proceeds from the sale of the Preferred Stock (i) to fund acquisitions, (ii) subject to the limitations in the Certificate of Designation, to repurchase outstanding shares of Common Stock, (iii) to repay Indebtedness of the Company and/or (iv) for general corporate purposes.

7.14 Listing of Shares. The Company shall take all actions necessary to have listed with the Nasdaq Stock Market all shares of Common Stock which become issuable upon conversion of the Preferred Stock.

ARTICLE VIII

INDEMNIFICATION; TERMINATION

8.1 Indemnification. Effective upon the Closing, the Company agrees to indemnify and hold harmless the Purchasers and their Affiliates and their officers, directors, agents, employees, subsidiaries, partners and controlling Persons (each, a "Company Indemnified Party") to the fullest extent permitted by law, from and against any and all losses, demands, actions, costs, claims, damages, expenses (including reasonable fees, disbursements and other charges of counsel) or other liabilities (collectively, "Company Liabilities") incurred or suffered by such Company Indemnified Party resulting from or arising out of (i) any misrepresentation or breach of any representation or warranty of the Company in this Agreement, any other Transaction Document or any certificate or instrument delivered pursuant thereto or (ii) any breach of any covenant or obligation of the Company in this Agreement or any other Transaction Document; provided that the Company shall be liable under this Section 8.1 in respect of

Company Liabilities only to the extent to which the aggregate of such Company Liabilities incurred by such Company Indemnified Parties exceeds $250,000, in which case the Company shall be liable under this Section 8.1 for the amount of such Company Liabilities in excess of $250,000.

8.2 Notification. The Company Indemnified Party, under Section 8.1(iii) will, promptly after the receipt of notice of the commencement of any action, investigation, claim or other proceeding against such Company Indemnified Party in respect of which indemnity may be sought from the Company under Section 8.1(iii), notify the Company in writing of the commencement thereof stating a brief summary of the facts known to the Company Indemnified Party giving rise to such indemnity rights. The omission of any Company Indemnified Party so to notify the Company of any such action shall not relieve the Company from any liability which it may have to such Company Indemnified Party under Section 8.1(iii) unless, and only to the extent that, such omission results in prejudice to the Company. In case any such action, claim or other proceeding shall be brought against any Company Indemnified Party and it shall notify the Company of the commencement thereof, the Company shall be entitled to assume the defense thereof at its own expense, with counsel satisfactory to the Company Indemnified Party; provided, that any Company Indemnified Party may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, in any action, claim or proceeding in which both the Company, on the one hand, and a Company Indemnified Party, on the other hand, is, or is reasonably likely to become, a party, such Company Indemnified Party shall have the right to employ separate counsel at the Company's expense and to control its own defense of such action, claim or proceeding if, (a) the Company has failed to assume the defense and employ counsel as provided herein, (b) the Company has agreed in writing to pay such fees and expenses of separate counsel or (c) in the reasonable opinion of counsel to such Company Indemnified Party, a conflict or likely conflict exists between the Company, on the one hand, and such Company Indemnified Party, on the other hand, that would make such separate representation advisable, provided, however, that the Company shall not in any event be required to pay the fees and expenses of more than one separate counsel (and if deemed necessary by such separate counsel, appropriate local counsel who shall report to such separate counsel). The Company agrees that it will not, without the prior written consent of a Company Indemnified Party, settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated hereby (if such Company Indemnified Party is a party thereto or has been actually threatened to

be made a party thereto) unless such settlement, compromise or consent includes an unconditional release of such Company Indemnified Party from all liability arising or that may arise out of such claim, action or proceeding. The Company shall not be liable for any settlement of any claim, action or proceeding effected against a Company Indemnified Party without the prior written consent of the Company.

8.3 Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date: (i) by mutual written agreement of the Company and each Purchaser; (ii) by the Company or the Purchasers if the Closing shall not have been consummated on or before August 31, 2000 (iii) by the Company or the Purchasers if a Governmental Authority shall have issued a nonappealable final order, decree or ruling or taken any action having the effect of permanently restraining or enjoining the transactions contemplated by this Agreement or (iv) by the Company if Berkshire Fund V Investment Corp. defaults in its obligations under this Agreement to purchase the Preferred Stock (a "Closing Failure").

(b) If this Agreement is terminated as permitted by Section 8.3(a), such termination shall be without liability of any party hereto (or their respective Affiliates) to any other party hereto; provided, however, that nothing shall relieve any party from liability if such termination shall result from the (i) willful failure by any party to fulfill a condition to the performance of the obligations of the other parties, (ii) willful failure by any party to perform a covenant of this Agreement, (iii) willful breach by any party hereto of any representation or warranty contained in this Agreement or (iv) a Closing Failure. The provisions of Sections 7.8, 7.11, 8.3, 9.2, 9.8 and 9.11 and 9.12 shall survive any termination hereof pursuant to Section 8.3.

ARTICLE IX

MISCELLANEOUS

9.1 Claims and Suits Under Section 8.1. No claim may be made or suit instituted under Section 8.1 with respect to any breach of a representation or warranty (except for claims based on fraud) after the date that is twelve (12) months after the Closing Date or, as to the representations and warranties in Section 5.13 after the expiration of applicable statutes of limitation with respect to the subject matter of each such representation and warranty, unless the Company Indemnified Party has given the indemnifying party written notice of such claim or suit (describing with reasonable specificity the amount of and basis for such claim or suit) on or prior to such date.

9.2 Notices. All notices, requests, claims, demands and other communications ("Notices") provided for or permitted hereunder shall be made in writing and shall be by registered or certified first class mail, return receipt requested, telecopier, recognized overnight courier service or personal delivery:

(a) if to the Company:

Casella Waste Systems, Inc.
25 Greens Hill Lane
Rutland, VT 05701
Attention: John W. Casella
Telecopier: (802) 775-6198

with a required copy to:

Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109
Attention: Jeffrey A. Stein, Esq.
Telecopier: (617) 526-5000

(b) if to the Purchasers:

Berkshire Partners LLC
One Boston Place
Boston, Massachusetts 02116
Attention: Randy Peeler
Telecopier: (617) 227-6105

with a required copy to:

Ropes & Gray
One International Plaza
Boston, Massachusetts 02110-2624
Attention: David C. Chapin, Esq.
Telecopier: (617) 951-7050

All Notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial overnight courier service; five Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged by the individual to whom the telecopy is sent, if telecopied.

9.3 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto. Subject to applicable securities laws and except as otherwise set forth in the Transaction Documents, the Purchasers may assign any of their rights under this Agreement, to any Person who is a Permitted Transferee. The Company may not assign any of its rights under this Agreement without the prior written consent of the Purchasers. Except as provided in Article 9, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of any of the Transaction Documents.

9.4 Determinations, Requests or Consents. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure of the Company from the terms of any provision of this Agreement, shall be effective (a) only if it is made or given in writing and signed by the Company and the Required Holders (as defined below) in accordance with this Section 9.4, and (b) only in the specific instance and for the specific purpose for which made or given. All determinations, requests, consents, waivers or amendments to be made by the Purchasers in their

opinion or judgment or with their approval or otherwise pursuant to this Agreement shall be made (i) at any time following the Closing, by the holders of at least a majority of the then outstanding Preferred Stock or (ii) at any time prior to the Closing, by Purchasers who have committed to purchase hereunder at least a majority of the Preferred Stock (in either case, the "Required Holders").

9.5 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.6 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

9.7 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the principles of conflicts of law of such state.

9.8 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

9.9 Rules of Construction. Unless the context otherwise requires, "or" is not exclusive, and references to sections or subsections refer to sections or subsections of this Agreement. All pronouns and any variations thereof refer to

the masculine, feminine or neuter, singular or plural, as the context may require.

9.10 Entire Agreement. This Agreement, together with the exhibits and schedules hereto and the other Transaction Documents, is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement, together with the exhibits hereto, and the other Transaction Documents supersede all prior contemporaneous agreements and understandings between the parties with respect to such subject matter.

9.11 Certain Expenses.

(a) The Purchasers and the Company shall each pay their own fees and expenses in connection with the negotiation and preparation of this Agreement and consummation of the transactions contemplated herein with the exception that the Company shall pay or reimburse the Purchasers for their fees and expenses (including HSR filing fees, the fees and expenses of their counsel and accountants, and the expenses incurred by representatives of the Purchasers) for the

negotiation and preparation of the Transaction Documents and the consummation of the purchase transactions contemplated thereby in the event that the Closing occurs. The Company shall reimburse the Purchasers for the reasonable fees and expenses which they incur from time to time in consulting with their counsel and accountants with respect to any amendments, supplements, consents or waivers with respect to the Transaction Documents (except if any such amendment, supplement, consent or waiver is for the purpose of maintaining a particular tax treatment of the Preferred Stock for the Purchasers). Reasonable documentation shall be provided to the Company by the Purchasers for all fees and expenses which the Company has agreed to reimburse pursuant to this Section 9.11(a).

(b) No party shall be required to pay or reimburse another party for any of their fees and expenses in the event that the Closing does not occur; provided, however, the Company shall be required to pay or reimburse the Purchasers for their fees and expenses if the Closing does not occur due to the failure of the Company to satisfy the closing conditions under Article 3 of this Agreement (other than the closing conditions under Section 3.8 of this Agreement); provided, further, that the Purchasers shall be required to pay or reimburse the Company for its fees and expenses if the Closing does not occur due to the failure of the Company to satisfy the closing conditions under Article 4 of this Agreement (other than the closing conditions under Section 4.4 of this Agreement). Notwithstanding the foregoing, if the transactions contemplated herein are not consummated because Section 4.6 is not satisfied, the Company shall pay or reimburse the Purchasers for an amount equal to the lesser of (i) twice their fees and expenses and (ii) $1,000,000.

9.12 Publicity. Except as may be required by applicable law, none of the parties hereto shall issue a publicity release or announcement or otherwise make any public disclosure concerning this Agreement or the transactions contemplated hereby, without prior approval by the other parties hereto (which approval will not be unreasonably withheld). If any announcement is required by law to be made by any party hereto, prior to making such announcement such party will deliver a draft of such announcement to the other parties and shall give the other parties an opportunity to comment thereon. Notwithstanding the foregoing, the Company may, in documents required to be filed by it with the Commission or other regulatory bodies, make such statements with respect to the transactions contemplated hereby as advised by counsel is legally necessary or advisable.

9.13 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement and/or the Certificate of Incorporation.

[Signature Pages To Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

CASELLA WASTE SYSTEMS, INC.

By: /s/ John W. Casella

Name: John W. Casella
Title: President and Secretary

BERKSHIRE FUND V INVESTMENT CORP.

By: /s/ D. Randy Peeler

Name: D. Randy Peeler
Title: Managing Director

BERKSHIRE INVESTORS LLC

By: /s/ D. Randy Peeler

Name: D. Randy Peeler
Title: Managing Director

SCHEDULE 1

Purchasers

Berkshire Fund V Investment Corp.
Berkshire Investors LLC
BancBoston Capital Inc.
RGIP, LLC
Squam Lake Investors IV, L.P.

Exhibit 10.2

CASELLA WASTE SYSTEMS, INC.

REGISTRATION RIGHTS AGREEMENT

This Agreement dated as of August 11, 2000 is entered into by and among Casella Waste Systems, Inc., a Delaware corporation (the "Company"), and the entities listed on Exhibit A attached hereto (the "Purchasers").

Recitals

WHEREAS, the Company and the Purchasers have entered into a Preferred Stock Purchase Agreement of even date herewith (the "Purchase Agreement"); and

WHEREAS, the Company and the Purchasers desire to provide for certain arrangements with respect to the registration of shares of capital stock of the Company under the Securities Act of 1933;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms shall have the following respective meanings:

"Commission" means the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act.

"Common Stock" means the Class A common stock, $.01 par value per share, of the Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Initiating Holders" means the Stockholders initiating a request for registration pursuant to Section 2.1(a).

"Other Holders" shall have the meaning set forth in Section 2.1(c).

"Prospectus" means the prospectus included in any Registration Statement, as amended or supplemented by an amendment or prospectus supplement, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registration Expenses" means the expenses described in Section 2.4.

