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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q/A

Quarterly Report Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934
for the Quarterly Period Ended
June 30, 1995

Commission File Number 0-16379

Clean Harbors, Inc.
(Exact name of registrant as specified in its charter)

Massachusetts
(State of Incorporation)

04-2997780
(IRS Employer Identification No.)

325 Wood Road, Braintree, MA
(Address of Principal Executive Offices)

02184
(Zip Code)

(617) 849-1800 ext. 4454
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value ----- (Class)	9,436,838 ----- (Outstanding at August 8, 1995)
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Securities and Exchange Commission
450 5th Street, N.W.
Washington, DC 20549

Re: Submission of Exhibits Omitted by Filing Agent from
Clean Harbors, Inc. Form 10-Q for the quarterly period ended
June 30, 1995

Ladies and Gentlemen:

On August 14, 1995, Clean Harbors, Inc. filed its Form 10-Q for the quarterly period ended June 30, 1995. Item 6 of Part II of the Form 10-Q listed seven exhibits to the Form 10-Q.

The filing agent was R.R. Donnelley. R.R. Donnelley prepared and showed to us a complete proof of the "EDGARized" version of the Form 10-Q, including all seven

exhibits. We authorized R.R. Donnelley to file the complete document, which we believed to include the exhibits we had seen.

On August 25, 1995, R.R. Donnelley notified us that a review of their files indicates that the submission header for the filing listed only two exhibits, instead of seven. The two exhibits were Exhibits 11 and 27. Five optional exhibits were not listed on the submission header, due to an error by R.R. Donnelley in assembling the filing and preparing the header. Therefore, when the filing was submitted, only two of the seven exhibits were transmitted. The five omitted exhibits were legal documents:

Exhibit 4.2 - Loan and Security Agreement

Exhibit 4.3 - Term Promissory Note

Exhibit 4.4 - Guarantee

Exhibit 4.5 - General Security Agreement

Exhibit 10.40 - Asset Purchase Agreement

R.R. Donnelley has told us that they have investigated the situation, and verified that the five optional exhibits were not transmitted. R.R. Donnelley has advised us that the appropriate remedy is to refile the Form 10-Q, as a Form 10-Q/A.

The purpose of this filing is to amend the Form 10-Q to include the five optional exhibits. The only difference between the Form 10-Q filed August 14, 1995 and the Form 10-Q/A filed today is the addition of the five optional exhibits. There are no changes to the material filed August 14, 1995.

We regret the error by our agent, R.R. Donnelley. Please contact the undersigned if you have any questions concerning this filing.

Sincerely,

/s/ James A. Pitts

James A. Pitts
Executive Vice President
(617) 849-1800 ext. 4454

CLEAN HARBORS, INC. AND SUBSIDIARIES

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CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Unaudited

(in thousands except for earnings per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
Revenues	\$54,899	\$49,683	\$102,049	\$100,968
Cost of revenues	39,367	33,392	74,219	69,306
Selling, general and administrative expenses	10,471	9,645	19,481	19,528
Depreciation and amortization	2,512	2,563	4,985	5,126
Income from operations	2,549	4,083	3,364	7,008
Interest expense, net	2,162	1,767	4,134	3,586
Income (loss) before provision for income taxes	387	2,316	(770)	3,422
Provision (benefit) for income taxes	184	1,065	(383)	1,574
Net income (loss)	\$203	\$1,251	\$(387)	\$1,848
Net income (loss) per common and common equivalent share	\$.01	\$.12	\$(.06)	\$.17
Weighted average common and common equivalent shares outstanding	9,448	9,654	9,447	9,680

The accompanying notes are an integral part of these consolidated financial statements.

(1)

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands)

June 30, 1995 (Unaudited)	December 31, 1994
---------------------------------	----------------------

	-----	-----
ASSETS		
Current Assets:		
Cash	\$ 365	\$ 1,000
Restricted investments	2,306	1,542
Accounts receivable, net of allowance for doubtful accounts	47,222	44,834
Prepaid expenses	2,643	1,894
Supplies inventories	2,924	2,670
Income tax receivable	1,211	178
	-----	-----
Total current assets	56,671	52,118
Property, plant and equipment:		
Land	8,285	8,209
Buildings and improvements	37,172	31,535
Vehicles and equipment	76,740	72,494
Furniture and fixtures	2,155	2,129
Construction in progress	3,015	3,118
	-----	-----
	127,367	117,485
Less - Accumulated depreciation and amortization	51,768	47,713
	-----	-----
Net property, plant and equipment	75,599	69,772
	-----	-----
Other Assets:		
Restricted investments	5,027	---
Goodwill, net	22,564	22,926
Permits, net	13,834	14,244
Other	2,552	815
	-----	-----
Total Other Assets	43,977	37,985
	-----	-----
Total Assets	\$176,247	\$159,875
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

(2)

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 1995 (Unaudited)	December 31, 1994
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term obligations	\$ 3,594	\$ 1,715
Accounts payable	11,986	10,686
Accrued disposal costs	7,805	6,179
Other accrued expenses	16,776	12,724
	-----	-----
Total current liabilities	40,161	31,304
	-----	-----

Long-term obligations, less current maturities	68,248	60,465
Deferred income taxes	1,042	780
Stockholders' equity:		
Preferred Stock, \$.01 par value:		
Series A Convertible;		
Authorized-2,000,000 shares; Issued and outstanding - none	---	---
Series B Convertible;		
Authorized-156,416 shares; Issued and outstanding 112,000 shares at June 30, 1995 (liquidation preference of \$5.6 million)	1	1
Common Stock, \$.01 par value		
Authorized - 20,000,000 shares;		
Issued and outstanding - 9,431,282 shares at June 30, 1995 and 9,431,282 shares at December 31, 1994	95	95
Additional paid-in capital	58,590	58,590
Unrealized loss on restricted investments, net of tax	(33)	(113)
Retained earnings	8,143	8,753
	-----	-----
Total stockholders' equity	66,796	67,326
	-----	-----
Total liabilities and stockholders' equity	\$176,247	\$159,875
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

(3)

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

(in thousands)

	SIX MONTHS ENDING	
	JUNE 30,	
	1995	1994
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (387)	\$ 1,848
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,985	5,126
Deferred taxes payable	209	6
Allowance for doubtful accounts	118	344
Amortization of deferred financing costs	205	210
Gain on sale of fixed assets	(6)	(92)
Changes in assets and liabilities:		
Accounts receivable	(2,507)	3,629
Refundable income taxes	(1,033)	566
Prepaid expenses	(749)	381
Supplies inventories	(254)	(118)
Accounts payable	1,300	(1,928)
Accrued disposal costs	1,626	(1,792)
Other accrued expenses	2,253	1,248

Taxes payable	---	102
	-----	-----
Net cash provided by operating activities	5,760	9,530
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(8,208)	(1,636)
Additions to permits	(38)	---
Proceeds from sale and maturities of restricted investments	22	159
Cost of restricted investments acquired	(5,656)	---
Increase in other assets	(1,764)	(66)
Proceeds from sale of fixed assets	15	104
	-----	-----
Net cash used in investing activities	(15,629)	(1,439)
	-----	-----

The accompanying notes are an integral part of these consolidated financial statements.

(4)

CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Unaudited
(in thousands)

	SIX MONTHS ENDING	
	JUNE 30,	
	1995	1994
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Preferred stock dividend distribution	(223)	(205)
Issuance of long-term debt	10,000	---
Net borrowings under long-term revolver	789	858
Payments on long-term obligations	(562)	(8,215)
Proceeds from exercise of stock options	---	28
Additions to deferred financing costs	(770)	(198)
	-----	-----
Net cash (used in) financing activities	9,234	(7,732)
	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(635)	359
Cash and equivalents, beginning of year	1,000	816
	-----	-----
Cash and equivalents, end of period	\$365	\$1,175
	=====	=====

Supplemental Information:

There were \$1,799,000 of accrued liabilities assumed as a result of the acquisition of the incinerator in Kimball, Nebraska on May 12, 1995.

The accompanying notes are an integral part of these consolidated financial statements.

(5)

CLEAN HARBORS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Unaudited
(in thousands)

	Series B Preferred Stock		Common Stock		Additional Paid-In Capital	Unrealized Loss on Restricted Investments	Retained Earnings	Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value	Number of Shares	\$0.01 Par Value				
Balance at December 31, 1994	112	\$ 1	9,431	\$95	\$58,590	\$(113)	\$8,753	\$67,326
Preferred stock dividends: Series B	---	---	---	--	---	---	(223)	(223)
Change in unrealized loss on restricted investments	---	---	---	--	---	80	---	80
Net loss	---	---	---	--	---	---	(387)	(387)
Balance at June 30, 1995	112	\$ 1	9,431	\$95	\$58,590	\$(33)	\$8,143	\$66,796

The accompanying notes are an integral part of these consolidated financial statements.

(6)

CLEAN HARBORS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 Basis of Presentation

The consolidated interim financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission, and include, in the opinion of management, all adjustments (consisting of only normal recurring accruals) necessary for the fair presentation of interim period results. The operating results for the six months ended June 30, 1995 are not necessarily indicative of those to be expected for the full fiscal year. Reference is made to the audited consolidated financial statements and notes thereto included in Clean Harbors' Report on Form 10-K for the year ended December 31, 1994 as filed with the Securities and Exchange Commission.

NOTE 2 Significant Accounting Policies

(A) Net Income Per Common and Common Equivalent Share

Net income per common and common equivalent share is based on net income less preferred stock dividend requirements divided by the weighted average number of common and common equivalent shares outstanding during each of the respective periods. Fully diluted net

income per common share has not been presented as the amount would not differ significantly from that presented.

(B) Reclassifications

Certain reclassifications have been reflected in the prior year financial statements to conform the presentation to that as of June 30, 1995.

NOTE 3 Acquisition of Incinerator

On May 12, 1995, the Company acquired a newly constructed hazardous waste incinerator in Kimball, Nebraska from Ecova Corporation, a wholly-owned affiliate of Amoco Oil Company. The incinerator is subject to the final permit requirements under the federal Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), and has a RCRA "Part B" license issued by the Nebraska Department of Environmental Quality ("NDEQ"). The Company acquired the incinerator for \$5,549,000.

Under RCRA, an owner or operator of a "Part B" licensed incinerator must establish financial assurance for closure of the incinerator. An owner or operator may satisfy the requirements for financial assurance by using one of several mechanisms allowed under RCRA: a trust fund, surety bond, letter of credit, insurance, financial test, or corporate guarantee. The mechanism chosen by the Company is insurance, which has been approved by NDEQ. The insurance policy has a 30 year term. Policy premiums through the year 2025 have been paid by the Company, as required by NDEQ, to eliminate the risk that the policy might be canceled for failure to pay premiums some time in the future. The Company has also deposited funds into an escrow account as collateral for the insurance policy, which is restricted for future payment of insurance claims. Funds in the escrow account remain the property of the Company and are invested in long-term, fixed-rate interest bearing securities held as restricted investments.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

The Company paid \$6,805,000 for the insurance coverage. The Company also delivered to the insurance company a letter of credit in the amount of \$500,000, which will increase by \$250,000 each quarter until the balance of the letter of credit is \$3,000,000, to provide additional collateral security under the insurance policy. The incinerator is located on a 600 acre site, which includes a landfill for disposal of the ash from the incinerator. The landfill is constructed, and ready for use upon completion of certain requirements. The NDEQ requires the Company to establish financial assurance for closure of the landfill before it may be used. The Company expects to spend approximately \$1,725,000 during the second half of 1995 to obtain insurance coverage for the landfill.

NOTE 4 New Financing Arrangements

At December 31, 1994, the Company had a \$35,000,000 revolving credit facility with three banks. In connection with the acquisition of the Kimball incinerator, the Company on May 8, 1995 entered into a new \$45,000,000 revolving credit and term loan agreement (the "Loan Agreement") with another financial institution, which replaced the bank credit facility. The Company also decided to finance part of the cost of the incinerator insurance coverage using a \$4,000,000 financing arrangement, payable over two years at an interest rate of 9.38%.

The Loan Agreement provides for a \$35,000,000 revolving credit portion (the "Revolver") and a \$10,000,000 term promissory note (the "Term Note"). The Term Note is payable in 60 monthly installments, commencing June 1, 1995. Monthly principal payments are \$166,667. The Revolver allows the Company to borrow \$35,000,000 in cash, and allows the Company to have up to \$20,000,000 in letters of credit outstanding. The combination of cash and letters of credit may not exceed \$35,000,000 at any one time. The Revolver requires the Company to pay a line fee of one half of one percent on the unused portion of the line. The Revolver has a three-year term with an option to renew annually.

The Loan Agreement allows for up to 80% of the outstanding balance of the combined Revolver and Term Note to bear interest at the Eurodollar rate plus three percent; the remaining balance bears interest at a rate equal to the "prime" rate plus one and one-half percent. The Loan Agreement provides for certain covenants including, among others, limitations on working capital and adjusted net worth. The Company must also meet certain tests in order to make dividend payments and incur additional debt. The Loan Agreement is collateralized by substantially all of the Company's assets. The fees for letters of credit and the interest rates under the Loan Agreement are one-half of 1% higher than the terms under the former bank credit facility.

NOTE 5 Employee Stock Purchase Plan

During the second quarter the stockholders of the Company approved the Clean Harbors Employee Stock Purchase Plan (the "Plan") through which employees of the Company will be given the opportunity to purchase shares of common stock. According to the Plan, a total of one million shares of common stock has been reserved for offering to employees over a period of five years, in quarterly offerings of 50,000 shares each plus any shares not issued in any previous quarter, commencing on July 1, 1995 and on the first day of each quarter thereafter through April 1, 2000. Employees who elect to participate in an offering may utilize up to 10% of their payroll for the purchase of common stock at 85% of the closing price of the stock on the first day of such quarterly offering or, if lower, 85% of the closing price on the last day of the offering.

(8)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

REVENUES

Revenues for the second quarter of 1995 set a new Company record of \$54,899,000, up 10.5% as compared to revenues of \$49,683,000 for the second quarter of the prior year. Revenues for the first half of 1995 also set a new Company record of \$102,049,000, as compared to revenues of \$100,968,000 for the first half of the prior year. During the first quarter of 1994, the Company received approximately \$7,000,000 of revenue from its leading role in the cleanup of a large oil spill from a barge off the coast of Puerto Rico. Excluding the revenue from that event last year, the Company's base business grew approximately 9% from 1994 to 1995.

The principal services provided by the Company fit within three categories: treatment and disposal of industrial wastes;

field services provided at customer sites; and specialized repackaging, treatment and disposal services for laboratory chemicals and household hazardous wastes ("CleanPacks," formerly referred to as LabPacks). The approximately \$7,000,000 of revenue from the Puerto Rico oil spill in the first quarter of 1994 is classified as field service revenue.

Revenues By Product Line (in thousands; unaudited)				
Six Months Ended June 30,				
Type of Service	1994		1995	
-----	-----	-----	-----	-----
Treatment and Disposal	\$ 39,194	39%	\$ 45,489	45%
Field Services	47,226	47	41,260	40
CleanPacks	14,548	14	15,300	15
	-----	---	-----	---
	\$100,968	100%	\$102,049	100%

Treatment and disposal services revenue in the first half of the year increased 16% from 1994 to 1995, reversing a two year period of declining revenue in this product line. The decline was due to a variety of secular trends impacting both price and volume: competitive industry pricing; continuing efforts by generators of hazardous waste to reduce the amount of hazardous waste they produce; and shipment by generators of waste direct to the ultimate treatment or disposal location.

(9)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company has responded to these industry trends in several ways, primarily by modernizing the Company's facilities to offer more technologically advanced waste treatment alternatives, such as the Clean Extraction System in Baltimore and by acquiring treatment and disposal facilities that expand the Company's product lines. For example, during the first quarter of 1995, the Company completed the installation of an automated fuels blending operation at its Cincinnati waste treatment plant, which establishes the Company in the fuels blending business for the first time.

During the second quarter of 1995, the Company completed the acquisition of the newly constructed hazardous waste incinerator in Kimball, Nebraska. The incinerator is subject to the final permit requirements under the federal Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), and has a RCRA "Part B" license issued by the Nebraska Department of Environmental Quality ("NDEQ"). Kimball is the only commercial incinerator in the United

States to produce "delisted" ash, meaning the ash will not be regulated as a hazardous waste under federal and state laws. The acquisition of this facility responds to a developing trend within the hazardous waste management industry: generators of industrial waste prefer to treat hazardous waste, rather than bury it, because of concerns about the long-term liability associated with landfill disposal of the residue which results from incineration of the generator's hazardous waste. Conventional incinerators produce a "slag" which is regulated as a hazardous waste. The residue from the Kimball treatment facility, in contrast, is ash rather than slag. The ash meets the standards set by NDEQ for "delisting" and is therefore deemed to be non-hazardous.

Since the incinerator is a new facility, many of the Company's customers will visit the facility for a comprehensive audit of its operations before they will approve the site for disposal of their hazardous waste. As a result, considerable time is needed to complete the audit and approval process before the Company can begin shipping waste to the facility, and since the acquisition was completed on May 12, 1995, the incinerator made a minimal incremental contribution to the Company's revenues during the first half of 1995.

Another recent major accomplishment during the second quarter was the receipt of a modified RCRA "Part B" license for the Company's expanded Chicago waste treatment facility, which brings together the people, technology, and capacity to satisfy customers' recycling, waste treatment, and field service needs in one integrated complex. The Company expects to commence waste treatment operations at the expanded facility during the third quarter of 1995.

Field services revenue in the first half of the year increased 2.6% from 1994 to 1995, excluding the Puerto Rico oil spill revenue. The Company continued to dominate this segment of the environmental business in the Northeast, gained market share in the Central and Midwest regions, and developed new relationships with customers in the southern and western regions of the United States.

(10)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CleanPack revenue in the first half of the year increased 5.2% from 1994 to 1995, as a result of increased market share in existing regions and established new business relationships in the new regions. In addition, the Kimball incinerator has enabled this product line to be more competitive in the area of agricultural pesticide collections and household waste collections where a majority of the collected waste needs to be incinerated.

At June 30, 1995, the Company had service centers and sales offices located in 24 states and Puerto Rico, and operated 12 waste management facilities, as compared to June 30, 1994, when the Company operated 10 waste management facilities and had service centers and sales offices located in 22 states and Puerto Rico.

Service Center Revenues By Region
For The Six Quarters Ended June 30, 1995
(in thousands; unaudited)

	3/31/94	6/30/94	9/30/94	12/31/94	3/31/95	6/30/95
	-----	-----	-----	-----	-----	-----
Northeast	\$17,216	\$20,703	\$23,012	\$21,460	\$19,693	\$21,449
Mid-Atlantic	21,382*	16,602	15,689	17,188	15,367	16,817
Central	6,413	6,678	8,084	8,672	7,138	9,450
Midwest	6,274	5,700	6,473	5,527	4,952	7,183
	-----	-----	-----	-----	-----	-----
Total	\$51,285	\$49,683	\$53,258	\$52,847	\$47,150	\$54,899

* The Mid-Atlantic region includes the Company's service center in Puerto Rico, and the approximately \$7,000,000 of revenue from the 1994 oil spill cleanup.

The Company expects to expand its service capabilities in Georgia, Kentucky, and Texas during 1995, by adding staff and equipment to support the increasing level of business in the Gulf Coast and South. The Company expects to introduce new waste management capabilities in the Midwest region with the significant expansion of its Chicago facility, which is expected to be placed in service during the third quarter. The Company also expects its revenues in all four regions and all three product lines to benefit from the acquisition of the Kimball incinerator.

(11)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated certain operating data associated with the Company's results of operations.