"Registrable Shares" means (i) the shares of Common Stock issued or issuable upon conversion of the Shares, and (ii) any other shares of Common Stock issued in respect of such shares (because of stock splits, stock dividends, reclassifications, recapitalizations, or similar events); provided, however, that shares of Common Stock which are Registrable Shares shall cease to be Registrable Shares upon (i) any public sale pursuant to a Registration Statement or Rule 144 under the Securities Act or (ii) any sale in any manner to a person or entity which, by virtue of Section 3 of this Agreement, is not entitled to the rights provided by this Agreement. Wherever reference is made in this Agreement to a request or consent of holders of a certain percentage of Registrable Shares, the determination of such percentage shall include shares of Common Stock issuable upon conversion of the Shares even if such conversion has not been effected.

"Registration Statement" means a registration statement filed by the Company with the Commission for a public offering and sale of securities of the Company (other than a registration statement on Form S-8 or Form S-4, or their successors, or any other form for a similar limited purpose, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation).

"Secondary Public Offering" means an underwritten public offering of shares of Common Stock on behalf of Selling Stockholders pursuant to an effective Registration Statement.

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Commission issued under such Act, as they each may, from time to time, be in effect.

"Selling Stockholder" means any Stockholder owning Registrable Shares included in a Registration Statement.

"Shares" means the Shares of the Company's Series A Convertible Preferred Stock which were purchased by the Purchasers pursuant to the Purchase Agreement.

"Stockholders" means the Purchasers and any persons or entities to whom the rights granted under this Agreement are transferred by any Purchasers, their successors or assigns pursuant to Section 3 hereof.

2. Registration Rights

2.1 Required Registrations.

(a) A Stockholder or Stockholders holding in the aggregate at least 20% of the Registrable Shares then outstanding may request, in writing, that the Company effect the registration of Registrable Shares owned by the Stockholder or Stockholders having an aggregate value of at least $5,000,000 (based on the then current public market price).

(b) Upon receipt of any request for registration pursuant to this Section 2, the Company shall promptly give written notice of such proposed registration to all other Stockholders. Such Stockholders shall have the right, by giving written notice to the

Company within 30 days after the Company provides its notice, to elect to have included in such registration such of their Registrable Shares as such Stockholders may request in such notice of election, subject in the case of an underwritten offering to the approval of the managing underwriter as provided in Section 2.1(c) below. Thereupon, the Company shall, as expeditiously as possible, use its best efforts to effect the registration on Form S-1 or, if available, S-3 (or in each case any successor form) of all Registrable Shares which the Company has been requested to so register.

(c) If the Initiating Holders intend to distribute the Registrable Shares covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1(a) and the Company shall include such information in its written notice referred to in Section 2.1(b). The right of any other Stockholder to include its Registrable Shares in such registration pursuant to Section 2.1(a) shall be conditioned upon such other Stockholder's participation in such underwriting on the terms set forth herein. If the Company desires that any officers or directors of the Company holding securities of the Company be included in any registration for an underwritten offering requested pursuant to this Section 2.1(c) or if other holders of securities of the Company who are entitled, by contract with the Company, to have securities included in such a registration (the "Other Holders") request such inclusion, the Company may include the securities of such officers, directors and Other Holders in such registration and underwriting on the terms set forth herein. The Company shall (together with all Stockholders, officers, directors and Other Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form (including, without limitation, customary indemnification and contribution provisions on the part of the Company) with the managing underwriter; provided that such underwriting agreement shall not provide for indemnification or contribution obligations on the part of Stockholders materially greater than the obligations of the Stockholders pursuant to Section 2.5. Notwithstanding any other provision of this Section 2.1(c), if the managing underwriter advises the Company that the inclusion of all shares requested to be registered would adversely affect the offering (including without limitation the price at which such shares will be offered to the public), the securities of the Company held by officers or directors of the Company (other than Registrable Shares) and the securities held by Other Holders (other than Registrable Shares)

shall be excluded from such registration and underwriting to the extent deemed advisable by the managing underwriter, and if a further limitation of the number of shares is required, the number of shares that may be included in such registration and underwriting shall be allocated among all holders of Registrable Shares requesting registration in proportion, as nearly as practicable, to the respective number of Common Stock (on an as-converted basis) which they held at the time the Company gives the notice specified in Section 2.2(b). If any holder of Registrable Shares, officer, director or Other Holder who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, and the securities so withdrawn shall also be withdrawn from registration. If the managing underwriter has not limited the number of Registrable Shares or other securities to be underwritten, the Company may include securities for its own account in such registration if the managing underwriter so agrees and if the number of Registrable Shares and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited.

(d) The Company shall have the right to select the managing underwriter(s) for any underwritten offering requested pursuant to Section 2.1(a), subject to the approval of the Initiating Holders, which approval will not be unreasonably withheld.

(e) The Company shall not be required to effect more than three registrations pursuant to Section 2.1(a). For purposes of this Section 2.1(e), a Registration Statement shall not be counted until such time as such Registration Statement has been declared effective by the Commission (unless the Initiating Holders withdraw their request for such registration (other than as a result of information concerning the business or financial condition of the Company which is made known to the Stockholders after the date on which such registration was requested) and elect not to pay the Registration Expenses therefor pursuant to Section 2.4). Notwithstanding the foregoing, (i) on one occasion in the event that the holders of Registrable Securities have not sold at least 75% of the shares registered pursuant to such registration they may elect, within 30 days of the termination thereof, by written notice to the Company to pay the Registration Expenses relating to the registration in which case such Registration Statement shall not be counted pursuant to this Section 2.1(e), (ii) in the event that the Company withdraws a Registration Statement after it has become effective or such Registration Statement otherwise ceases to be effective for the period described in Section 2.3(a)(ii) (which 180 days need not be contiguous) and the holders of Registrable Securities have not sold at least 75% of the shares registered pursuant to such registration, such Registration Statement shall not be counted pursuant to this Section 2.1(e) and (iii) on one occasion, in the event that the managing underwriter advises the Company pursuant to Section 2.1(c) that the number of shares that is advisable to be sold in such registration is less than 75% of the shares requested to be sold by the Stockholders, then the Initiating Holders, acting by majority, may, within two business days of such determination by the managing underwriter, elect to withdraw their request pursuant to this Section 2.1 and not have the registration counted as a registration pursuant to this Section 2.1(e).

(f) If at the time of any request to register Registrable Shares by Initiating Holders pursuant to this Section 2.1, the Company is engaged or has plans to engage in a registered public offering or is engaged in any other activity which, in the good faith determination of the Company's Board of Directors, would be adversely affected by the requested registration, then the Company may at its option direct that such request be delayed for a period not in excess of 90 days from the date of such request, such right to delay a request to be exercised by the Company not more than twice in any 12-month period.

2.2 Incidental Registration.

(a) Whenever the Company proposes to request the effectiveness of a Registration Statement (other than a Registration Statement filed pursuant to Section 2.1) at any time and from time to time, it will, prior to such effectiveness, give written notice to all Stockholders of its intention to do so; provided, that (i) no such notice need be given if no Registrable Shares are to be included therein as a result of a determination of the managing underwriter pursuant to Section 2.2(b) and (ii) no such notice need be given to any Stockholder with respect to Registrable Shares that (A) can be sold pursuant

to Rule 144(k) under the Securities Act and (B) no longer bear a restrictive legend on the certificate evidencing such Shares (however, in the case of clause (ii) the Company shall provide notice to the Purchasers).

Upon the written request of a Stockholder or Stockholders given within 20 days after the Company provides such notice (which request shall state the intended method of disposition of such Registrable Shares), the Company shall use its best efforts to cause all Registrable Shares which the Company has been requested by such Stockholder or Stockholders to register to be registered under the Securities Act to the extent necessary to permit their sale or other disposition in accordance with the intended methods of distribution specified in the request of such Stockholder or Stockholders; provided that the Company shall have the right to postpone or withdraw any registration effected pursuant to this Section 2.2 without obligation to any Stockholder.

(b) If the registration for which the Company gives notice pursuant to Section 2.2(a) is a registered public offering involving an underwriting, the Company shall so advise the Stockholders as a part of the written notice given pursuant to Section 2.2(a). In such event, the right of any Stockholder to include its Registrable Shares in such registration pursuant to Section 2.2 shall be conditioned upon such Stockholder's participation in such underwriting on the terms set forth herein. All Stockholders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for the underwriting by the Company, Notwithstanding any other provision of this Section 2.2, if the managing underwriter determines that the inclusion of all shares requested to be registered would adversely affect the offering, the Company may limit the number of Registrable Shares to be included in the registration and underwriting. The Company shall so advise all holders of Registrable Shares requesting registration, and the number of shares that are entitled to be included in the registration and underwriting shall be allocated in the following manner. The securities of the Company held by holders other than Stockholders and Other Holders shall be excluded from such registration and underwriting to the extent deemed advisable by the managing underwriter, and, if a further limitation on the number of shares is required, the number of shares that may be included in such registration and underwriting shall be allocated among all Stockholders and Other Holders requesting registration in proportion, as nearly as practicable, to the respective number of shares of Common Stock (on an as-converted basis) which they held at the time the Company gives the notice specified in Section 2.2(a) except to the extent that the Company is obligated under any contractual provision existing on the date hereof to allocate such shares first to Other Holders. If any Stockholder or Other Holder would thus be entitled to include more securities than such holder requested to be registered, the excess shall be allocated among other requesting Stockholders and Other Holders pro rata in the manner described in the preceding sentence. If any holder of Registrable Shares or any officer, director or Other Holder disapproves of the terms of any such underwriting, such person may elect to withdraw therefrom by written notice to the Company, and any Registrable Shares or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) Notwithstanding the foregoing, the Company shall not be required, pursuant to this Section 2.2, to include any Registrable Shares in a Registration Statement if such Registrable Shares can then be sold pursuant to Rule 144(k) under the Securities Act.

2.3 Registration Procedures.

(a) If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect the registration of any Registrable Shares under the Securities Act, the Company shall:

(i) file with the Commission a Registration Statement with respect to such Registrable Shares for an offering to be made on a continuous or delayed basis (a so-called "shelf registration statement") and use its best efforts to cause that Registration Statement to become effective as soon as possible;

(ii) as expeditiously as possible prepare and file with the Commission any amendments and supplements to the Registration Statement and the prospectus included in the Registration Statement as may be necessary to comply with the provisions of the Securities Act (including the anti-fraud provisions thereof) and to keep the Registration Statement effective for 180 days from the effective date or such lesser period until all such Registrable Shares are sold;

(iii) as expeditiously as possible furnish to each Selling Stockholder such reasonable numbers of copies of the Prospectus, including any preliminary Prospectus, in conformity with the requirements of the Securities Act, and such other documents as such Selling Stockholder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Shares owned by such Selling Stockholder;

(iv) as expeditiously as possible use its best efforts to register or qualify the Registrable Shares covered by the Registration Statement under the securities or Blue Sky laws of such states as the Selling Stockholders shall reasonably request, and do any and all other acts and things that may be necessary or desirable to enable the Selling Stockholders to consummate the public sale or other disposition in such states of the Registrable Shares owned by the Selling Stockholder; provided, however, that the Company shall not be required in connection with this paragraph (iv) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction;

(v) as expeditiously as possible, cause all such Registrable Shares to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

(vi) promptly provide a transfer agent and registrar for all such Registrable Shares not later than the effective date of such registration statement;

(vii) promptly make available for inspection by the Selling Stockholders, any managing underwriter participating in any disposition pursuant to such Registration Statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the Selling Stockholders, all financial and other records, pertinent corporate documents and properties of the Company and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such Registration Statement;

(viii) as expeditiously as possible, notify each Selling Stockholder, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed;

(ix) as expeditiously as possible following the effectiveness of such Registration Statement, notify each seller of such Registrable Shares of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus; and

(x) use its reasonable efforts to cooperate with the seller in the disposition of the Common Stock covered by such registration statement, including without limitation in the case of an underwritten offering causing key executives of the Company and its subsidiaries to participate on a reasonable basis under the direction of the managing underwriter in a "road show" scheduled by such managing underwriter in such locations and of such duration as in the reasonable judgment of such managing underwriter are appropriate for such underwritten offering.

(b) If the Company has delivered a Prospectus to the Selling Stockholders and after having done so the Prospectus is amended to comply with the requirements of the Securities Act, the Company shall promptly notify the Selling Stockholders and, if requested, the Selling Stockholders shall immediately cease making offers of Registrable Shares and return all Prospectuses to the Company. The Company shall promptly provide the Selling

Stockholders with revised Prospectuses and, following receipt of the revised Prospectuses, the Selling Stockholders shall be free to resume making offers of the Registrable Shares.