	Percentage Of Total Revenues			
	Three months ended June 30,		Six months ended June 30,	
	1995	1994	1995	1994
	-----	-----	-----	-----
Revenues	100.0%	100.0%	100.0%	100.0%
Cost of revenues:				
Disposal costs paid to third parties	15.4	13.0	15.9	12.0
Other costs	56.3	54.2	56.8	56.6
	-----	-----	-----	-----
Total cost of revenues	71.7	67.2	72.7	68.6
Selling, general and administrative expenses	19.1	19.4	19.1	19.3
Depreciation and amortization				

of intangible assets	4.6	5.2	4.9	5.1
Income from operations	4.6	8.2	3.3	6.9
Other Data:				

Earnings Before Interest, Taxes, Depreciation and Amortization (in thousands)	\$5,061	\$6,646	\$8,349	\$12,134

COST OF REVENUES

One of the largest components of cost of revenues is the cost of sending waste to other companies for disposal. The Company's outside disposal costs increased to 15.9% of revenue in the first half of 1995 from 12.0% of revenue in the first half of 1994 (calculated excluding revenue from the Puerto Rico oil spill, which had no outside disposal costs). The Company believes that price increases by disposal vendors, primarily incinerators and cement kilns, indicate that the pricing environment may be changing as a result of recent consolidation among incineration companies and decisions by a few cement kilns to stop burning hazardous waste. This was a factor which supports the Company's decision to acquire the Kimball incinerator, in order to reduce the Company's reliance on third-party disposal outlets, and capture the gross margin being paid to vendors.

(12)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Since the Kimball incinerator is a new facility, and a recent entrant to the incineration marketplace, volumes are growing slowly due to the time required for customers to audit and approve the facility and begin shipping waste to it. As a result, the incinerator experienced a \$573,000 loss from operations during the second quarter of 1995. The Company expects the volumes of waste processed to increase during the remainder of 1995 as more customers approve the incinerator.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

During the first half of 1995, the Company established a sales presence in Alabama, California, Colorado, and Florida. During the second quarter of 1995, the Company completed the acquisition of the Kimball hazardous waste incinerator, and spent considerable sums of money on building a marketing campaign and traveling with customers who have audited and approved this state-of-the-art operation. In addition, the Company also incurred costs in relocating experienced employees to its new locations.

The Company is also in the process of developing a marketing campaign for the expanded Chicago waste treatment facility. As a result of the Company's strategy to expand geographically, by adding sales offices and service centers in the southern and western parts of the United States, and to add product lines, such as the Kimball incinerator, its selling, general and administrative costs during the remainder of 1995 are expected to increase from the second quarter level.

INTEREST EXPENSE

Interest expense increased during the second quarter of 1995 as a result of an increase in the Company's average cost of capital, due to its decision last year to reduce its reliance on floating rate bank debt through the issuance of \$50,000,000 of 12.50% Senior Notes in August of 1994, and an increase in total long-term debt, due to the costs of the acquisition of the Kimball incinerator. There was no interest capitalized during the first half of 1995 or 1994.

INCOME TAXES

The effective income tax rate for the three and six months ended June 30, 1995 was 48% and 50% respectively, as compared to 46% for the comparable periods of 1994. The Company expects its effective income tax rate for the year 1995 to be approximately 49%. The rate fluctuates depending on the amount of income before taxes, as compared to the fixed amount of goodwill and other non-deductible items.

(13)

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FACTORS THAT MAY AFFECT FUTURE RESULTS

The Company's future operating results may be affected by a number of factors, including the Company's ability to: implement the treatment and disposal reengineering program during 1995; utilize its facilities and workforce profitably, in the face of intense price competition; successfully increase market share in its existing service territory while expanding its product offerings into other markets; integrate additional hazardous waste management facilities, such as the Kimball incinerator and the expanded Chicago facility; and generate incremental volumes of waste to be handled through such facilities from existing sales offices and service centers and others which may be opened in the future.

As a result of the Company's acquisition of the Kimball incinerator, its future operating results may be affected by factors such as its ability to: obtain sufficient volumes of waste at prices which produce revenue sufficient to offset the operating costs of the facility; minimize downtime and disruptions of operations; and compete successfully against other incinerators which have an established share of the incineration market.

The Company's operations may be affected by the commencement and completion of major site remediation projects; seasonal fluctuations due to weather and budgetary cycles influencing the timing of customers' spending for remedial activities; the timing of regulatory decisions relating to hazardous waste management projects; secular changes in the process waste industry towards waste minimization and the propensity for delays in the remedial market; suspension of governmental permits; and fines and penalties for noncompliance with the myriad regulations governing the Company's diverse operations. As a result of these factors, the Company's revenue and income could vary significantly from quarter to quarter, and past financial performance should not be considered a reliable indicator of future performance.

CLEAN HARBORS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND LIQUIDITY

The Company has financed its operations and capital expenditures primarily by cash flow from operations and additions to long-term debt. Cash provided by operations, before changes in current assets and current liabilities, was \$5,124,000 for the six months ended June 30, 1995, as compared to \$7,442,000 for the six months ended June 30, 1994.

During the six months ended June 30, 1995, the Company spent \$4,458,000 on additions to plant and equipment and construction in progress, and \$5,549,000 on the acquisition of the Kimball incinerator, as compared to the same period of the prior year when its capital expenditures were \$1,636,000. In addition, the Company spent \$6,805,000 for financial assurance associated with this acquisition. See Note 3 to the Consolidated Financial Statements in this report for a description of the costs of the incinerator acquisition.

During the six months ended June 30, 1995, net additions to long-term debt were \$9,622,000, as compared to the same period of the prior year when net reductions in long-term debt were \$7,345,000. The Company expects to spend approximately \$1,725,000 during the second half of 1995 to obtain insurance coverage for closure of the Kimball landfill, and anticipates that its capital expenditures for the remainder of 1995 will be approximately \$3,000,000, including improvements expected to be made at the Kimball facility. The Company expects to finance these requirements through cash flow from operations and funds drawn under its \$45,000,000 revolving credit and term loan agreement (the "Loan Agreement") described in Note 4 to the Consolidated Financial Statements.

The Loan Agreement terms include a borrowing limit, which fluctuates depending on the level of accounts receivable which secure the Loan Agreement. The borrowing availability each month will depend on the level of business activity and the resulting amount of accounts receivable, and the usage of letters of credit. At August 11, 1995, the indebtedness outstanding under the Loan Agreement was \$19,619,665, letters of credit outstanding were \$7,594,732, and the Company had borrowing availability of \$8,364,835.

The Company is taking steps to obtain tax-exempt revenue bond financing through the State of Nebraska to pay for a portion of the costs of the Kimball incinerator and landfill, including the prepaid closure insurance premiums, as well as the costs of improvements to the facility. The Company anticipates that approximately \$8,000,000 of the proceeds of the planned tax-exempt bond issue will be used to reimburse the Company for costs of the Kimball facility, and applied to repay or refund

existing indebtedness.

The Company continues to investigate the possibility of acquiring additional hazardous waste treatment, storage and disposal facilities, which would be financed by a variety of sources. The Company believes it has adequate resources available to fund its future operations and anticipated capital expenditures.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

No reportable events have occurred which would require modification of the discussion under Item 3 - Legal Proceedings contained in the Company's Report on Form 10-K for the Year Ended December 31, 1994.

Item 2 - Changes in Securities

None

Item 3 - Defaults Upon Senior Debt

None

Item 4 - Submission of Matters to a Vote of Security Holders

None

Item 5 - Other Information

None

Item 6 - Exhibits and Reports on Form 8-K

A) Exhibit 4.2 - Loan and Security Agreement dated May 8, 1995 by and between Congress Financial Corporation (New England) and the Company's Subsidiaries as Borrowers.

Exhibit 4.3 - Term Promissory Note dated May 8, 1995 from the Company's Subsidiaries as Debtors to Congress Financial Corporation (New England) in the amount of \$10,000,000.

Exhibit 4.4 - Guarantee dated May 8, 1995 by Clean Harbors, Inc. to Congress Financial Corporation (New England) of the obligations of the Company's Subsidiaries under the Financing Agreements.

Exhibit 4.5 - General Security Agreement dated May 8, 1995 by Clean Harbors, Inc. in favor of Congress Financial Corporation (New England).

Exhibit 10.40 - Asset Purchase Agreement among Clean Harbors

Technology Corporation, Clean Harbors Inc. and Ecova Corporation dated as of March 31, 1995.

Exhibit 11 - Computation of Net Income per Share.

Exhibit 27 - Financial Data Schedule

B) Reports on Form 8-K - None

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CLEAN HARBORS, INC. AND SUBSIDIARIES

SIGNATURES

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 thereunto duly authorized.

Clean Harbors, Inc.

Registrant

Dated: August 28, 1995

By: /s/ ALAN S. MCKIM

Alan S. McKim
President and
Chief Executive Officer

Dated: August 28, 1995

By: /s/ JAMES A. PITTS

James A. Pitts
Executive Vice President and
Chief Financial Officer

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Loan and Security Agreement

by and between

CONGRESS FINANCIAL CORPORATION (NEW ENGLAND)
as Lender

and

CLEAN HARBORS ENVIRONMENTAL SERVICES, INC.
CLEAN HARBORS TECHNOLOGY CORPORATION
CLEAN HARBORS KINGSTON FACILITY CORPORATION
CLEAN HARBORS OF BRAINTREE, INC.
CLEAN HARBORS OF CHICAGO, INC.
CLEAN HARBORS OF NATICK, INC.
CLEAN HARBORS OF CONNECTICUT, INC.
MURPHY'S WASTE OIL SERVICE, INC.
CLEAN HARBORS OF CLEVELAND, INC.
MR. FRANK, INC.
SPRING GROVE RESOURCE RECOVERY, INC.

as Borrowers

Dated: May 8, 1995

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LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement dated May 8, 1995 is entered into by and between Congress Financial Corporation (New England), a Massachusetts corporation ("Lender") and Clean Harbors Environmental Services, Inc., a Massachusetts corporation, Clean Harbors Technology Corporation, a Massachusetts corporation, Clean Harbors Kingston Facility Corporation, a Massachusetts corporation, Clean Harbors of Braintree, Inc., a Massachusetts corporation, Clean Harbors of Chicago, Inc., a Massachusetts corporation, Clean Harbors of Natick, Inc., a Massachusetts corporation, Clean Harbors of Connecticut, Inc., a Connecticut corporation, Clean Harbors of Cleveland, Inc., a Massachusetts corporation, Murphy's Waste Oil Service, Inc., a Massachusetts corporation, Mr. Frank, Inc., an Illinois corporation and Spring Grove Resource Recovery, Inc., a Delaware corporation (each, a "Borrower" and, collectively, the "Borrowers").

W I T N E S S E T H:

WHEREAS, the Borrowers have requested that Lender enter into certain financing arrangements with Borrowers pursuant to which Lender may make loans and provide other financial accommodations to Borrowers; and

WHEREAS, Lender is willing to make such loans and provide such financial accommodations on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

All terms used herein which are defined in Article 1 or Article 9 of the Uniform Commercial Code shall have the meanings given therein unless otherwise defined in this Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Borrowers and Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with

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Section 11.3. Any accounting term used herein unless otherwise defined in this Agreement shall have the meanings customarily given to such term in accordance with GAAP. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean all present and future rights of each Borrower to payment for goods sold or leased or for services rendered, which are not evidenced by instruments or chattel paper, and whether or not earned by performance.

1.2 "Adjusted Eurodollar Rate" shall mean, with respect to each Interest Period for any Eurodollar Rate Loan, the rate per annum (rounded upwards, if necessary, to the next one-sixteenth (1/16) of one (1%) percent) determined by dividing the Eurodollar Rate for such Interest Period by a percentage equal to: (i) one (1) minus (ii) the Reserve Percentage. For purposes hereof, "Reserve Percentage" shall mean the reserve percentage, expressed as a decimal, prescribed by any United States or foreign banking authority for determining the reserve requirement which is or would be applicable to deposits of United States dollars in a non-United States or an international banking office of Reference Bank used to fund a Eurodollar Rate Loan or any Eurodollar Rate Loan made with the proceeds of such deposit, whether or not the Reference Bank actually holds or has made any such deposits or loans. The Adjusted Eurodollar Rate shall be adjusted on and as of the effective day of any change in the Reserve Percentage.

1.3 "Adjusted Net Worth" shall mean as to any Person, at any time, in accordance with GAAP (except as otherwise specifically set forth below), on a consolidated basis for such Person and its subsidiaries (if any), the amount equal to: (a) the difference between: (i) the aggregate net book value of all assets of such Person and its subsidiaries, after deducting from such book values all appropriate reserves in accordance with GAAP (including all reserves for doubtful receivables, obsolescence, depreciation and amortization) and (ii) the aggregate amount of the indebtedness and other liabilities of such Person and its subsidiaries (including tax and other proper accruals) plus (b) indebtedness of such Person and its subsidiaries which is subordinated by written agreement in right of payment to the full and final payment of all of the Obligations on terms and conditions acceptable to Lender.

1.4 "Availability Reserves" shall mean the sum of (A) as of any date of determination, such amounts as Lender may from time to time establish and revise in good faith reducing the amount of Revolving Loans and Letter of Credit Accommodations which would otherwise be available to Borrowers under the lending formula(s) provided for herein: (a) to reflect events, conditions, contingencies or risks which, as determined by Lender in good faith, (i) do affect or have a reasonable likelihood of affecting either the Collateral or any other property which is security for the Obligations or its value or the security interests and other rights of Lender in the Collateral (including the enforceability, perfection and priority thereof) (ii) have a reasonable likelihood of resulting in or causing a material adverse change in the assets, business or prospects of any Borrower or any Obligor or (b) to reflect Lender's good faith belief that

any collateral report or financial information furnished by or on behalf of any Borrower or any Obligor to Lender is or may have been incomplete, inaccurate or misleading in any material respect or (c) in respect of any state of facts which Lender determines in good faith constitutes a Default or an Event of Default, plus (B) \$2,500,000, until such time as Lender receives an "in

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place business enterprise valuation" appraisal from Accuval of the Borrowers' facilities located in Braintree, Massachusetts for an amount of not less than \$6,000,000 and in all other respects satisfactory to Lender, plus (C) \$400,000, until such time as the fluidized bed incinerator facility and all associated real and personal property located in Kimball, Nebraska is purchased by Clean Harbors Technology Corporation pursuant to the Purchase Agreements and all conditions precedent thereunder are satisfied (and not waived except with Lender's consent) and a Mortgage granting Lender a first priority lien on such properties is duly recorded and a title insurance policy in form and amount satisfactory to Lender is issued with respect thereto, plus (D) \$600,000, until such time as the transaction with Chemical Waste Management, Inc. for the acquisition of equipment and lease of certain real property located in Chicago, Illinois (as described in the Parent's Form 10-K for the year ended December 31, 1994) is consummated and all conditions precedent thereto are satisfied (and not waived, except with the Lender's consent), plus (E) such amounts as Lender may determine in good faith to be necessary to reserve for rent and other amounts that may be payable from time to time to the owners of real property leased or used by Borrowers which owners do not sign agreements satisfactory to Lender in accordance with Section 4.1(j).

1.5 "Blocked Accounts" shall have the meaning set forth in Section 6.3 hereof.

1.6 "Business Day" shall mean (a) for the Prime Rate Loans, any day other than a Saturday, Sunday, or other day on which commercial banks are authorized or required to close under the laws of the Commonwealth of Massachusetts, State of New York or the Commonwealth of Pennsylvania, and a day on which the Reference Bank and Lender are open for the transaction of business, and (b) for all Eurodollar Rate Loans, any such day as described in (a) above in this definition of Business Day, excluding any day on which banks are closed for dealings in dollar deposits in the London interbank market or other applicable Eurodollar Rate market.

1.7 "CHES" shall mean Clean Harbors Environmental Services, Inc., a Massachusetts corporation, and its successors and assigns.

1.8 "Code" shall mean the Internal Revenue Code of 1986, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.9 "Collateral" shall have the meaning set forth in Section 5 hereof.

1.10 "Default" shall mean any event or condition the occurrence of which might, with notice, or the passage of time or both become an Event of Default.

1.11 "Eligible Accounts" shall mean Accounts created by CHES which are and continue to be acceptable to Lender based on the criteria set forth below. In general, Accounts of CHES shall be Eligible Accounts if:

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(a) such Accounts arise from the actual and bona fide sale and delivery of goods by CHES or rendition of services by CHES in the ordinary course of its business which transactions are completed in accordance with the terms and provisions contained in any documents related thereto;

(b) such Accounts are not unpaid more than ninety (90) days after the date of the original invoice for them;

(c) such Accounts comply with the terms and conditions contained in Section 7.2(b) of this Agreement;

(d) such Accounts do not arise from sales on consignment, guaranteed sale, sale and return, sale on approval, or other terms under which payment by the account debtor may be conditional or contingent;

(e) the chief executive office of the account debtor with respect to such Accounts is located in the United States of America, Canada or Puerto Rico or if located in another jurisdiction, at Lender's option, either: (i) the account debtor has delivered to CHES an irrevocable letter of credit issued or confirmed by a bank satisfactory to Lender, sufficient to cover such Account, in form and substance satisfactory to Lender and, if required by Lender, the original of such letter of credit has been delivered to Lender or Lender's agent and the issuer thereof notified of the assignment of the proceeds of such letter of credit to Lender, or (ii) such Account is subject to credit insurance payable to Lender issued by an insurer and on terms and in an amount acceptable to Lender, or (iii) such Account is otherwise acceptable in all respects to Lender (subject to such lending formula with respect thereto as Lender may determine);

(f) such Accounts do not consist of progress billings, bill and hold invoices or retainage invoices, except as to bill and hold invoices, unless Borrower shall have received an agreement in writing from the account debtor, in form and substance satisfactory to Lender, confirming the unconditional obligation of the account debtor to pay such invoice;

(g) the account debtor with respect to such Accounts has not asserted a counterclaim, defense or dispute and does not have, and does not engage in transactions which may give rise to, any right of setoff against such Accounts (but the portion of such Accounts that is verified to not be subject to such counterclaim, defense, dispute or right of setoff may be deemed an Eligible Account);

(h) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of such Accounts or reduce the amount payable or delay payment thereunder;

(i) such Accounts are subject to the first priority, valid and perfected security interest of Lender and any goods giving rise thereto are not, and were not at the time of the sale thereof, subject to any liens except those permitted in this Agreement;

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(j) neither the account debtor nor any officer or employee of the account debtor with respect to such Accounts is affiliated with any Borrower directly or indirectly by virtue of ownership or control;

(k) the account debtors with respect to such Accounts are not any foreign government;

(l) such Accounts are Federal Government Accounts that satisfy the other criteria for Eligible Accounts, provided that upon Lender's request, the Federal Assignment of Claims Act of 1940, as amended shall be complied with in a manner satisfactory to Lender;

(m) such Accounts are Municipal Government Accounts that satisfy the other criteria for Eligible Accounts, provided that upon Lender's request, any state or local law establishing filing or notification requirements for the recognition of Lender's security interest shall be complied with in a manner satisfactory to Lender;

(n) there are no proceedings or actions which are threatened or pending against the account debtors with respect to such Accounts which might result in any material adverse change in any such account debtor's financial condition;

(o) such Accounts of a single account debtor or its affiliates do not constitute more than twenty (20%) percent of all otherwise Eligible Accounts (but the portion of the Accounts not in excess of such percentage may be deemed Eligible Accounts);

(p) such Accounts are not owed by an account debtor who has Accounts unpaid more than ninety (90) days after the date of the original invoice for them which constitute more than fifty (50%) percent of the total Accounts of such account debtor;

(q) such Accounts are owed by account debtors whose total indebtedness to CHES does not exceed the credit limit with respect to such account debtors as determined by Lender from time to time (but the portion of the Accounts not in excess of such credit limit may still be deemed Eligible Accounts); and

(r) such Accounts are owed by account debtors deemed creditworthy at all times by Lender, as determined by Lender.

General criteria for Eligible Accounts may be established and revised from time to time by Lender in good faith. Any Accounts which are not Eligible Accounts shall nevertheless be part of the Collateral.