(c) In the event that, in the judgment of the Company, it is advisable to suspend use of a Prospectus included in a Registration Statement due to pending material developments or other events that have not yet been publicly disclosed and as to which the Company believes public disclosure would be detrimental to the Company, the Company shall notify all Selling Stockholders to such effect, and, upon receipt of such notice, each such Selling Stockholder shall immediately discontinue any sales of Registrable Shares pursuant to such Registration Statement until such Selling Stockholder has received copies of a supplemented or amended Prospectus or until such Selling Stockholder is advised in writing by the Company that the then current Prospectus may be used and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Notwithstanding anything to the contrary herein, the Company shall not exercise its rights under this Section 2.3(c) to suspend sales of Registrable Shares for a period in excess of 90 days in any 365-day period.

2.4 Allocation of Expenses. The Company will pay all Registration Expenses for all registrations under this Agreement; provided, however, that if a registration under Section 2.1 is withdrawn at the request of the Initiating Holders (other than as a result of information concerning the business or financial condition of the Company which is made known to the Stockholders after the date on which such registration was requested) and if the Initiating Holders elect not to have such registration counted as a registration requested under

Section 2.1, the requesting Stockholders shall pay the Registration Expenses of such registration pro rata in accordance with the number of their Registrable Shares included in such registration. For purposes of this Section, the term "Registration Expenses" shall mean all expenses incurred by the Company in complying with this Agreement, including, without limitation, all registration and filing fees, exchange listing fees, printing expenses, fees and expenses of counsel for the Company and the fees and expenses of one counsel selected by the Selling Stockholders to represent the Selling Stockholders, state Blue Sky fees and expenses, and the expense of any special audits incident to or required by any such registration, but excluding underwriting discounts, selling commissions and the fees and expenses of Selling Stockholders' own counsel (other than the counsel selected to represent all Selling Stockholders).

2.5 Indemnification and Contribution.

(a) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, the Company will indemnify and hold harmless each Selling Stockholder, each underwriter of such Registrable Shares, and each officer, director, manager, partner, employee of such person and each other person, if any, who controls such Selling Stockholder or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such Selling Stockholder, underwriter or controlling person may become subject under the Securities Act, the Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to such Registration Statement, (ii) the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation by the Company or its subsidiaries of any federal or state securities law applicable to the Company or any of its subsidiaries relating to any action or inaction by the Company or any of its subsidiaries in connection with the registration effected by such Registration Statement; and the Company will reimburse such Selling Stockholder, underwriter and each such controlling person for any legal or any other expenses reasonably incurred by such Selling Stockholder, underwriter or controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case only to the extent that any such loss, claim, damage or liability arises out of or is based upon (x) any untrue statement or omission made in such

Registration Statement, preliminary prospectus or prospectus, or any such amendment or supplement, in reliance upon and in conformity with information furnished to the Company, in writing, by or on behalf of such Selling Stockholder, underwriter or controlling person specifically for use in the preparation thereof or (y) any action or inaction of any Stockholder or Indemnified Party (as defined below) in contradiction of the Company's instructions or directions or any failure to follow any instructions or directions of the Company, including without limitation those with respect to prospectus delivery requirements or requirements to cease making offers of Registrable Shares pursuant to Section 2.3(b) or Section 2.3(c).

(b) In the event of any registration of any of the Registrable Shares under the Securities Act pursuant to this Agreement, each Selling Stockholder, severally and not

jointly, will indemnify and hold harmless the Company, each of its directors and officers and each underwriter (if any) and each person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which the Company, such directors and officers, underwriter or controlling person may become subject under the Securities Act, Exchange Act, state securities or Blue Sky laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Shares were registered under the Securities Act, any preliminary prospectus or final prospectus contained in the Registration Statement, or any amendment or supplement to the Registration Statement, or arise out of or are based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, if the statement or omission was made in reliance upon and in conformity with information relating to such Selling Stockholder furnished in writing to the Company by or on behalf of such Selling Stockholder specifically for use in connection with the preparation of such Registration Statement, prospectus, amendment or supplement; provided, however, that the obligations of a Selling Stockholder hereunder shall be limited to an amount equal to the proceeds to such Selling Stockholder of Registrable Shares sold in connection with such registration.

(c) Each party entitled to indemnification under this Section (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld); and, provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section except to the extent that the Indemnifying Party is adversely affected by such failure. The Indemnified Party may participate in such defense at such party's expense; provided, however, that the Indemnifying Party shall pay such expense if representation of such Indemnified Party by the counsel retained by the Indemnifying Party would be inappropriate due to actual or potential differing interests between the Indemnified Party and any other party represented by such counsel in such proceeding; provided further that in no event shall the Indemnifying Party be required to pay the expenses of more than one law firm per jurisdiction as counsel for the Indemnified Party. The Indemnifying Party also shall be responsible for the expenses of such defense if the Indemnifying Party does not elect to assume such defense. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation, and no Indemnified Party shall consent to entry of any judgment or settle such claim or litigation without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 2.5 is

due in accordance

with its terms but for any reason is held to be unavailable to an Indemnified Party in respect to any losses, claims, damages and liabilities referred to herein, then the Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities to which such party may be subject in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Selling Stockholders on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Selling Stockholders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of material fact related to information supplied by the Company or the Selling Stockholders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Selling Stockholders agree that it would not be just and equitable if contribution pursuant to this Section 2.5 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph of Section 2.5, (a) in no case shall any one Selling Stockholder be liable or responsible for any amount in excess of the net proceeds received by such Selling Stockholder from the offering of Registrable Shares and (b) the Company shall be liable and responsible for any amount in excess of such proceeds; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section, notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may be sought shall not relieve such party from any other obligation it or they may have thereunder or otherwise under this Section. No party shall be liable for contribution with respect to any action, suit, proceeding or claim settled without its prior written consent, which consent shall not be unreasonably withheld.

2.6 Other Matters with Respect to Underwritten Offerings. In the event that Registrable Shares are sold pursuant to a Registration Statement in an underwritten offering pursuant to Section 2.1, the Company agrees to (a) enter into an underwriting agreement containing customary representations and warranties with respect to the business and operations of the Company and customary covenants and agreements to be performed by the Company, including without limitation customary provisions with respect to indemnification by the Company of the underwriters of such offering; (b) use its best efforts to cause its legal counsel to render customary opinions to the underwriters with respect to the Registration Statement; and (c) use its best efforts to cause its independent public accounting firm to issue customary "cold comfort letters" and auditors' consent to the underwriters with respect to the Registration Statement and provide each seller of Registrable Securities a signed counterpart of such legal opinion, addressed or confirmed to such seller.

2.7 Information by Holder. Each holder of Registrable Shares included in any registration shall furnish to the Company such information regarding such holder and the distribution proposed by such holder as the Company may reasonably request in writing and as

shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

(a) "Stand-Off" Agreement; Confidentiality of Notices. Each Stockholder, if requested by the Company and the managing underwriter of an underwritten public offering by the Company of Common Stock, shall not sell or otherwise transfer or dispose of any Registrable Shares or other securities of the Company held by such Stockholder for a period of 90 days following the effective date of a Registration Statement; provided, that all officers and

directors of the Company enter into similar agreements.

The Company may impose stop-transfer instructions with respect to the Registrable Shares or other securities subject to the foregoing restriction until the end of such 90-day period.

Any Stockholder receiving any written notice from the Company regarding the Company's plans to file a Registration Statement shall treat such notice confidentially and shall not disclose such information to any person other than as necessary to exercise its rights under this Agreement.

2.8 Existing Registration Rights. As of the date hereof, except with regard to certain registration rights granted pursuant to a certain 1995 Registration Rights Agreement dated as of December 22, 1995, there are no existing rights with respect to registration or sale or resale under the Securities Act or the securities or blue sky laws of any state or jurisdiction of any securities of the Company.

2.9 Limitations on Subsequent Registration Rights. The Company shall not, without the prior written consent of Stockholders holding at least 50% of the Registrable Shares then held by all Stockholders, enter into any agreement (other than this Agreement) with any holder or prospective holder of any securities of the Company which grants such holder or prospective holder rights to include securities of the Company in any Registration Statement, unless such rights to include securities in a registration initiated by the Company or by Stockholders are not more favorable than the rights granted to Other Holders under Sections 2.1 and 2.2 of this Agreement.

2.10 Rule 144 Requirements. The Company agrees to:

(a) make and keep current public information about the Company available, as those terms are understood and defined in Rule 144;

(b) use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) furnish to any holder of Registrable Shares upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as such holder may

reasonably request to avail itself of any similar rule or regulation of the Commission allowing it to sell any such securities without registration.

2.11 Termination. All of the Company's obligations to register Registrable Shares under Sections 2.1 and 2.2 of this Agreement shall terminate on the earlier of (a) fifteenth anniversary of the date of this Agreement, (b) the date on which all of the Registrable Shares have been sold by the Stockholders, or (c) the date on which all the Registrable Shares (in the opinion of the Stockholders' counsel) may be immediately sold by the Stockholders without registration and without restriction (including without limitation as to volume by each holder thereof) as to the number of Registrable Shares to be sold, pursuant to Rule 144(k) or otherwise.

3. Transfers of Rights. This Agreement, and the rights and obligations of each Purchaser hereunder, may be assigned by such Purchaser to any person to whom the Shares may be transferred under the Certificate of Designations relating to the Shares, and such transferee shall be deemed a "Purchaser" for purposes of this Agreement; provided that the transferee provides written notice of such assignment to the Company and agrees in writing to be bound hereby.

4. General.

(a) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(b) Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Purchaser shall be entitled to specific performance of the agreements and obligations of the Company hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware (without reference to the conflicts of law provisions thereof).

(d) Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed delivered (i) two business days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, in each case to the intended recipient as set forth below:

If to the Company, at 25 Greens Hill Lane, P.O. Box 866, Rutland, Vermont, 05701, Attention: President, or at such other address or addresses as may have been furnished in writing by the Company to the Purchasers, with a copy to Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, 02109, Attention: Jeffrey A. Stein, Esq.; or

If to a Purchaser, at his or its address set forth on Exhibit A, or at such other address or addresses as may have been furnished to the Company in writing by such Purchaser, with a copy

to Ropes & Gray, One International Place, Boston, Massachusetts, 02110, Attention: David C. Chapin, Esq.

Any party may give any notice, request, consent or other communication under this Agreement using any other means (including, without limitation, personal delivery, messenger service, telecopy, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section.

(e) Complete Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

(f) Amendments and Waivers. Any term of this Agreement may be amended or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the holders of at least 50% of the Registrable Shares held by all of the Stockholders; provided, that this Agreement may be amended with the consent of the holders of less than all Registrable Shares only in a manner which applies to all such holders in the same fashion. Any such amendment, termination or waiver effected in accordance with this Section 4(f) shall be binding on all parties hereto, even if they do not execute such consent. No waivers of or exceptions to any term, condition or provision of this Agreement, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(g) Future Changes in Registration Requirements. In the event that the registration requirements under the Securities Act are amended or eliminated to accommodate a "Company registration" or similar approach, this Agreement shall be deemed amended to the extent necessary to reflect such changes and the intent of the parties hereto with respect to the benefits and obligations of the parties, and in such connection, the Company shall use reasonable efforts to provide holders of Registrable Securities equivalent benefits to those provided under this Agreement.

(h) Pronouns. Whenever the context may require, any pronouns

used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa.

(i) Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile signatures.

(j) Section Headings. The section headings are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

Executed as of the date first written above.

COMPANY:

CASELLA WASTE SYSTEMS, INC.

By: /s/ John W. Casella

Name: John W. Casella

Title: President and Chief Executive Officer

PURCHASERS:

BERKSHIRE FUND V INVESTMENT CORP.

By: /s/ David Randy Peeler

Name: David Randy Peeler

Title: Vice President

BERKSHIRE INVESTORS LLC

By: /s/ David Randy Peeler

Name: David Randy Peeler

Title: Managing Director

BANCBOSTON CAPITAL INC.

By: /s/ Mary Josephs Reilly

Name: Mary Josephs Reilly

Title: Director

RGIP, LLC

By: /s/ illegible

Name:_____

Title:_____

SQUAM LAKE INVESTORS IV, L.P.

By: GPI, Inc.

By: /s/ Alan R. Harris

Name: Alan R. Harris

Title: Vice President

Exhibit A

Purchasers

Name and Address

Berkshire Fund V Investment Corp.

Berkshire Investors LLC

BancBoston Capital Inc.

RGIP, LLC

Squam Lake Investors IV, L.P.