1.12 "Environmental Laws" shall mean all applicable federal, state, district, local and foreign laws, rules, regulations, ordinances, and consent decrees relating to health, safety, Hazardous Materials, pollution and environmental matters, as now or at any time hereafter in effect, applicable to Borrowers' businesses and facilities (whether or not owned), including laws relating to emissions, discharges, releases or threatened releases of pollutants, contamination,

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chemicals, or hazardous, toxic or dangerous substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, or hazardous, toxic or dangerous substances, materials or wastes.

1.13 "ERISA" shall mean the United States Employee Retirement Income Security Act of 1974, as the same now exists or may hereafter from time to time be amended, modified, recodified or supplemented, together with all rules, regulations and interpretations thereunder or related thereto.

1.14 "ERISA Affiliate" shall mean any person required to be aggregated with any Borrower or any of their subsidiaries under Sections 414(b), 414(c), 414(m) or 414(o) of the Code.

1.15 "Excess Availability" shall mean the amount, as determined by Lender, calculated at any time, equal to: (a) the lesser of (i) the amount of the Revolving Loans available to Borrowers as of such time based on the applicable lending formulas multiplied by the Net Amount of Eligible Accounts, as determined by Lender, and subject to the sublimits and Availability Reserves from time to time established by Lender hereunder and (ii) Revolving Credit Limit (or such lesser amount as determined under Section 2.1(d)), minus (b) the sum of: (i) the amount of all then outstanding and unpaid Obligations (but not including for this purpose the then outstanding principal amount of the Term Loan), plus (ii) the aggregate amount of all trade payables of Borrowers which are more than sixty (60) days past due as of such time.

1.16 "Eurodollar Rate Loans" shall mean any Loans or portion thereof on which interest is payable based on the Adjusted Eurodollar Rate in accordance with the terms hereof.

1.17 "Eurodollar Rate" shall mean with respect to the Interest Period for a Eurodollar Rate Loan, the interest rate per annum equal to the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to

the next one-sixteenth (1/16) of one (1%) percent) at which Reference Bank is offered deposits of United States dollars in the London interbank market (or other Eurodollar Rate market selected by Borrowers and approved by Lender) on or about 9:00 a.m. (New York time) two (2) Business Days prior to the commencement of such Interest Period in amounts substantially equal to the principal amount of the Eurodollar Rate Loans requested by and available to Borrowers in accordance with this Agreement, with a maturity of comparable duration to the Interest Period selected by Borrowers.

1.18 "Equipment" shall mean all of Borrowers' now owned and hereafter acquired equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

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1.19 "Event of Default" shall mean the occurrence or existence of any event or condition described in Section 10.1 hereof.

1.20 "Federal Government Account" shall mean an Account in which the account debtor with respect to such Account is the United States of America or a department, agency or instrumentality thereof.

1.21 "Financing Agreements" shall mean, collectively, this Agreement and all notes, guarantees, Mortgages, security agreements and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by any Borrower or any Obligor in connection with this Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. Financing Agreements also shall mean Loan Documents.

1.22 "GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Boards which are applicable to the circumstances as of the date of determination consistently applied, except that, for purposes of Sections 9.13 and 9.14 hereof, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the audited financial statements delivered to Lender prior to the date hereof.

1.23 "Hazardous Materials" shall mean any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including, without limitation any that are or become classified as hazardous or toxic under any Environmental Law).

1.24 "Information Certificates" shall mean the Information Certificates of Borrowers constituting Exhibit A hereto containing material information with respect to Borrowers, their business and assets provided by or on behalf of Borrowers to Lender in connection with the preparation of this Agreement and the other Financing Agreements and the financing arrangements provided for herein.

1.25 "Interest Period" shall mean for any Eurodollar Rate Loan, a period of approximately one (1), two (2), or three (3) months duration as Borrowers may elect, the exact duration to be determined in accordance with the customary practice in the applicable Eurodollar Rate market; provided, that, Borrowers may not elect an Interest Period which will end after the last day of the then-

current term of this Agreement.

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1.26 "Interest Rate" shall mean, as to Prime Rate Loans, a rate of one and one-half (1-1/2%) percent per annum in excess of the Prime Rate and, as to Eurodollar Rate Loans, a rate of three (3.0%) percent per annum in excess of the Adjusted Eurodollar Rate (based on the Eurodollar Rate applicable for the Interest Period selected by Borrowers as in effect three (3) Business Days after the date of receipt by Lender of the request of Borrowers for such Eurodollar Rate Loans in accordance with the terms hereof, whether such rate is higher or lower than any rate previously quoted to Borrower); provided, that, the Interest Rate shall mean the rate of four (4.0%) percent per annum in excess of the Prime Rate as to Prime Rate Loans and the rate of five and one-half (5.5%) percent per annum in excess of the Adjusted Eurodollar Rate as to Eurodollar Rate Loans, at Lender's option, without notice, (a) for the period on and after the date of termination or non-renewal hereof, or the date of the occurrence of any Event of Default or event which with notice or passage of time or both would constitute an Event of Default, and for so long as such Event of Default or other event is continuing as determined by Lender and until such time as all Obligations are indefeasibly paid in full (notwithstanding entry of any judgment against any Borrower) and (b) on the Revolving Loans at any time outstanding in excess of the amounts available to Borrowers under Section 2 (whether or not such excess(es), arise or are made with or without Lender's knowledge or consent and whether made before or after an Event of Default).

1.27 "Inventory" shall mean all of Borrowers' now owned and hereafter existing or acquired raw materials, work in process, finished goods and all other inventory of whatsoever kind or nature, wherever located.

1.28 "Letter of Credit Accommodations" shall mean the letters of credit, merchandise purchase or other guaranties which are from time to time either (a) issued or opened by Lender for the account of any Borrower or any Obligor or (b) with respect to which Lender has agreed to indemnify the issuer or guaranteed to the issuer the performance by any Borrower of its obligations to such issuer.

1.29 "Loan Documents" shall mean the Financing Agreements.

1.30 "Loans" shall mean the Revolving Loans and the Term Loan.

1.31 "Maximum Credit" shall mean initially the amount of \$35,000,000.00 and, at such time as Lender notifies CHES that it has received participations for at least \$10,000,000.00, shall increase to an amount of \$45,000,000.00.

1.32 "MCRC Notes" shall mean the Senior Convertible Notes due 1999 issued to Massachusetts Capital Resource Company pursuant to an Exchange Agreement dated as of August 4, 1994.

1.33 "Mortgages" shall mean, individually and collectively, each of the mortgages or deeds of trust (as the same now exist or may hereafter be amended, modified, supplemented,

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extended, renewed, restated or replaced) by Borrowers in favor of Lender with respect to the Real Property and related assets of Borrowers.

1.34 "Municipal Government Account" shall mean an Account in which the account debtor with respect to such Account is a state or a political subdivision, department, agency or instrumentality thereof.

1.35 "Net Amount of Eligible Accounts" shall mean the gross amount of Eligible Accounts less (a) sales, excise or similar taxes included in the amount thereof and (b) returns, discounts, claims, credits and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect thereto.

1.36 "Obligations" shall mean any and all Revolving Loans, the Term Loan, Letter of Credit Accommodations and all other obligations, liabilities and indebtedness of every kind, nature and description owing by any Borrower to Lender and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any case with respect to any Borrower under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Lender.

1.37 "Obligor" shall mean any guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations including, without limitation, Parent and Clean Harbors of Baltimore, Inc., a Pennsylvania corporation, or who is the owner of any property which is security for the Obligations, other than Borrowers.

1.38 "Parent" shall mean Clean Harbors, Inc., a Massachusetts corporation, and its successors and assigns.

1.39 "Participant" shall mean any person which at any time participates with Lender in respect of the Loans, the Letter of Credit Accommodations or other Obligations or any portion thereof.

1.40 "Payment Account" shall have the meaning set forth in Section 6.3 hereof.

1.41 "Person" or "person" shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

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1.42 "Prime Rate" shall mean the rate from time to time publicly announced by CoreStates Bank, N.A., or its successors, at its office in Philadelphia, Pennsylvania, as its prime rate, whether or not such announced rate is the best rate available at such bank.

1.43 "Prime Rate Loans" shall mean any Loans or portion thereof on which interest is payable based on the Prime Rate in accordance with the terms thereof.

1.44 "Purchase Agreements" shall mean, individually and collectively, the Asset Purchase Agreement, dated March 31, 1995, between Clean Harbors Technology Corporation ("Buyer"), Parent and Ecova Corporation ("Seller"), together with bills of sale, quitclaim deeds, assignment and assumption agreements and such other instruments of transfer as are referred to therein and all side letters with respect thereto, and all agreements, documents and instruments executed and/or delivered in connection therewith, as all of the foregoing now exist or may hereafter be entered into, amended, modified, supplemented, extended, renewed, restated or replaced; provided, that, the term "Purchase Agreements" as used herein shall not include any of the "Financing Agreements" as such term is defined herein.

1.45 "Real Property" shall mean all now owned and hereafter acquired real property of Borrowers, including leasehold interests, together with all buildings, structures, and other improvements located thereon and all licenses, easements and appurtenances relating thereto, wherever located, including without limitation, the real property and related assets more particularly described in the Mortgages.

1.46 "Records" shall mean all of Borrowers' present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of Borrowers with respect to the foregoing maintained with or by any other person).

1.47 "Reference Bank" shall mean CoreStates Bank, N.A., or such other bank as Lender may from time to time designate.

1.48 "Revolving Credit Limit" shall mean initially the amount of \$25,000,000.00 and at such time as Lender notifies CHES that it has received participations for at least \$10,000,000.00, shall increase to an amount of \$35,000,000.00.

1.49 "Revolving Loans" shall mean the loans now or hereafter made by Lender to or for the benefit of Borrowers on a revolving basis (involving advances, repayments and readvances) as set forth in Section 2.1 hereof.

1.50 "Senior Unsecured Notes" shall mean the 12 1/2% Senior Notes due 2001 issued pursuant to the Senior Unsecured Notes Indenture.

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1.51 "Senior Unsecured Notes Indenture" shall mean the Indenture dated as of August 4, 1994 between Parent, certain of the Borrowers and Obligors, as guarantors, and Shawmut Bank, N.A. as Trustee.

1.52 "Term Loan" shall mean the term loan made by Lender to Borrowers as provided for in Section 2.3 hereof.

1.53 "Working Capital" shall mean as to any Person, at any time, in accordance with GAAP, on a consolidated basis for such Person and its subsidiaries (if any), the amount equal to the difference between: (a) the aggregate net book value of all current assets of such Person and its subsidiaries (as determined in accordance with GAAP), and (b) all current liabilities of such Person and its subsidiaries (as determined in accordance with GAAP), provided, that, as to Borrowers, for purposes of Section 9.13, the liabilities of Borrowers and their subsidiaries to Lender under this Agreement shall not be considered current liabilities (whether or not classified as current liabilities in accordance with GAAP).

SECTION 2. CREDIT FACILITIES

2.1 Revolving Loans.

(a) Subject to, and upon the terms and conditions contained herein, Lender agrees to make Revolving Loans to Borrowers from time to time in amounts requested by CHES, as agent for Borrowers pursuant to Section 2.5, up to the amount equal to the sum of:

(i) eighty (80%) percent of the Net Amount of Eligible Accounts (including all Municipal Government Accounts that are Eligible Accounts), plus

(ii) sixty-five (65%) percent of the Net Amount of Federal Government Accounts that are Eligible Accounts, less

(iii) one hundred (100%) percent of the then undrawn amounts of the outstanding Letter of Credit Accommodations, less

(iv) any Availability Reserves;

(b) Lender may, in its discretion, from time to time, upon not less than

five (5) days prior notice to CHES, (i) reduce the lending formula with respect to Eligible Accounts to the extent that Lender determines in good faith that: (A) the dilution with respect to the Accounts for any period (based on the ratio of (1) the aggregate amount of reductions in Accounts other than as a result of payments in cash to (2) the aggregate amount of total sales) has increased in any material respect or may be reasonably anticipated to increase in any material respect above historical levels, or (B) the general creditworthiness of account debtors has declined in any material respect. In determining whether to reduce the lending formula(s), Lender may consider

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events, conditions, contingencies or risks which are also considered in determining Eligible Accounts or in establishing Availability Reserves.

(c) Except in Lender's discretion, the aggregate amount of the Revolving Loans and the Letter of Credit Accommodations outstanding at any time shall not exceed the lesser of (i) the Revolving Credit Limit or (ii) the amount determined pursuant to Section 2.1(d) hereof. In the event that the outstanding amount of any component of the Revolving Loans, or the aggregate amount of the outstanding Revolving Loans and Letter of Credit Accommodations, exceed the amounts available under the lending formulas, the sublimits for Letter of Credit Accommodations set forth in Section 2.2(c) or the Revolving Credit Limit as applicable, such event shall not limit, waive or otherwise affect any rights of Lender in that circumstance or on any future occasions and Borrowers shall, upon demand by Lender, which may be made at any time or from time to time, immediately repay to Lender the entire amount of any such excess(es) for which payment is demanded.

(d) In addition to the foregoing, the aggregate amount of Revolving Loans outstanding, Letter of Credit Accommodations outstanding that would be deemed to be "Debt" as defined under the Senior Unsecured Notes Indenture and the outstanding principal amount of the Term Loan, shall not together with all other indebtedness of the Borrowers outstanding at any time exceed the amount of permitted "Debt" and/or "Bank Debt" (as such terms are defined under the Senior Unsecured Notes Indenture). In the event such limitations are exceeded, such event shall not limit, waive or otherwise affect any rights of Lender in that circumstance or on any future occasions and Borrowers shall, immediately without or notice demand by Lender, repay to Lender the entire amount of such excess and the Revolving Credit Limit shall be reduced to an amount required to ensure that Parent and Borrowers are in compliance with such limitations.

2.2 Letter of Credit Accommodations.

(a) Subject to, and upon the terms and conditions contained herein, at the request of CHES, as agent for Borrowers, Lender agrees to provide or arrange for Letter of Credit Accommodations for the account of any Borrower containing terms and conditions acceptable to Lender and the issuer thereof. Letters of credit issued pursuant to Letter of Credit Accommodations shall be issued by CoreStates Bank, N.A., Chemical Bank, N.A. or other banks acceptable to Lender and CHES. Any payments made by Lender to any issuer thereof and/or related parties in connection with the Letter of Credit Accommodations shall constitute additional Revolving Loans to Borrowers pursuant to this Section 2.

(b) In addition to any charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit Accommodations, Borrowers shall pay to Lender a letter of credit fee at a rate equal to three (3%) percent per annum on the daily outstanding balance of the Letter of Credit Accommodations for the immediately preceding month (or part thereof), payable in arrears as of the first day of each succeeding month. Such letter of credit fee shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed and the

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obligation of Borrowers to pay such fee shall survive the termination or non-renewal of this Agreement.

(c) No Letter of Credit Accommodations shall be available unless on the date of the proposed issuance of any Letter of Credit Accommodations, the Revolving Loans available to Borrowers (subject to the Revolving Credit Limit and any Availability Reserves) are equal to or greater than an amount equal to one hundred (100%) percent of the face amount thereof and all other commitments and obligations made or incurred by Lender with respect thereto. Effective on the issuance of each Letter of Credit Accommodation, the amount of Revolving Loans which might otherwise be available to Borrowers shall be reduced by the applicable amount set forth in this Section 2.2(c).

(d) Except in Lender's discretion, the amount of all outstanding Letter of Credit Accommodations and all other commitments and obligations made or incurred by Lender in connection therewith, shall not at any time exceed \$20,000,000.00. At any time an Event of Default exists or has occurred and is continuing, upon Lender's request, Borrowers will either furnish cash collateral to secure the reimbursement obligations to the issuer in connection with any Letter of Credit Accommodations or furnish cash collateral to Lender for the Letter of Credit Accommodations, and in either case, the Revolving Loans otherwise available to Borrowers shall not be reduced as provided in Section 2.2(c) to the extent of such cash collateral.

(e) Borrowers shall indemnify and hold Lender harmless from and against any and all losses, claims, damages, liabilities, costs and expenses which Lender may suffer or incur in connection with any Letter of Credit Accommodations and any documents, drafts or acceptances relating thereto, including, but not limited to, any losses, claims, damages, liabilities, costs and expenses due to any action taken by any issuer or correspondent with respect to any Letter of Credit Accommodation. Borrowers assume all risks with respect to the acts or omissions of the drawer under or beneficiary of any Letter of Credit Accommodation and for such purposes the drawer or beneficiary shall be deemed Borrowers' agent. Borrowers assume all risks for, and agree to pay, all foreign, Federal, State and local taxes, duties and levies relating to any goods subject to any Letter of Credit Accommodations or any documents, drafts or acceptances thereunder. Borrowers hereby release and hold Lender harmless from and against any acts, waivers, errors, delays or omissions, whether caused by any Borrower, by any issuer or correspondent or otherwise with respect to or relating to any Letter of Credit Accommodation. The provisions of this Section 2.2(e) shall survive the payment of Obligations and the termination or non-renewal of this Agreement.

(f) Nothing contained herein shall be deemed or construed to grant Borrowers any right or authority to pledge the credit of Lender in any manner. Lender shall have no liability of any kind with respect to any Letter of Credit Accommodation provided by an issuer other than Lender unless Lender has duly executed and delivered to such issuer the application or a guarantee or indemnification in writing with respect to such Letter of Credit Accommodation. Borrowers shall be bound by any interpretation made in good faith by Lender, or any other issuer or correspondent under or in connection with any Letter of Credit Accommodation or any documents, drafts or acceptances thereunder, notwithstanding that such interpretation may be

inconsistent with any instructions of any Borrower. Lender shall have the sole and exclusive right and authority to, and Borrowers shall not: (i) at any time an Event of Default exists or has occurred and is continuing, (A) approve or resolve any questions of non-compliance of documents, (B) give any instructions as to acceptance or rejection of any documents or goods or (C) execute any and all applications for steamship or airway guaranties, indemnities or delivery orders, and (ii) at all times, (A) grant any extensions of the maturity of, time of payment for, or time of presentation of, any drafts, acceptances, or documents, and (B) agree to any amendments, renewals, extensions, modifications, changes or cancellations of any of the terms or conditions of any of the applications, Letter of Credit Accommodations, or documents, drafts or

acceptances thereunder or any letters of credit included in the Collateral. Lender may take such actions either in its own name or in any Borrower's name.

(g) any rights, remedies, duties or obligations granted or undertaken by Borrowers to any issuer or correspondent in any application for any Letter of Credit Accommodations, or any other agreement in favor of any issuer or correspondent relating to any Letter of Credit Accommodation, shall be deemed to have been granted or undertaken by Borrowers to Lender. Any duties or obligations undertaken by Lender to any issuer or correspondent in any application for any Letter of Credit Accommodation, or any other agreement by Lender in favor of any issuer or correspondent relating to any Letter of Credit Accommodation, shall be deemed to have been undertaken by all Borrowers to Lender and to apply in all respects to all Borrowers.

2.3 Term Loan. Lender is making a Term Loan to Borrowers in the original principal amount of \$10,000,000.00. The Term Loan is (a) evidenced by a Term Promissory Note in such original principal amount duly executed and delivered by Borrower to Lender concurrently herewith; (b) to be repaid, together with interest and other amounts, in accordance with this Agreement, the Term Promissory Note, and the other Financing Agreements and (c) secured by all of the Collateral.

2.4 Availability Reserves. All Revolving Loans otherwise available to Borrowers pursuant to the lending formulas and subject to the Maximum Credit and other applicable limits hereunder shall be subject to Lender's continuing right to establish and revise Availability Reserves.

2.5 Appointment of CHES as Agent for Requesting Loans and Receipt of Statements.

(a) Each Borrower hereby irrevocably appoints and constitutes CHES as its agent to request Revolving Loans, Letter of Credit Accommodations and the Term Loan, to select the interest rates applicable to the Loans pursuant to Section 3 and to otherwise take action pursuant to this Agreement in the name or on behalf of each of and all of the Borrowers. Lender may distribute Loans to such Borrowers' account(s) or otherwise make such Loans to Borrowers as specified by CHES, or as determined by Lender to pay Obligations, without notice to any other Borrower or any Obligor.