Exhibit 10.3

FIRST AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT (this "First Amendment") is made and entered into as of the 2nd day of February, 2000, by and among CASELLA WASTE SYSTEMS, INC., a Delaware corporation (the "Parent"), its Subsidiaries (other than Excluded Subsidiaries) listed on SCHEDULE 1 to the Credit Agreement defined below (together with the Parent, collectively the "Borrowers"), BANKBOSTON, N.A. ("BKB"), KEYBANK NATIONAL ASSOCIATION ("Keybank"), BANK OF AMERICA, N.A. ("BOA"), COMERICA BANK, LASALLE BANK NATIONAL ASSOCIATION, CREDIT LYONNAIS, FIRST VERMONT BANK AND TRUST COMPANY, CIBC, INC. and CANADIAN IMPERIAL BANK OF COMMERCE ("CIBC Canada"), a Canadian chartered bank (acting in its individual capacity), and such banks or other financial institutions which may become a party thereto (the "Banks"), BkB as Administrative Agent for the Banks (the "Administrative Agent"), Keybank as Documentation Agent, BOA as Syndication Agent and CIBC Canada as the Canadian Agent (the "Canadian Agent", and together with the Administrative Agent, the "Bank Agents").

WHEREAS, the Borrowers, the Banks and the Bank Agents are parties to an Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 14, 1999, (as amended and in effect from time to time, the "Credit Agreement"), pursuant to which the Banks have extended credit to the Borrowers on the terms set forth therein;

WHEREAS, the Borrowers have requested that the Banks and the Agent make certain amendments to the Credit Agreement, and the Banks and the Agent are willing to amend the Credit Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Credit Agreement as follows:

1. DEFINITIONS. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

2. AMENDMENTS TO SECTION 4A.6.1 OF THE CREDIT AGREEMENT. As of the First Amendment Effective Date (as hereinafter defined), Section 4A.6.1 of the Credit Agreement is hereby amended by deleting the subsections (a) and (b) in their entirety and restating them as follows:

"(a) To the extent that all or any portion of the Term Loan bears interest during such Interest Period at the Base Rate, the Term Loan or such portion thereof shall bear interest during such Interest Period at the rate of 2.000% per annum (the "Term Loan Base Rate Margin") above the Base Rate.

(b) At the option of the Domestic Borrowers, and upon notice given to the Administrative Agent pursuant to Section 4A.6.2, so long as no Default or Event of Default has occurred or is continuing, to the extent that all or any portion of the Term Loan bears interest during such Interest Period at the Eurodollar Rate, the Term Loan or such portion shall bear interest during such Interest Period at the rate of 3.500% per annum (the "Term Loan Eurodollar Margin") above the Eurodollar Rate."

3. AMENDMENTS TO SECTION 5.1 OF THE CREDIT AGREEMENT. As of the First Amendment Effective Date (as hereinafter defined), Section 5.1(a) of the Credit Agreement is hereby amended by adding the words "and Section 4A.6.1" immediately after the reference to Section 5.7 appearing therein.

4. AMENDMENTS TO SECTION 19 OF THE CREDIT AGREEMENT. As of the First Amendment Effective Date (as hereinafter defined), Section 19 of the Credit Agreement is hereby amended by deleting Section 19 in its entirety and restating it as follows:

"Section 19. SYNDICATION AND PARTICIPATION. It is understood and agreed that each Bank shall have the right to assign at any time all or any portion of its Commitment (and interests in the risk relating to any Revolving Credit Loans, outstanding Letters of Credit, and Bankers' Acceptances) or its Term Loan Percentage of the Term Loan, in an amount equal to or greater than $2,500,000 (or, if less, in a minimum amount equal to all of such Bank's Commitment (and interests in the risk relating to any Revolving Credit Loans, outstanding Letters of Credit, and Bankers' Acceptances) or its Term Loan Percentage of the Term Loan), to additional banks, other financial institutions or other entities whose business is to purchase and sell loan assets in the normal course acceptable to the Administrative Agent or the Canadian Agent and, so long as no Event of Default has occurred and is continuing, the Parent (unless an assignment is to a Bank or to an affiliate of a Bank (so long as such assignment would not result in increased costs to the Borrowers hereunder), in which case acceptance by such Bank Agent and the Parent shall not be necessary and no minimum assignment amount shall apply), which acceptance shall not be unreasonably withheld, PROVIDED that a Bank may assign all or a portion of its Canadian Commitment Percentage and Canadian Loans outstanding, Canadian Letters of Credit and Bankers' Acceptances, only to an Eligible Canadian Assignee, and that each bank or other financial institution which executes and delivers to the

applicable Bank Agent and the Borrowers hereunder an Assignment and Acceptance in the form attached hereto as Exhibit H.

Upon the execution and delivery of such Assignment and Acceptance, (a) the Borrowers shall issue to the bank or other financial institution applicable Notes in the amount of such bank's or other financial institution's Domestic Commitment, portion of the Term Loan or Canadian Commitment, as applicable, dated the Effective Date or such other date as may be specified by the appropriate Bank Agent and otherwise completed in substantially the form of the Notes executed and delivered on the Effective Date; and (b) the assignee bank or financial institution shall pay a processing and recordation fee of $3,500 to the Administrative Agent. Each Bank shall also have the right to grant participations to one or more banks, other financial institutions or other entities whose business is to purchase and sell loan assets in the normal course in or to all or any part of any Loans owing to such Bank and the Note held by such Bank PROVIDED that (i) any such sale or participation shall not affect the rights and duties of the selling Bank hereunder to the Borrowers and (ii) the only rights granted to the participant pursuant to such participation arrangements with respect to waivers, amendments or modifications of the Loan Documents shall be the rights to approve waivers, amendments or modifications that would require consent by ALL Banks under Section 15.8, and any participant shall be entitled to the benefits of Sections 5.5, 5.6, 5.9, 5.14 and 17 as if it were a Bank hereunder, provided, however that no Borrower shall be required to pay any amount which is greater than such amount that otherwise would have been payable to the Bank which sold such participation. Notwithstanding the foregoing, no syndication or assignment shall operate to increase the Total Commitment or amount of the Term Loan hereunder or reduce the Domestic Commitment or portion of the Term Loan of any Bank to an amount less than $2,500,000 (or, if less, in a minimum amount equal to all of such Bank's Commitment (and interests in the risk relating to any Revolving Credit Loans, outstanding Letters of Credit, and Bankers' Acceptances) or its Term Loan Percentage of the Term Loan), or otherwise alter the substantive terms of this Agreement. Anything contained in this Section 19 to the contrary notwithstanding, any Bank may at any time pledge all or any portion of its interest and rights

under this Agreement (including all or any portion of its Notes) to any of the twelve Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or the enforcement thereof shall release the pledgor Bank from its obligations hereunder or under any of the other Loan Documents.

On the date specified in any Assignment and Acceptance and upon the satisfaction of the other conditions set forth in this Section 19, such bank or financial institution shall become a party to this Agreement and the other Loan Documents for all purposes of this Agreement and the other Loan

Documents, and its Commitment and/or portion of the Term Loan shall be as set forth in the register of Banks (the "Register") maintained by the Administrative Agent for the recordation of the names and addresses of the Banks and the Commitment Percentage of, Term Loan Percentage of, and principal amount of the Loans owing to and Letter of Credit Participations purchased by, the Banks from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrowers, the Bank Agents and the Banks may treat each person whose name is recorded in the Register as a Bank hereunder for all purposes of this Credit Agreement. The Register shall be available for inspection by the Borrowers and the Banks at any reasonable time and from time to time upon reasonable prior notice."

5. RATIFICATION, ETC. Except as expressly amended hereby, the Credit Agreement, the other Loan Documents and all documents, instruments and agreements related thereto are hereby ratified and confirmed in all respects and shall continue in full force and effect. This First Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement or any related agreement or instrument to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this First Amendment.

6. GOVERNING LAW. THIS FIRST AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

7. COUNTERPARTS. This First Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which counterparts taken together shall be deemed to constitute one and the same instrument.

8. EFFECTIVENESS. This First Amendment shall become effective (the "First Amendment Effective Date") upon its execution and delivery by the Required Banks and the Borrowers hereto.

IN WITNESS WHEREOF, each of the undersigned have duly executed this First Amendment as of the date first set forth above.

BANKBOSTON, N.A.,
individually and as Administrative Agent

By: _____

Name: _____

Title: _____

KEYBANK NATIONAL ASSOCIATION,
individually and as Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.,
individually and as Syndication Agent

By: _____
Name: _____
Title: _____

COMERICA BANK

By: _____
Name: _____
Title: _____

CIBC INC.

By: _____
Name: _____
Title: _____

LASALLE BANK NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CREDIT LYONNAIS NEW YORK BRANCH

By: _____
Name: _____
Title:

FIRST VERMONT BANK AND TRUST COMPANY

By: ---

Name: ---

Title: ---

CANADIAN IMPERIAL BANK OF COMMERCE, individually and as Canadian Agent

By: ---

Name: ---

Title: ---

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DOMESTIC BORROWERS:

ALL CYCLE WASTE, INC.
BRISTOL WASTE MANAGEMENT, INC.
CASELLA T.I.R.E.S., INC.
CASELLA TRANSPORTATION, INC.
CASELLA WASTE MANAGEMENT, INC.
CASELLA WASTE MANAGEMENT OF N.Y., INC.
CASELLA WASTE MANAGEMENT OF PENNSYLVANIA, INC.
CASELLA WASTE SYSTEMS, INC.
GRASSLANDS INC.
HAKES C & D DISPOSAL, INC.
HIRAM HOLLOW REGENERATION CORP.
NATURAL ENVIRONMENTAL, INC.
NEWBURY WASTE MANAGEMENT, INC.
NEW ENGLAND WASTE SERVICES, INC.
NEW ENGLAND WASTE SERVICES OF MASSACHUSETTS, INC.
NEW ENGLAND WASTE SERVICES OF N.Y., INC.
NEW ENGLAND WASTE SERVICES OF VERMONT, INC.
NORTH COUNTRY ENVIRONMENTAL SERVICES, INC.
NORTHERN SANITATION, INC.
PINE TREE WASTE, INC.
RESOURCE RECOVERY OF CAPE COD, INC.
RESOURCE TRANSFER SERVICES, INC.
RESOURCE WASTE SYSTEMS, INC.
SAWYER ENVIRONMENTAL RECOVERY FACILITIES, INC.
SAWYER ENVIRONMENTAL SERVICES
SCHULTZ LANDFILL, INC.
SUNDERLAND WASTE MANAGEMENT, INC.
WASTE-STREAM INC.
WESTFIELD DISPOSAL SERVICE, INC.
WINTERS BROTHERS, INC.

By: ---

Name: Jerry S. Cifor

Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

ADVANCED ENTERPRISES RECYCLING INC.
THE AFA GROUP, INC.
AFA PALLET, INC.
AGRO PRODUCTS, INC.
ALLIED EQUIPT. & SALES CORP., INC.
AMERICAN SUPPLIES SALES GROUP, INC.
ARTIC INC.
ATLANTIC TRANSPORTATION TECHNOLOGIES INC.
DATA DESTRUCTION SERVICES, INC.
FAIRFIELD COUNTY RECYCLING, INC.
FCR CAMDEN, INC.
FCR FLORIDA, INC.
FCR GEORGIA, INC.
FCR GREENSBORO, INC.
FCR GREENVILLE, INC.
FCR MORRIS, INC.
FCR PLASTICS, INC.
FCR REDEMPTION, INC.
FCR TENNESSEE, INC.
FCR VIRGINIA, INC.
FCR, INC.
KTI BIO FUELS, INC.
KTI ENERGY OF MARTINSVILLE, INC.
KTI ENERGY OF VIRGINIA, INC.
KTI ENVIRONMENTAL GROUP, INC.
KTI NEW JERSEY FIBERS, INC.
KTI OPERATIONS, INC.
KTI RECYCLING OF ILLINOIS, INC.
KTI RECYCLING OF NEW ENGLAND, INC.
KTI RECYCLING OF NEW JERSEY, INC.
KTI RECYCLING, INC.
KTI SPECIALTY WASTE SERVICES, INC.
KTI TRANSPORTATION SERVICES, INC.
KTI, INC.
MANNER RESINS, INC.
MECKLENBURG COUNTY RECYCLING, INC.
POWER SHIP TRANSPORT, INC.
TOTAL WASTE MANAGEMENT CORP.
U.S. FIBER, INC.