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(b) Each Borrower hereby irrevocably appoints and constitutes CHES as its agent to receive statements of account and all other notices and materials from Lender under this Agreement and the other Financing Agreements or otherwise in connection with or related to the Obligations.

(c) No purported termination of the appointment of CHES as agent as aforesaid shall be effective, except after thirty (30) business days prior written notice to Lender and appointment of a substitute agent acceptable to Lender in all respects.

SECTION 3. INTEREST AND FEES

3.1 Interest.

(a) Borrowers shall pay to Lender interest on the outstanding principal amount of the non-contingent Obligations at the Interest Rate. All interest accruing hereunder on and after the date of any Event of Default or termination or non-renewal hereof shall be payable on demand.

(b) CHES, as agent for Borrowers, may from time to time request that Prime Rate Loans be converted to Eurodollar Rate Loans or that any existing Eurodollar Rate Loans continue for an additional Interest Period. Such request from CHES shall specify the amount of the Prime Rate Loans which will constitute Eurodollar Rate Loans (subject to the limits set forth below) and the Interest Period to be applicable to such Eurodollar Rate Loans. Subject to the terms and

conditions contained herein, three (3) Business Days after receipt by Lender of such a request from CHES, such Prime Rate Loans shall be converted to Eurodollar Rate Loans or such Eurodollar Rate Loans shall continue, as the case may be, provided, that, (i) no Event of Default, or event which with notice or passage of time or both would constitute an Event of Default exists or has occurred and is continuing, (ii) no party hereto shall have sent any notice of termination or non-renewal of this Agreement, (iii) Borrowers shall have complied with such customary procedures as are established by Lender and specified by Lender to Borrowers from time to time for requests by Borrowers for Eurodollar Rate Loans, (iv) no more than four (4) Interest Periods may be in effect at any one time, (v) the aggregate amount of the Eurodollar Rate Loans must be in an amount not less than \$5,000,000.00 or an integral multiple of \$1,000,000.00 in excess thereof, (vi) the maximum amount of the Eurodollar Rate Loans at any time requested by Borrowers shall not exceed the amount equal to (A) the principal amount of the Term Loan which it is anticipated will be outstanding as of the last day of the applicable Interest Period plus (B) eighty (80%) percent of the daily average of the principal amount of the Revolving Loans which it is anticipated will be outstanding during the applicable Interest Period, in each case as determined by Lender (but with no obligation of Lender to make such Revolving Loans) and (vii) Lender shall have determined that the Interest Period or Adjusted Eurodollar Rate is available to Lender through the Reference Bank and can be readily determined as of the date of the request for such Eurodollar Rate Loan by Borrowers. Any request by Borrowers to convert Prime Rate Loans to Eurodollar Rate Loans or to continue any existing Eurodollar Rate Loans

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shall be irrevocable. Notwithstanding anything to the contrary contained herein, Lender and Reference Bank shall not be required to purchase United States Dollar deposits in the London interbank market or other applicable Eurodollar Rate market to fund any Eurodollar Rate Loans, but the provisions hereof shall be deemed to apply as if Lender and Reference Bank had purchased such deposits to fund the Eurodollar Rate Loans.

(c) Any Eurodollar Rate Loans shall automatically convert to Prime Rate Loans upon the last day of the applicable Interest Period, unless Lender has received and approved a request to continue such Eurodollar Rate Loan at least three (3) Business Days prior to such last day in accordance with the terms hereof. Any Eurodollar Rate Loans shall, at Lender's option, upon notice by Lender to Borrowers, convert to Prime Rate Loans in the event that (i) an Event of Default or event which with the notice or passage of time or both would constitute an Event of Default, shall exist, (ii) this Agreement shall terminate or not be renewed, or (iii) the aggregate principal amount of the Prime Rate Loans which have previously been converted to Eurodollar Rate Loans or existing Eurodollar Rate Loans continued, as the case may be, at the beginning of an Interest Period shall at any time during such Interest Period exceed either (A) the aggregate principal amount of the Loans then outstanding, or (B) the sum of the then outstanding principal amount of the Term Loan plus the Revolving Loans then available to Borrowers under Section 2 hereof. Borrowers shall pay to Lender, upon demand by Lender (or Lender may, at its option, charge any loan account(s) of Borrowers) any amounts required to compensate Lender, the Reference Bank or any participant with Lender for any loss (including loss of anticipated profits), cost or expense incurred by such person, as a result of the conversion of Eurodollar Rate Loans to Prime Rate Loans pursuant to any of the foregoing.

(d) Interest shall be payable by Borrowers to Lender monthly in arrears not later than the first day of each calendar month and shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. The interest rate on non-contingent Obligations (other than Eurodollar Rate Loans) shall increase or decrease by an amount equal to each increase or decrease in the Prime Rate effective on the first day of the month after any change in such Prime Rate is announced based on the Prime Rate in effect on the last day of the month in which any such change occurs. In no event shall charges constituting interest payable by Borrowers to Lender exceed the maximum amount or the rate permitted under any applicable law or regulation, and if any such part or provision of this Agreement is in contravention of any such law or regulation,

such part or provision shall be deemed amended to conform thereto.

3.2 Closing Fee. Borrowers shall pay to Lender as a closing fee the amount of \$275,000.00, which shall be fully earned as of and payable on the date hereof.

3.3 Servicing Fee. Borrowers shall pay to Lender a servicing fee in an amount equal to \$17,500.00 in respect of Lender's services for each calendar quarter (or part thereof) while this Agreement remains in effect and for so long thereafter as any of the Obligations are outstanding, which fee shall be fully earned as of and payable in advance on the date hereof and on the first day of July, October, January and April hereafter.

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3.4 Unused Line Fee. Borrower shall pay to Lender monthly an unused line fee equal to one half of one (1/2 of 1%) percent per annum calculated upon the amount by which Revolving Credit Limit exceeds the average daily principal balance of the outstanding Revolving Loans and Letter of Credit Accommodations during the immediately preceding month (or part thereof) while this Agreement is in effect and for so long thereafter as any of the Obligations are outstanding, which fee shall be payable on the first day of each month in arrears.

3.5 Changes in Laws and Increased Costs of Loans.

(a) Notwithstanding anything to the contrary contained herein, all Eurodollar Rate Loans shall, upon notice by Lender to CHES, convert to Prime Rate Loans in the event that (i) any change in applicable law or regulation (or the interpretation or administration thereof) shall either (A) make it unlawful for Lender, Reference Bank or any Participant to make or maintain Eurodollar Rate Loans or to comply with the terms hereof in connection with the Eurodollar Rate Loans, by an amount deemed by Lender to be material, or (B) shall result in the increase in the costs to Lender, Reference Bank or any Participant of making or maintaining any Eurodollar Rate Loans or (C) reduce the amounts received or receivable by Lender in respect thereof, by an amount deemed by Lender to be material or (ii) the cost to Lender, Reference Bank or any Participant of making or maintaining any Eurodollar Rate Loans shall otherwise increase by an amount deemed by Lender to be material. Borrowers shall pay to Lender, upon demand by Lender (or Lender may, at its option, charge any loan account of any Borrower) any amounts required to compensate Lender, the Reference Bank or any Participant with Lender for any loss (including loss of anticipated profits), cost or expense incurred by such person as a result of the foregoing, including, without limitation, any such loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such person to make or maintain the Eurodollar Rate Loans or any portion thereof. A certificate of Lender setting forth the basis for the determination of such amount necessary to compensate Lender as aforesaid shall be delivered to Borrowers and shall be conclusive, absent manifest error.

(b) If any payments or prepayments in respect of the Eurodollar Rate Loans are received by Lender other than on the last day of the applicable Interest Period (whether pursuant to acceleration, upon maturity or otherwise), including any payments pursuant to the application of collections under Section 6.3 or any other payments made with the proceeds of Collateral, Borrowers shall pay to Lender upon demand by Lender (or Lender may, at its option, charge any loan accounts of Borrowers) any amounts required to compensate Lender, the Reference Bank or any participant with Lender for any additional loss (including loss of anticipated profits), cost or expense incurred by such person as a result of such prepayment or payment, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such person to make or maintain such Eurodollar Rate Loans or any portion thereof.

SECTION 4. CONDITIONS PRECEDENT

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4.1 Conditions Precedent to Initial Loans and Letter of Credit. Each of the following is a condition precedent to Lender making the initial Loans and providing the initial Letter of Credit Accommodations hereunder:

(a) Lender shall have received, in form and substance satisfactory to Lender, all releases, terminations and such other documents as Lender may request to evidence and effectuate the termination by the existing lender or lenders to Borrowers of their respective financing arrangements with Borrowers and the termination and release by it or them, as the case may be, of any interest in and to any assets and properties of Borrowers and each Obligor, duly authorized, executed and delivered by it or each of them, including, but not limited to, (i) UCC termination statements for all UCC financing statements previously filed by it or any of them or their predecessors, as secured party and any Borrower or any Obligor, as debtor and (ii) satisfactions and discharges of any mortgages, deeds of trust or deeds to secure debt by any Borrower or any Obligor in favor of such existing lender or lenders, in form acceptable for recording in the appropriate government office;

(b) Lender shall have received evidence, in form and substance satisfactory to Lender, that Lender has valid perfected and first priority security interests in and liens upon the Collateral and any other property which is intended to be security for the Obligations or the liability of any Obligor in respect thereof, subject only to the security interests and liens permitted herein or in the other Financing Agreements;

(c) all requisite corporate action and proceedings in connection with this Agreement and the other Financing Agreements shall be satisfactory in form and substance to Lender, and Lender shall have received all information and copies of all documents, including, without limitation, records of requisite corporate action and proceedings which Lender may have requested in connection therewith, such documents where requested by Lender or its counsel to be certified by appropriate corporate officers or governmental authorities;