By:

Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

PENOBSCOT ENERGY RECOVERY COMPANY, LIMITED PARTNERSHIP
By: _____, general partner

By:

Name: Jerry S. Cifor
Title: Treasurer

PERC MANAGEMENT COMPANY, LIMITED PARTNERSHIP
By: _____, general partner

By:

Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

K-C INTERNATIONAL, LTD.
By: _____, general partner

By:

Name: Jerry S. Cifor
Title: Treasurer

CANADIAN BORROWERS:

KTI RECYCLING OF CANADA, INC.
1316991 ONTARIO, INC.

By:

Name: Jerry S. Cifor
Title: Treasurer

Exhibit 10.4

SECOND AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT
AND CONSENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT AND CONSENT (this "Second Amendment") is made and entered into as of the 14th day of February, 2000, by and among CASELLA WASTE SYSTEMS, INC., a Delaware corporation (the "Parent"), its Subsidiaries (other than Excluded Subsidiaries) listed on SCHEDULE 1 to the Credit Agreement defined below (together with the Parent, collectively the "Borrowers"), BANKBOSTON, N.A. ("BKB"), KEYBANK NATIONAL ASSOCIATION ("Keybank"), BANK OF AMERICA, N.A. ("BOA"), COMERICA BANK, LASALLE BANK NATIONAL ASSOCIATION, CREDIT LYONNAIS, FIRST VERMONT BANK AND TRUST COMPANY, CIBC, INC. and CANADIAN IMPERIAL BANK OF COMMERCE ("CIBC Canada"), a Canadian chartered bank (acting in its individual capacity), and such banks or other financial institutions which may become a party thereto (the "Banks"), BkB as Administrative Agent for the Banks (the "Administrative Agent"), Keybank as Documentation Agent, BOA as Syndication Agent and CIBC Canada as the Canadian Agent (the "Canadian Agent", and together with the Administrative Agent, the "Bank Agents").

WHEREAS, the Borrowers, the Banks and the Bank Agents are parties to an Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 14, 1999, (as amended by a First Amendment to Revolving Credit and Term Loan Agreement dated as of February 2, 2000, and as the same may be further amended and in effect from time to time, the "Credit Agreement"), pursuant to which the Banks have extended credit to the Borrowers on the terms set forth therein;

WHEREAS, under Section 8.1(j) of the Credit Agreement the Banks permitted the Indebtedness of MERC with respect to the ING L/C for a period not to exceed sixty (60) days from the Effective Date, unless the Required Banks consented in writing to a longer term;

WHEREAS, under Section 8.2(i) of the Credit Agreement the Banks permitted ING's mortgage on the MERC facility located in Saco, Maine for a period not to exceed sixty (60) days from the Effective Date, unless the Required Banks consented in writing to a longer term;

WHEREAS, the Borrowers have requested, and the Required Banks have consented to, an extension of the period during which the Indebtedness of MERC with respect to the ING L/C and ING's mortgage on the MERC facility will be permitted;

WHEREAS, the Borrowers have also requested that the Banks and the Agent make certain amendments to the Credit Agreement, and the Banks and

the Agent are willing to amend the Credit Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

2. AMENDMENTS TO SECTION 1.1 OF THE CREDIT AGREEMENT. As of the Second Amendment Effective Date (as hereinafter defined), Section 1.1 of the Credit Agreement is hereby amended by deleting the following definitions in their entirety and restating them as follows:

"BORROWERS. Collectively, (a) the Domestic Borrowers, jointly and severally, with respect to Domestic Loans and Domestic Letters of Credit, and (b) each of the Canadian Borrowers, jointly and severally, to the fullest extent permitted by law, with respect to Canadian Loans, Canadian Letters of Credit and Bankers' Acceptances.

PRICING RATIO. At the end of any fiscal quarter of the Borrowers, the ratio of (a) Consolidated Funded Indebtedness to (b) EBITDA, as calculated on the Compliance Certificate delivered by the Borrowers pursuant to Section 7.4(c). For the purposes of the Pricing Ratio, EBITDA (a) for the fiscal quarter ending January 31, 2000, shall be actual combined EBITDA of the Parent and its Subsidiaries (other than the Insurance Subsidiary and its De Minimus Subsidiaries) and KTI and its Subsidiaries (other than PERC, Timber, AAR and its De Minimis Subsidiaries) (as approved by the Administrative Agent) (the "Combined First Quarter Amount") for such quarter multiplied by four (4), (b) for the fiscal quarter ending April 30, 2000, shall be the Combined First Quarter Amount PLUS EBITDA for the fiscal quarter ending on such date multiplied by two (2), (c) for the fiscal quarter ending July 31, 2000, shall be the Combined First Quarter Amount PLUS EBITDA for the period of two consecutive fiscal quarters ending on such date multiplied by 1.33, (d) for the fiscal quarter ending October 31, 2000, shall be the Combined First Quarter Amount PLUS EBITDA for the period of three fiscal quarters ending on such date, and (e) for the fiscal quarter ending January 31, 2001 and all fiscal quarters ending thereafter, shall be the EBITDA for the period of four (4) consecutive fiscal quarters ending on such date."

3. AMENDMENTS TO SECTION 5.7 OF THE CREDIT AGREEMENT. As of the Second Amendment Effective Date (as hereinafter defined), Section 5.7 of the Credit Agreement is hereby amended by deleting Section 5.7 in its entirety and restating it as follows:

"Section 5.7. INTEREST ON OVERDUE AMOUNTS. Overdue principal and (to the extent permitted by applicable law) interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents shall bear interest compounded monthly and payable on demand at a rate per annum equal to two percentage points (2.00%) PLUS (a) in the case of the Revolving Credit Loans, the Applicable Rate for Base Rate Loans, or (b) in the case of the Term Loan, the Base Rate plus the Term Loan Base Rate Margin, until such amount shall be paid in full (after as well as before judgment)."

4. CONSENT TO ING L/C EXTENSION. Pursuant to the provisions of subsection (j) of Section 8.1 and subsection (i) of Section 8.2 of the Credit Agreement, each of the Banks hereby consents to change each reference to the period "sixty (60) days from the Effective Date" in subsection (j) of Section 8.1 and subsection (i) of Section 8.2 of the Credit Agreement to read "ninety-two (92) days from the Effective Date"; PROVIDED that no later than March 15, 2000, either (a) the ING L/C shall be replaced by a Letter of Credit under the Credit Agreement, or (b) the ING L/C shall be cancelled and the Indebtedness of MERC with respect to the ING L/C shall be paid in full.

5. RATIFICATION, ETC. Except as expressly amended hereby, the Credit Agreement, the other Loan Documents and all documents, instruments and agreements related thereto are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Second Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement or any related agreement or instrument to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Second Amendment.

6. GOVERNING LAW. THIS SECOND AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

7. COUNTERPARTS. This Second Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which

counterparts taken together shall be deemed to constitute one and the same instrument.

8. EFFECTIVENESS. This Second Amendment shall become effective (the "Second Amendment Effective Date") upon its execution and delivery by the Required Banks and the Borrowers.

IN WITNESS WHEREOF, each of the undersigned have duly executed this Second Amendment as of the date first set forth above.

BANKBOSTON, N.A.,
individually and as Administrative Agent

By: _____
Name: _____
Title: _____

KEYBANK NATIONAL ASSOCIATION,
individually and as Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.,
individually and as Syndication Agent

By: _____
Name: _____
Title: _____

COMERICA BANK

By: _____
Name: _____
Title: _____

CIBC INC.

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LASALLE BANK NATIONAL
ASSOCIATION

By:

Name:

Title:

CREDIT LYONNAIS NEW YORK BRANCH

By:

Name:

Title:

FIRST VERMONT BANK AND TRUST
COMPANY

By:

Name:

Title:

CANADIAN IMPERIAL BANK OF
COMMERCE, individually and as
Canadian Agent

By:

Name:

Title:

SANKATY HIGH YIELD PARTNERS II, L.P.

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

GREAT POINT CLO 1999-1 LTD.

By:

Name:

Title:

NORTH AMERICAN SENIOR FLOATING RATE

By:

Name:

Title:

KEMPER FLOATING RATE FUND

By:

Name:

Title:

SEABOARD CAPITAL PARTNERS, L.P.

By:

Name:

Title:

SEABOARD FUND LIMITED

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

CARLYLE HIGH YIELD PARTNERS II, LTD.

By:

Name:

Title:

CYPRESSTREE INVESTMENT
PARTNERS I, LTD

By:

Name:

Title:

OPPENHEIMER SENIOR FLOATING
RATE FUND

By:

Name:

Title:

CREDIT SUISSE FIRST BOSTON

By:

Name:

Title:

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

INDOSUEZ CAPITAL FUNDING IIA, LIMITED
By: Indosuez Capital Luxembourg, as
Collateral Manager

By:

Name:

Title:

FRANKLIN FLOATING RATE TRUST

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DOMESTIC BORROWERS:

ALL CYCLE WASTE, INC.
BRISTOL WASTE MANAGEMENT, INC.
CASELLA T.I.R.E.S., INC.
CASELLA TRANSPORTATION, INC.
CASELLA WASTE MANAGEMENT, INC.
CASELLA WASTE MANAGEMENT OF N.Y., INC.
CASELLA WASTE MANAGEMENT OF PENNSYLVANIA, INC.
CASELLA WASTE SYSTEMS, INC.
GRASSLANDS INC.
HAKES C & D DISPOSAL, INC.
HIRAM HOLLOW REGENERATION CORP.
NATURAL ENVIRONMENTAL, INC.
NEWBURY WASTE MANAGEMENT, INC.
NEW ENGLAND WASTE SERVICES, INC.
NEW ENGLAND WASTE SERVICES OF MASSACHUSETTS, INC.
NEW ENGLAND WASTE SERVICES OF N.Y., INC.
NEW ENGLAND WASTE SERVICES OF VERMONT, INC.
NORTH COUNTRY ENVIRONMENTAL SERVICES, INC.
NORTHERN SANITATION, INC.
PINE TREE WASTE, INC.
RESOURCE RECOVERY OF CAPE COD, INC.
RESOURCE TRANSFER SERVICES, INC.
RESOURCE WASTE SYSTEMS, INC.
SAWYER ENVIRONMENTAL RECOVERY FACILITIES, INC.
SAWYER ENVIRONMENTAL SERVICES
SCHULTZ LANDFILL, INC.
SUNDERLAND WASTE MANAGEMENT, INC.
WASTE-STREAM INC.
WESTFIELD DISPOSAL SERVICE, INC.
WINTERS BROTHERS, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

ADVANCED ENTERPRISES RECYCLING INC.
THE AFA GROUP, INC.
AFA PALLET, INC.
AGRO PRODUCTS, INC.
ALLIED EQUIPT. & SALES CORP., INC.
AMERICAN SUPPLIES SALES GROUP, INC.
ARTIC INC.
ATLANTIC TRANSPORTATION TECHNOLOGIES INC.
DATA DESTRUCTION SERVICES, INC.
FAIRFIELD COUNTY RECYCLING, INC.
FCR CAMDEN, INC.
FCR FLORIDA, INC.
FCR GEORGIA, INC.

FCR GREENSBORO, INC.
FCR GREENVILLE, INC.
FCR MORRIS, INC.
FCR PLASTICS, INC.
FCR REDEMPTION, INC.
FCR TENNESSEE, INC.
FCR VIRGINIA, INC.
FCR, INC.
KTI BIO FUELS, INC.
KTI ENERGY OF MARTINSVILLE, INC.
KTI ENERGY OF VIRGINIA, INC.
KTI ENVIRONMENTAL GROUP, INC.
KTI NEW JERSEY FIBERS, INC.
KTI OPERATIONS, INC.
KTI RECYCLING OF ILLINOIS, INC.
KTI RECYCLING OF NEW ENGLAND, INC.
KTI RECYCLING OF NEW JERSEY, INC.
KTI RECYCLING, INC.
KTI SPECIALTY WASTE SERVICES, INC.
KTI TRANSPORTATION SERVICES, INC.
KTI, INC.
MANNER RESINS, INC.
MECKLENBURG COUNTY RECYCLING, INC.
POWER SHIP TRANSPORT, INC.
TOTAL WASTE MANAGEMENT CORP.
U.S. FIBER, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

PENOBSCOT ENERGY RECOVERY COMPANY, LIMITED PARTNERSHIP
By: PERC Management Company Limited Partnership, general partner
By: PERC, Inc., general partner

By: _____
Name: Jerry S. Cifor
Title: Treasurer

PERC MANAGEMENT COMPANY, LIMITED PARTNERSHIP
By: PERC, Inc., general partner

By: _____
Name: Jerry S. Cifor
Title: Treasurer

CANADIAN BORROWERS:

KTI RECYCLING OF CANADA, INC.
1316991 ONTARIO, INC.

By:

Name: Jerry S. Cifor
Title: Treasurer

Exhibit 10.5

THIRD AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT
AND CONSENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT AND CONSENT (this "Third Amendment") is made and entered into as of the 14th day of April, 2000, by and among CASELLA WASTE SYSTEMS, INC., a Delaware corporation (the "Parent"), its Subsidiaries (other than Excluded Subsidiaries) listed on SCHEDULE 1 to the Credit Agreement defined below (together with the Parent, collectively the "Borrowers"), FLEET NATIONAL BANK (f/k/a BankBoston, N.A., "Fleet"), KEYBANK NATIONAL ASSOCIATION ("Keybank"), BANK OF AMERICA, N.A. ("BOA"), COMERICA BANK, LASALLE BANK NATIONAL ASSOCIATION, CREDIT LYONNAIS, FIRST VERMONT BANK AND TRUST COMPANY, CIBC, INC. and CANADIAN IMPERIAL BANK OF COMMERCE ("CIBC Canada"), a Canadian chartered bank (acting in its individual capacity), and such banks or other financial institutions which may become a party thereto (the "Banks"), Fleet as Administrative Agent for the Banks (the "Administrative Agent"), Keybank as Documentation Agent, BOA as Syndication Agent and CIBC Canada as the Canadian Agent (the "Canadian Agent", and together with the Administrative Agent, the "Bank Agents").

WHEREAS, the Borrowers, the Banks and the Bank Agents are parties to an Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 14, 1999, (as amended by a First Amendment to Revolving Credit and Term Loan Agreement dated as of February 2, 2000, a Second Amendment to Revolving Credit and Term Loan Agreement dated as of February 14, 2000, and as the same may be further amended and in effect from time to time, the "Credit Agreement"), pursuant to which the Banks have extended credit to the Borrowers on the terms set forth therein;

WHEREAS, the Borrowers have agreed to certain increases in pricing and prepayment premiums;

WHEREAS, the Borrowers, the Banks and the Administrative Agent wish to make certain amendments to the Credit Agreement to implement such pricing increases and prepayment premiums;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

2. AMENDMENTS TO SECTION 1.1 OF THE CREDIT AGREEMENT. Section 1.1 of the Credit Agreement is hereby amended by:

(a) adding the following definitions in proper alphabetical order:

"ADJUSTED MARGIN. A margin of 0.125% per annum added to the otherwise applicable rate during the Adjustment Period.

ADJUSTMENT PERIOD. The period from March 15, 2000 through September 14, 2000, provided that no Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, the Adjustment Period shall continue until such Event of Default has been cured to the satisfaction of the Required Banks.

PREMIUM PERIOD. March 15, 2000 through March 15, 2001."

(b) deleting the last paragraph of the definition of "Applicable Rate" therein and restating it as follows:

> "Each Applicable Rate shall become effective on the first day after receipt by the Banks of financial statements delivered pursuant to Sections 7.4(a) or (b) hereof which indicate a change in the Pricing Ratio and in the Applicable Rate in accordance with the above table, PROVIDED that for the period from the Effective Date through six (6) months from the Effective Date, the Applicable Rate shall be Level IV, PROVIDED FURTHER that during the Adjustment Period, the Adjusted Margin shall be added to the Applicable Rate for Loans across all Levels in the above table and to the Acceptance Fee for Bankers' Acceptances. If at any time the financial statements required to be delivered pursuant to Sections 7.4(a) or (b) hereof are not delivered within 10 days after the time periods specified in such subsections, the Applicable Rate shall be the rate set forth for Level IV PLUS the Adjusted Margin, if applicable, subject to adjustment upon actual receipt of such financial statements. In the event that after the Effective Date and by March 31, 2000, the Parent shall have received Net Equity Proceeds of at least $100,000,000 from the Equity Offering, the Applicable Rate for Loans across all Levels in the above table and the Acceptance Fee for Bankers' Acceptances will be reduced by 0.250%, provided that under no circumstance shall the Applicable Rate for Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans be less than the Base Rate, Canadian Base Rate or Canadian Prime Rate, as applicable."

and (c) deleting the following definition in its entirety and restating it as follows:

> "LETTER OF CREDIT PERCENTAGE. The percentage per annum equal to the margin above the Eurodollar Rate charged on Revolving Credit Eurodollar Rate Loans, as in effect from time to time, as set forth in the column "Applicable Rate for Revolving Credit Eurodollar Rate Loans" in the Applicable Rate table above, PLUS the Adjusted Margin, if applicable."

3. AMENDMENTS TO SECTION 4A.4.2 OF THE CREDIT AGREEMENT. Section 4A.4.2 of the Credit Agreement is hereby amended by deleting Section 4A.4.2 in its entirety and restating it as follows:

> "Section 4A.4.2. PAYMENT PROVISIONS. Each prepayment of the Term Loan required by this Section 4A.4 shall be allocated among the Term Loan Lenders in accordance with each such Bank's Term Loan Percentage. Any prepayment of principal of the Term Loan shall include all interest accrued to the date of

> prepayment and shall be applied against the scheduled installments of principal due on the Term Loan in the inverse order of maturity. No amount repaid with respect to the Term Loan may be reborrowed. Any Term Loan Lender may decline to accept any payments due to such Term Loan Lender pursuant to this Section 4A.4. Any such payments declined with respect to Section 4A.4.1(a) shall be used to repay the Domestic Revolving Credit Loans (but not permanently reduce the Total Commitment) on a pro rata basis.
>
> In the event that any prepayment under Sections 4A.4.1 (a), (c), (d) or (e) is made during the Premium Period, a prepayment premium of 1.00% (the "Prepayment Premium") on the amount prepaid shall be payable by the Borrowers to the Administrative Agent for the benefit of the Term Loan Lenders; PROVIDED that, if such prepayment is required as a result of Section 4A.4.1(b), no such Prepayment Premium shall be required. The Administrative Agent agrees to pay to the Term Loan Lenders any Prepayment Premium received under this Section 4A.4.2

PRO-RATA in accordance with their Term Loan Percentages."

4. AMENDMENTS TO SECTION 4A.5 OF THE CREDIT AGREEMENT. Section 4A.5 of the Credit Agreement is hereby amended by deleting Section 4A.5 in its entirety and restating it as follows:

"Section 4A.5. OPTIONAL PREPAYMENT OF TERM LOAN. The Domestic Borrowers shall have the right at any time to prepay the Term Notes on or before the Term Loan Maturity Date, as a whole, or in part, upon not less than three (3) Business Days prior written notice to the Administrative Agent, without premium or penalty (other than the obligation to reimburse the Term Loan Lenders and the Administrative Agent pursuant to Section 5.14 hereof, or as otherwise stated herein), PROVIDED that (i) each partial prepayment shall be in the principal amount of $1,000,000 or an integral multiple of $500,000 thereof, (ii) each partial prepayment shall be allocated among the Term Loan Lenders in accordance with such Bank's Term Loan Percentage, and (iii) in the event that any prepayment under this Section 4A.5 is made during the Premium Period, the Prepayment Premium on the amount prepaid shall be payable by the Borrowers to the Administrative Agent for the benefit of the Term Loan Lenders PRO-RATA in accordance with their Term Loan Percentages. Any prepayment of principal of the Term Loan shall include all interest accrued to the date of prepayment and shall be applied against the scheduled installments of principal due on the Term Loan in the inverse order of maturity. No amount repaid with respect to the Term Loan may be reborrowed."

5. AMENDMENTS TO SECTION 4A.6.1 OF THE CREDIT AGREEMENT. Section 4A.6.1 of the Credit Agreement is hereby amended by deleting the subsections (a) and (b) in their entirety and restating them as follows:

"(a) To the extent that all or any portion of the Term Loan bears interest during such Interest Period at the Base Rate, the Term Loan or such portion thereof shall bear interest during such Interest Period at the rate of 2.000% per annum PLUS the Adjusted Margin, if applicable (the "Term Loan Base Rate Margin") above the Base Rate.

(b) At the option of the Domestic Borrowers, and upon notice given to the Administrative Agent pursuant to Section 4A.6.2, so long as no Default or Event of Default has occurred or is continuing, to the extent that all or any portion of the Term Loan bears interest during such Interest Period at the Eurodollar Rate, the Term Loan or such portion shall bear interest during such Interest Period at the rate of 3.500% per annum (the "Term Loan Eurodollar Margin") above the Eurodollar Rate PLUS the Adjusted Margin, if applicable."

6. RATIFICATION, ETC. Except as expressly amended hereby, the Credit Agreement, the other Loan Documents and all documents, instruments and agreements related thereto are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Third Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement or any related agreement or instrument to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Third Amendment.

7. GOVERNING LAW. THIS THIRD AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

8. COUNTERPARTS. This Third Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which counterparts taken together shall be deemed to constitute one and the same instrument.

9. EFFECTIVENESS. The changes to the pricing made herein shall be effective as of March 15, 2000.

IN WITNESS WHEREOF, each of the undersigned have duly executed this Third Amendment as of the date first set forth above.

FLEET NATIONAL BANK (f/k/a BankBoston, N.A.),
individually and as Administrative Agent

By: _____
Name: _____
Title: _____

KEYBANK NATIONAL ASSOCIATION,
individually and as Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.,
individually and as Syndication Agent

By: _____
Name: _____
Title: _____

COMERICA BANK

By: _____
Name: _____
Title: _____

CIBC INC.

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LASALLE BANK NATIONAL
ASSOCIATION

By:

Name:

Title:

CREDIT LYONNAIS NEW YORK BRANCH

By:

Name:

Title:

FIRST VERMONT BANK AND TRUST
COMPANY

By:

Name:

Title:

CANADIAN IMPERIAL BANK OF
COMMERCE, individually and as
Canadian Agent

By:

Name:

Title:

SANKATY HIGH YIELD PARTNERS II, L.P.

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

GREAT POINT CLO 1999-1 LTD.

By:

Name:

Title:

NORTH AMERICAN SENIOR FLOATING RATE

By:

Name:

Title:

KEMPER FLOATING RATE FUND

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

CARLYLE HIGH YIELD PARTNERS II, LTD.

By:

Name:

Title:

CYPRESSTREE INVESTMENT
PARTNERS I, LTD

By:

Name:

Title:

OPPENHEIMER SENIOR FLOATING
RATE FUND

By:

Name:

Title:

CREDIT SUISSE FIRST BOSTON

By:

Name:

Title:

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

INDOSUEZ CAPITAL FUNDING IIA, LIMITED
By: Indosuez Capital Luxembourg, as
Collateral Manager

By:

Name:

Title:

FRANKLIN FLOATING RATE TRUST

By:

Name:

Title:

ARES LEVERAGED INVESTMENT FUND II, L.P.

By:

Name:

Title:

ARES III CLO LTD.
By: ARES CLO Management LLC

By:

Name:

Title:

ELT LTD.

By:

Name:
Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

STRATEGIC MANAGED LOAN PORTFOLIO

By:
Name:
Title:

FIRST DOMINION FUNDING II

By:
Name:
Title:

FIRST DOMINION FUNDING III

By:
Name:
Title:

KZH SHOSHONE LLC

By:
Name:
Title:

PILGRIM AMERICA HIGH INCOME INVESTMENTS, LTD.

By:
Name:
Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

PILGRIM CLO 1999-1 LTD.
By: Pilgrim Investments, Inc., as its
investment manager

By: _____
Name: _____
Title: _____

BANKERS TRUST COMPANY

By: _____
Name: _____
Title: _____

ARCHIMEDES FUNDING III LTD

By: _____
Name: _____
Title: _____

CYPRESSTREE INVESTMENT PARTNERS II, LTD.

By: _____
Name: _____
Title: _____

KZH-ING-1 LLC

By: _____
Name: _____
Title: _____

KZH-ING-3 LLC

By: _____
Name: _____
Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

SEQUILS-ING I (HBDGM), LTD.

By:

Name:

Title:

MORGAN STANLEY DEAN WITTER PRIME INCOME TRUST

By:

Name:

Title:

SEQUILS 1 LTD.
By: TCW Advisors, Inc. as its Collateral Manager

By:

Name:

Title:

THE TRAVELERS INSURANCE COMPANY

By:

Name:

Title:

TRAVELERS CORPORATE LOAN FUND INC.
By: Travelers Asset Management International Company LLC

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

VAN KAMPEN PRIME RATE INCOME TRUST

By: _____
Name: _____
Title: _____

ELC (CAYMAN) LTD. 1999-III

By: _____
Name: _____
Title: _____

FIRST ALLAMERICA FINANCIAL LIFE INSURANCE CO.

By: _____
Name: _____
Title: _____

AVALON CAPITAL LTD.
By: INVESCO Senior Secured Management, Inc.,
as Portfolio Advisor

By: _____
Name: _____
Title: _____

OLYMPIC FUNDING TRUST, SERIES 1999-1

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

KZH CYPRESSTREE-1 LLC

By:

Name:

Title:

NORSE CBO, LTD.

By:

Name:

Title:

COLUMBUS LOAN FUNDING LTD.
By: Travelers Asset Management International Company LLC

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DOMESTIC BORROWERS:

ALL CYCLE WASTE, INC.
BRISTOL WASTE MANAGEMENT, INC.
CASELLA T.I.R.E.S., INC.
CASELLA TRANSPORTATION, INC.
CASELLA WASTE MANAGEMENT, INC.
CASELLA WASTE MANAGEMENT OF N.Y., INC.
CASELLA WASTE MANAGEMENT OF PENNSYLVANIA, INC.
CASELLA WASTE SYSTEMS, INC.
GRASSLANDS INC.
HAKES C & D DISPOSAL, INC.
HIRAM HOLLOW REGENERATION CORP.
NATURAL ENVIRONMENTAL, INC.
NEWBURY WASTE MANAGEMENT, INC.
NEW ENGLAND WASTE SERVICES, INC.
NEW ENGLAND WASTE SERVICES OF MASSACHUSETTS, INC.
NEW ENGLAND WASTE SERVICES OF N.Y., INC.
NEW ENGLAND WASTE SERVICES OF VERMONT, INC.
NORTH COUNTRY ENVIRONMENTAL SERVICES, INC.
NORTHERN SANITATION, INC.
PINE TREE WASTE, INC.
RESOURCE RECOVERY OF CAPE COD, INC.
RESOURCE TRANSFER SERVICES, INC.
RESOURCE WASTE SYSTEMS, INC.
SAWYER ENVIRONMENTAL RECOVERY FACILITIES, INC.
SAWYER ENVIRONMENTAL SERVICES
SCHULTZ LANDFILL, INC.
SUNDERLAND WASTE MANAGEMENT, INC.

WASTE-STREAM INC.
WESTFIELD DISPOSAL SERVICE, INC.
WINTERS BROTHERS, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

ADVANCED ENTERPRISES RECYCLING INC.
THE AFA GROUP, INC.
AFA PALLET, INC.
AGRO PRODUCTS, INC.
ALLIED EQUIPT. & SALES CORP., INC.
AMERICAN SUPPLIES SALES GROUP, INC.
ARTIC INC.
ATLANTIC TRANSPORTATION TECHNOLOGIES INC.
DATA DESTRUCTION SERVICES, INC.
FAIRFIELD COUNTY RECYCLING, INC.
FCR CAMDEN, INC.
FCR FLORIDA, INC.
FCR GEORGIA, INC.
FCR GREENSBORO, INC.
FCR GREENVILLE, INC.
FCR MORRIS, INC.
FCR PLASTICS, INC.
FCR REDEMPTION, INC.
FCR TENNESSEE, INC.
FCR VIRGINIA, INC.
FCR, INC.
KTI BIO FUELS, INC.
KTI ENERGY OF MARTINSVILLE, INC.
KTI ENERGY OF VIRGINIA, INC.
KTI ENVIRONMENTAL GROUP, INC.
KTI NEW JERSEY FIBERS, INC.
KTI OPERATIONS, INC.
KTI RECYCLING OF ILLINOIS, INC.
KTI RECYCLING OF NEW ENGLAND, INC.
KTI RECYCLING OF NEW JERSEY, INC.
KTI RECYCLING, INC.
KTI SPECIALTY WASTE SERVICES, INC.
KTI TRANSPORTATION SERVICES, INC.
KTI, INC.
MANNER RESINS, INC.
MECKLENBURG COUNTY RECYCLING, INC.
POWER SHIP TRANSPORT, INC.
TOTAL WASTE MANAGEMENT CORP.
U.S. FIBER, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

PENOBSCOT ENERGY RECOVERY COMPANY, LIMITED PARTNERSHIP
By: PERC Management Company Limited Partnership, general partner
By: PERC, Inc., general partner

By: _____
Name: Jerry S. Cifor
Title: Treasurer

PERC MANAGEMENT COMPANY, LIMITED PARTNERSHIP
By: PERC, Inc., general partner

By: _____
Name: Jerry S. Cifor
Title: Treasurer

CANADIAN BORROWERS:

KTI RECYCLING OF CANADA, INC.
1316991 ONTARIO, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

Exhibit 10.6

FOURTH AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT
AND CONSENT

THIS FOURTH AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT AND CONSENT (this "Fourth Amendment") is made and entered into as of the ___ day of August, 2000, by and among CASELLA WASTE SYSTEMS, INC., a Delaware corporation (the "Parent"), its Subsidiaries (other than Excluded Subsidiaries) listed on SCHEDULE 1 to the Credit Agreement defined below (together with the Parent, collectively the "Borrowers"), FLEET NATIONAL BANK (f/k/a BankBoston, N.A., "Fleet") and such banks or other financial institutions which may become a party thereto (the "Banks"), Fleet as Administrative Agent for the Banks (the "Administrative Agent"), KEYBANK NATIONAL ASSOCIATION as Documentation Agent, BANK OF AMERICA, N.A. as Syndication Agent and CANADIAN IMPERIAL BANK OF COMMERCE as the Canadian Agent (the "Canadian Agent", and together with the Administrative Agent, the "Bank Agents").

WHEREAS, the Borrowers, the Banks and the Bank Agents are parties to an Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 14, 1999, (as amended by a First Amendment to Revolving Credit and Term Loan Agreement dated as of February 2, 2000, a Second Amendment to Revolving Credit and Term Loan Agreement dated as of February 14, 2000, a Third Amendment to Revolving Credit and Term Loan Agreement dated as of April 14, 2000, and as the same may be further amended and in effect from time to time, the "Credit Agreement"), pursuant to which the Banks have extended credit to the Borrowers on the terms set forth therein;

WHEREAS, the Borrowers have requested that the Banks and the Administrative Agent make certain amendments to the Credit Agreement, and the Banks and the Administrative Agent have are willing to amend the Credit Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

2. AMENDMENTS TO SECTION 1.1 OF THE CREDIT AGREEMENT. Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in proper alphabetical order:

"CELLULOSE ASSETS. Those cellulose assets of U.S. Fiber with an aggregate book value not to exceed $12,500,000 to be contributed to the Cellulose Joint Venture."

"CELLULOSE JOINT VENTURE. The joint venture between U.S. Fiber and Greenstone Industries, Inc. with respect to the cellulose fibers business, including the manufacturing, marketing and selling of insulation, mulch and other cellulose-based products."

"FOURTH AMENDMENT EFFECTIVE DATE. August __, 2000."

"SERIES A PREFERRED STOCK. The Series A Preferred Stock issued by the Parent to the entities listed on Schedule A hereto (the "Series A Holders") pursuant to the Certificate of Designation of Series A Convertible Preferred Stock, dated as of August 8, 2000, in an aggregate principal amount not to exceed $55,750,000 plus interest as provided for in the Certificate of Designation."

"U.S. FIBER. U.S. Fiber, Inc., a North Carolina corporation."

3. AMENDMENT TO SECTION 4A.4.1 OF THE CREDIT AGREEMENT. Section 4A4.1(d) of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"(d) Fifty-percent (50%) of the Net Equity Proceeds of any issuance of new capital stock, or any other securities exchangeable for or convertible into shares of such capital stock, including the Equity Offering, but excluding (i) stock issued as payment for acquisitions permitted pursuant to Section 8.4 and (ii) stock issued in connection with any investment by the Series A Holders in the Parent (including the issuance of the Series A Preferred Stock) so long as such investment is on substantially the same terms as the Series A Preferred Stock, shall be used by the Domestic Borrowers to pay down the Term Loan."

4. AMENDMENTS TO SECTION 8.1 OF THE CREDIT AGREEMENT. Section 8.1 of the Credit Agreement is hereby amended by (a) deleting subsection (j) thereof in its entirety and replacing it with the following:

"(j) Indebtedness of MERC with respect to the ING L/C, PROVIDED that no later than September 30, 2000, either (i) the ING L/C shall be replaced by a Letter of Credit under this Agreement or (ii) the ING L/C shall be cancelled and the Indebtedness of MERC with respect to the ING L/C shall be paid in full;" and

(b) adding the following new subsection (m) thereto:

"and (m) Indebtedness with respect to mandatory redemption obligations as set forth in the Certificate of Designation of the Series A Preferred Stock, PROVIDED THAT no payments or Distributions shall be made with respect to such Indebtedness during the term of this Credit Agreement except as set forth in Section 8.6 hereof, or as otherwise permitted by the prior written consent of the Required Banks."

5. AMENDMENTS TO SECTION 8.3 OF THE CREDIT AGREEMENT. Section 8.3 of the Credit Agreement is hereby amended by (a) deleting the word "and" at the end of subsection (k) thereof, (b) deleting the period at the end of subsection (l) thereof and replacing it with "; and", and (c) inserting the following new subsection (m) at the end thereof:

"(m) Investments by U.S. Fiber in the Cellulose Joint Venture consisting of (i) the Cellulose Assets and (ii) cash in an amount not to exceed $5,000,000 in the aggregate during the term of this Agreement."

6. AMENDMENTS TO SECTION 8.4.2 OF THE CREDIT AGREEMENT. Section 8.4.2 of the Credit Agreement is hereby amended by (a) deleting the words "PROVIDED FURTHER THAT any sale pursuant to subsections (b) - (d) must occur on or prior to June 30, 2000" and replacing them with the words "PROVIDED FURTHER THAT any sale pursuant to subsections (b) - (d) must occur on or prior to June 30 ,2001", and (b) inserting at the end thereof the following new sentence:

"In addition, U.S. Fiber shall be permitted to spin-off its Cellulose Assets into the Cellulose Joint Venture, so long as U.S. Fiber (i) controls at least fifty percent (50%) of the board of directors of the Cellulose Joint Venture, (ii) owns at least fifty percent (50%) of the ownership interests of the Cellulose Joint Venture, and (iii) pledges such ownership interests to the Administrative Agent for the benefit of the Administrative Agent and the Banks."

7. AMENDMENTS TO SECTION 8.6 OF THE CREDIT AGREEMENT. Section 8.6 of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"Section 8.6. RESTRICTED DISTRIBUTIONS AND REDEMPTIONS. None

of the Borrowers will declare or pay any cash Distributions; PROVIDED that (a) any Subsidiary may declare or pay cash Distributions to the Parent, and (b) so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, the Parent may make cash Distributions on its common stock in an aggregate amount, together with redemptions permitted by the following

sentence, not to exceed $500,000 during the term of this Agreement. In addition, the Borrowers shall not redeem, convert, retire or otherwise acquire shares of any class of capital stock of the Borrowers or Excluded Subsidiaries in aggregate amount, together with cash Distributions by the Parent permitted by the previous sentence, in excess of $500,000 during the term of this Agreement. So long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, at any time after August 9, 2003, the Parent may make quarterly cash Distributions on its Series A Preferred Stock in an amount up to five percent (5%) of the face value of the Series A Preferred Stock per year, but in no event to exceed $3,226,879 in any fiscal year. Notwithstanding the foregoing, so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, the Parent may, during the period commencing on the Fourth Amendment Effective Date through December 14, 2002, redeem shares of its common stock in an aggregate amount of up to $27,500,000."

8. AMENDMENTS TO SECTION 9.4 OF THE CREDIT AGREEMENT. Section 9.4 of the Credit Agreement is hereby amended by inserting after the words "determined in accordance with GAAP", the words "(including, without duplication, any preferred stock of the Parent)."

9. AMENDMENT TO SECTION 13.1 OF THE CREDIT AGREEMENT. The following new subsection (o) is added thereto:

"or (o) A "Change of Control" as defined in the Certificate of Designation of the Series A Preferred Stock shall occur;".

10. RATIFICATION, ETC. Except as expressly amended hereby, the Credit Agreement, the other Loan Documents and all documents, instruments and agreements related thereto are hereby ratified and confirmed in all respects and shall continue in full force and effect. This Fourth Amendment and the Credit Agreement shall hereafter be read and construed together as a single document, and all references in the Credit Agreement or any related agreement or instrument to the Credit Agreement shall hereafter refer to the Credit Agreement as amended by this Fourth Amendment.

11. GOVERNING LAW. THIS FOURTH AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

12. COUNTERPARTS. This Fourth Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which counterparts taken together shall be deemed to constitute one and the same instrument.

13. COVENANTS. Within thirty (30) days of the Fourth Amendment Effective Date (as hereinafter defined), U.S. Fiber shall execute and deliver to the Agent, a Membership Interest Pledge Agreement (the "Pledge Agreement"), pledging all of its limited liability company interests in the Cellulose Joint Venture, and such Pledge Agreement will constitute a Security Document under the Credit Agreement.

14. EFFECTIVENESS. This Fourth Amendment shall become effective (the "Fourth Amendment Effective Date") upon the receipt by the Agent of (a) a counterpart of this Fourth Amendment, executed by the Required Banks and the Borrowers, (b) an amendment fee in an aggregate amount equal to seven basis points on the Commitment or outstanding principal portion of the Term Loan, as applicable, of each Bank which consents to this Fourth Amendment on or prior to 5:00 p.m. (Boston time) on August 4, 2000, (c) payment of all fees and expenses of the Administrative Agent's legal counsel, and (d) all items outstanding in connection with the initial closing of the Credit Agreement, all as more fully described on EXHIBIT A attached hereto.

IN WITNESS WHEREOF, each of the undersigned have duly executed this Fourth Amendment as of the date first set forth above.

FLEET NATIONAL BANK
(f/k/a BankBoston, N.A.),
individually and as Administrative Agent

By: _____
Name: _____
Title: _____

KEYBANK NATIONAL ASSOCIATION,
individually and as Documentation Agent

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A.,
individually and as Syndication Agent

By: _____
Name: _____
Title: _____

COMERICA BANK

By: _____
Name: _____
Title: _____

CIBC INC.

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LASALLE BANK NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

CREDIT LYONNAIS NEW YORK BRANCH

By: _____
Name: _____
Title: _____

FIRST VERMONT BANK AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

CANADIAN IMPERIAL BANK OF
COMMERCE, individually and as
Canadian Agent

By: _____
Name: _____
Title: _____

SANKATY HIGH YIELD PARTNERS II, L.P.

By: _____
Name: _____
Title: _____

GREAT POINT CLO 1999-1 LTD.

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

NORTH AMERICAN SENIOR
FLOATING RATE FUND

By: _____
Name: _____
Title: _____

KEMPER FLOATING RATE FUND

By: _____
Name: _____
Title: _____

CARLYLE HIGH YIELD PARTNERS II, LTD.

By: _____
Name: _____
Title: _____

CYPRESSTREE INVESTMENT
PARTNERS I, LTD

By: _____
Name: _____
Title: _____

OPPENHEIMER SENIOR FLOATING
RATE FUND

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

HARBOURVIEW CDI II, LIMITED

By:

Name:

Title:

INDOSUEZ CAPITAL FUNDING IIA, LIMITED
By: Indosuez Capital Luxembourg, as Collateral Manager

By:

Name:

Title:

MAGNETITE ASSET INVESTORS, LLC

By:

Name:

Title:

ARES LEVERAGED INVESTMENT FUND II, L.P.

By:

Name:

Title:

ARES III CLO LTD.
By: ARES CLO Management LLC

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

ELT LTD.

By:

Name:

Title:

STRATEGIC MANAGED LOAN PORTFOLIO

By:

Name:

Title:

FIRST DOMINION FUNDING II

By:

Name:

Title:

FIRST DOMINION FUNDING III

By:

Name:

Title:

KZH SHOSHONE LLC

By:

Name:

Title:

PILGRIM AMERICA HIGH INCOME
INVESTMENTS, LTD.

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

PILGRIM CLO 1999-1 LTD.
By: Pilgrim Investments, Inc., as its
investment manager

By:

Name:

Title:

BANKERS TRUST COMPANY

By:

Name:

Title:

ARCHIMEDES FUNDING III, LTD.
By: ING Capital Advisors LLC,
as Collateral Manager

By:

Name:

Title:

CYPRESSTREE INVESTMENT PARTNERS II, LTD.

By:

Name:

Title:

KZH-ING-1 LLC

By:

Name:

Title:

KZH-ING-3 LLC

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

SEQUILS-ING I (HBDGM), LTD.
By: ING Capital Advisors LLC,
as Collateral Manager and Authorized Signatory

By:

Name:

Title:

MORGAN STANLEY DEAN WITTER
PRIME INCOME TRUST

By:

Name:

Title:

THE TRAVELERS INSURANCE COMPANY

By:

Name:

Title:

TRAVELERS CORPORATE LOAN FUND INC.
By: Travelers Asset Management
International Company LLC

By:

Name:

Title:

VAN KAMPEN PRIME RATE INCOME TRUST

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

ELC (CAYMAN) LTD. 1999-III

By:

Name:

Title:

FIRST ALLAMERICA FINANCIAL LIFE
INSURANCE CO.

By:

Name:

Title:

AVALON CAPITAL LTD.
By: INVESCO Senior Secured Management,
Inc., as Portfolio Advisor

By:

Name:

Title:

AVALON CAPITAL LTD. 2
By: INVESCO Senior Secured Management, Inc., as Portfolio Advisor

By:

Name:

Title:

OLYMPIC FUNDING TRUST, SERIES 1999-1

By:

Name:

Title:

KZH CYPRESSTREE-1 LLC

By:

Name:

Title:

NORSE CBO, LTD.

By:

Name:

Title:

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

COLUMBUS LOAN FUNDING LTD.
By: Travelers Asset Management International Company LLC

By:

Name:

Title:

MUIRFIELD TRADING LLC

By:

Name:

Title:

STANFIELD/RMF TRANSATLANTIC CDO, LTD.

By:

Name:

Title:

VANKAMPEN CLO I, LIMITED

By:

Name:

Title:

VANKAMPEN CLO II, LIMITED

By:

Name:

Title:

DOMESTIC BORROWERS:

ALL CYCLE WASTE, INC.
BRISTOL WASTE MANAGEMENT, INC.
CASELLA T.I.R.E.S., INC.
CASELLA TRANSPORTATION, INC.
CASELLA WASTE MANAGEMENT, INC.
CASELLA WASTE MANAGEMENT OF N.Y., INC.
CASELLA WASTE MANAGEMENT OF PENNSYLVANIA, INC.
CASELLA WASTE SYSTEMS, INC.
GRASSLANDS INC.
HAKES C & D DISPOSAL, INC.
HIRAM HOLLOW REGENERATION CORP.
NATURAL ENVIRONMENTAL, INC.
NEWBURY WASTE MANAGEMENT, INC.
NEW ENGLAND WASTE SERVICES, INC.
NEW ENGLAND WASTE SERVICES OF MASSACHUSETTS, INC.
NEW ENGLAND WASTE SERVICES OF N.Y., INC.
NEW ENGLAND WASTE SERVICES OF VERMONT, INC.
NORTH COUNTRY ENVIRONMENTAL SERVICES, INC.
NORTHERN SANITATION, INC.
PINE TREE WASTE, INC.
RESOURCE RECOVERY OF CAPE COD, INC.
RESOURCE TRANSFER SERVICES, INC.
RESOURCE WASTE SYSTEMS, INC.
SAWYER ENVIRONMENTAL RECOVERY FACILITIES, INC.
SAWYER ENVIRONMENTAL SERVICES
SCHULTZ LANDFILL, INC.
SUNDERLAND WASTE MANAGEMENT, INC.
WASTE-STREAM INC.
WESTFIELD DISPOSAL SERVICE, INC.
WINTERS BROTHERS, INC.

By:

Name: Jerry S. Cifor
Title: Treasurer

[SIGNATURES CONTINUED ON NEXT PAGE]

ADVANCED ENTERPRISES RECYCLING INC.
THE AFA GROUP, INC.
AFA PALLET, INC.
AGRO PRODUCTS, INC.
ALLIED EQUIPT. & SALES CORP., INC.
AMERICAN SUPPLIES SALES GROUP, INC.
ARTIC INC.
ATLANTIC TRANSPORTATION TECHNOLOGIES INC.
DATA DESTRUCTION SERVICES, INC.
FAIRFIELD COUNTY RECYCLING, INC.
FCR CAMDEN, INC.
FCR FLORIDA, INC.
FCR GEORGIA, INC.
FCR GREENSBORO, INC.
FCR GREENVILLE, INC.
FCR MORRIS, INC.
FCR PLASTICS, INC.
FCR REDEMPTION, INC.
FCR TENNESSEE, INC.
FCR VIRGINIA, INC.
FCR, INC.
KTI BIO FUELS, INC.
KTI ENERGY OF MARTINSVILLE, INC.
KTI ENERGY OF VIRGINIA, INC.
KTI ENVIRONMENTAL GROUP, INC.
KTI NEW JERSEY FIBERS, INC.
KTI OPERATIONS, INC.
KTI RECYCLING OF ILLINOIS, INC.
KTI RECYCLING OF NEW ENGLAND, INC.
KTI RECYCLING OF NEW JERSEY, INC.
KTI RECYCLING, INC.
KTI SPECIALTY WASTE SERVICES, INC.
KTI TRANSPORTATION SERVICES, INC.
KTI, INC.
MANNER RESINS, INC.
MECKLENBURG COUNTY RECYCLING, INC.
POWER SHIP TRANSPORT, INC.
TOTAL WASTE MANAGEMENT CORP.
U.S. FIBER, INC.

By:

Name: Jerry S. Cifor
Title: Treasurer

PENOBSCOT ENERGY RECOVERY COMPANY,
LIMITED PARTNERSHIP
By: PERC Management Company Limited
Partnership, general partner
By: PERC, Inc., general partner

By:

Name: Jerry S. Cifor
Title: Treasurer

PERC MANAGEMENT COMPANY, LIMITED PARTNERSHIP
By: PERC, Inc., general partner

By: _____
Name: Jerry S. Cifor
Title: Treasurer

CANADIAN BORROWERS:

KTI RECYCLING OF CANADA, INC.
1316991 ONTARIO, INC.

By: _____
Name: Jerry S. Cifor
Title: Treasurer

SCHEDULE A

Berkshire Fund V Investment Corp.

Berkshire Investors LLC

BancBoston Capital Inc.

RGIP, LLC

Squam Lake Investors IV, L.P.

Exhibit 99.1

FOR IMMEDIATE RELEASE

CASELLA WASTE SYSTEMS, INC. CLOSES CONVERTIBLE PREFERRED STOCK TRANSACTION WITH BERKSHIRE PARTNERS

NEW FINANCING TO FUEL EXECUTION OF GROWTH PLAN

RUTLAND, VERMONT (August 16, 2000)--Casella Waste Systems, Inc. (NASDAQ: CWST), a regional, non-hazardous solid waste services company, today said that it has closed on a previously announced agreement to issue convertible preferred stock to a group of investors led by Berkshire Partners, L.P. of Boston, Massachusetts.

Under the terms of the agreement, the convertible preferred stock may convert into Casella Waste Systems' Class A Common Stock at $14.00 per share. The company raised approximately $55 million in the transaction.

The company believes this capital will be instrumental in strengthening its financial foundation, and allow it to pursue and execute its growth plan as well as allowing other strategic business initiatives.

Casella Waste Systems, headquartered in Rutland, Vermont, is a regional, integrated, non-hazardous solid waste services company that provides collection, transfer, disposal and recycling services primarily in the northeastern United States.

For further information, contact Joseph Fusco, vice president; or Jerry Cifor, chief financial officer at (802) 775-0325. The company's website is http://www.casella.com.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the ability of the Company to realize the anticipated synergies and other operating benefits from the acquisition of KTI, the Company's ability to manage growth, the accuracy of the company's financial projections, a history of losses, the ability to identify, acquire and integrate acquisition targets, dependence on management, the uncertain ability to finance the company's growth, limitations on landfill permitting and expansion and geographic concentration, changes in the market prices of recyclable materials, and the risk factors detailed from time to time in the company's periodic reports and registration statements filed with the Securities and Exchange Commission.