(d) no material adverse change shall have occurred in the assets, business or prospects of any Borrower since the date of Lender's latest field examination and no change or event shall have occurred which would impair the ability of any Borrower or any Obligor to perform its obligations hereunder or under any of the other Financing Agreements to which it is a party or of Lender to enforce the Obligations or realize upon the Collateral;

(e) Lender shall have completed a field review of the Records and such other information with respect to the Collateral as Lender may require to determine the amount of Revolving Loans available to Borrowers, the results of which shall be satisfactory to Lender, not more than three (3) business days prior to the date hereof;

(f) Lender shall have received, in form and substance satisfactory to Lender, all consents, waivers, acknowledgments and other agreements from third persons which Lender may deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions or purposes of this Agreement and the other Financing Agreements, including, without limitation, acknowledgments by lessors,

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mortgagees and warehousemen of Lender's security interests in the Collateral, waivers by such persons of any security interests, liens or other claims by such persons to the Collateral and agreements permitting Lender access to, and the right to remain on, the premises to exercise its rights and remedies and otherwise deal with the Collateral;

(g) the Excess Availability as determined by Lender, as of the date hereof, shall be not less than \$5,000,000.00 after giving effect to the initial Loans made or to be made and Letter of Credit Accommodations issued or to be issued in connection with the initial transactions hereunder;

(h) Lender shall have received evidence of insurance and loss payee endorsements required hereunder and under the other Financing Agreements, in form and substance satisfactory to Lender, and certificates of insurance policies and/or endorsements naming Lender as loss payee;

(i) Lender shall have received, in form and substance satisfactory to Lender, such opinion letters of counsel to Borrowers with respect to the Financing Agreements and such other matters as Lender may request; and

(j) Lender shall have received, in form and substance satisfactory to Lender, valid and effective title insurance policies issued by companies and agents acceptable to Lender for each parcel of Real Property located in Braintree, Massachusetts, Weymouth, Massachusetts, and Natick, Massachusetts and subject to a Mortgage (i) insuring the priority, amount and sufficiency of the Mortgages, (ii) insuring against matters that would be disclosed by surveys and (iii) containing any legally available endorsements, assurances or affirmative coverage requested by Lender for protection of its interests;

(k) Lender shall have received evidence, satisfactory to Lender, that Borrowers have obtained and are in material compliance with all material licenses, permits, certificates, approvals and similar authorizations that Borrowers are required to obtain under Environmental Laws and that all such licenses, permits, certificates, approvals and similar authorizations are in full force and effect and Borrower shall have furnished to Lender a complete listing of all operating permits and approvals for its waste processing, storage and transportation facilities with the expiration dates thereof; and

(l) Lender shall have received the original certificates of title for all motor vehicles and other rolling stock of Borrowers that are subject to state certificate of title statutes and duly executed, undated applications and other documents required to note Lender's lien thereon; and

(m) the other Financing Agreements and all instruments and documents hereunder and thereunder shall have been duly executed and delivered to Lender, in form and substance satisfactory to Lender.

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4.2 Conditions Precedent to All Loans and Letter of Credit Accommodations. Each of the following is an additional condition precedent to Lender making Loans and/or providing Letter of Credit Accommodations to Borrowers, including the initial Loans and Letter of Credit Accommodations and any future Loans and Letter of Credit Accommodations:

(a) all representations and warranties contained herein and in the other Financing Agreements shall be true and correct in all material respects (except for changes permitted by the covenants in Section 9 hereof) with the same effect as though such representations and warranties had been made on and as of the date of the making of each such Loan or providing each such Letter of Credit Accommodation and after giving effect thereto; and

(b) no Event of Default and no event or condition which, with notice or passage of time or both, would constitute an Event of Default, shall exist or have occurred and be continuing on and as of the date of the making of such Loan or providing each such Letter of Credit Accommodation and after giving effect thereto.

SECTION 5. GRANT OF SECURITY INTEREST

To secure payment and performance of all Obligations, each Borrower hereby grants to Lender a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to Lender as security, the following property and interests in property, whether now owned or hereafter acquired or existing, and wherever located (collectively, the "Collateral"):

5.1 Accounts.

5.2 all present and future contract rights, general intangibles (including, but not limited to, tax and duty refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as licensor or licensee, permits, authorizations, approvals and other similar rights, choses in action and other claims and existing and future leasehold interests in equipment, real estate and fixtures), chattel paper, documents, instruments, letters of credit, bankers' acceptances and guaranties;

5.3 all present and future monies, securities, credit balances, deposits, deposit accounts and other property of Borrower now or hereafter held or received by or in transit to Lender or its affiliates or at any other depository or other institution from or for the account of Borrower, whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Accounts and other Collateral, including, without limitation, (a) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (b) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (c) goods described in invoices, documents, contracts or instruments with respect to, or otherwise

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representing or evidencing, Accounts or other Collateral, including, without limitation, returned, repossessed and reclaimed goods, and (d) deposits by and property of account debtors or other persons securing the obligations of account debtors;

5.4 Inventory

5.5 Equipment;

5.6 Real Property;

5.7 Records; and

5.8 all products and proceeds of the foregoing, in any form, including, without limitation, insurance proceeds and all claims against third parties for loss or damage to or destruction of any or all of the foregoing.

SECTION 6. COLLECTION AND ADMINISTRATION

6.1 Borrowers' Loan Account. Lender shall maintain one or more loan account(s) on its books in which shall be recorded (a) all Loans, Letter of Credit Accommodations and other Obligations and the Collateral, (b) all payments made by or on behalf of Borrowers and (c) all other appropriate debits and credits as provided in this Agreement, including, without limitation, fees, charges, costs, expenses and interest. All entries in the loan account(s) shall be made in accordance with Lender's customary practices as in effect from time to time.

6.2 Statements. Lender shall render to CHES each month a statement setting forth the balance in the Borrowers' loan account(s) maintained by Lender for Borrowers pursuant to the provisions of this Agreement, including principal, interest, fees, costs and expenses. Each such statement shall be subject to subsequent adjustment by Lender but shall, absent manifest errors or omissions, be considered correct and deemed accepted by Borrowers and conclusively binding upon Borrowers as an account stated except to the extent that Lender receives a written notice from Borrowers of any specific exceptions of Borrowers thereto within thirty (30) days after the date such statement has been mailed by Lender. Until such time as Lender shall have rendered to CHES a written statement as provided above, the balance in Borrowers' loan account(s) shall be presumptive

evidence of the amounts due and owing to Lender by Borrowers.

6.3 Collection of Accounts.

(a) Borrowers shall establish and maintain, at their expense, blocked accounts or lockboxes and related blocked accounts (in either case, "Blocked Accounts"), as Lender may specify, with such banks as are acceptable to Lender into which Borrowers shall promptly deposit and direct their account debtors to directly remit all payments on Accounts and all payments constituting proceeds of other Collateral in the identical form in which such payments are made, whether by cash, check or other manner. The banks at which the Blocked Accounts

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are established shall enter into an agreement, in form and substance satisfactory to Lender, providing that all items received or deposited in the Blocked Accounts are the property of Lender, that the depository bank has no lien upon, or right to setoff against, the Blocked Accounts, the items received for deposit therein, or the funds from time to time on deposit therein and that the depository bank will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Accounts to such bank account of Lender as Lender may from time to time designate for such purpose ("Payment Account"). Borrowers agree that all payments made to such Blocked Accounts or other funds received and collected by Lender, whether on the Accounts or as proceeds of other Collateral or otherwise shall be the property of Lender.

(b) For purposes of calculating interest on the Obligations, such payments or other funds received will be applied (conditional upon final collection) to the Obligations one (1) business day following the date of receipt of immediately available funds by Lender in the Payment Account. For purposes of calculating the amount of the Revolving Loans available to Borrowers such payments will be applied (conditional upon final collection) to the Obligations on the business day of receipt by Lender in the Payment Account, if such payments are received within sufficient time (in accordance with Lender's usual and customary practices as in effect from time to time) to credit Borrowers' loan account on such day, and if not, then on the next business day.

(c) Borrowers and all of their affiliates, subsidiaries, shareholders, directors, employees or agents shall, acting as trustee for Lender, receive, as the property of Lender, any monies, checks, notes, drafts or any other payment relating to and/or proceeds of Accounts or other Collateral which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Lender. In no event shall the same be commingled with Borrowers' own funds. Borrowers agree to reimburse Lender on demand for any amounts owed or paid to any bank at which a Blocked Account is established or any other bank or person involved in the transfer of funds to or from the Blocked Accounts arising out of Lender's payments to or indemnification of such bank or person. The obligation of Borrowers to reimburse Lender for such amounts pursuant to this Section 6.3 shall survive the termination or non-renewal of this Agreement.

6.4 Payments. All Obligations shall be payable to the Payment Account as provided in Section 6.3 or such other place as Lender may designate from time to time. Lender may apply payments received or collected from Borrowers or for the account of Borrowers (including, without limitation, the monetary proceeds of collections or of realization upon any Collateral) to such of the Obligations, whether or not then due, in such order and manner as Lender determines. At Lender's option, all principal, interest, fees, costs, expenses and other charges provided for in this Agreement or the other Financing Agreements may be charged directly to the loan account(s) of Borrowers. Borrowers shall make all payments to Lender on the Obligations free and clear of, and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. If after receipt of any payment of, or proceeds of Collateral applied to the payment of,

any of the Obligations, Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Borrowers shall be liable to pay to Lender, and do hereby indemnify and hold Lender harmless for the amount of any payments or proceeds surrendered or returned. This Section 6.4 shall remain effective notwithstanding any contrary action which may be taken by Lender in reliance upon such payment or proceeds. This Section 6.4 shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

6.5 Authorization to Make Loans. Lender is authorized to make the Loans and provide the Letter of Credit Accommodations based upon written or telephonic (confirmed promptly in writing) instructions received from an authorized officer of CHES or other authorized person (as initially set forth in the Information Certificates) or, at the discretion of Lender, if such Loans are necessary to satisfy any Obligations. All requests for Loans or Letter of Credit Accommodations hereunder shall specify the date on which the requested advance is to be made or Letter of Credit Accommodations established (which day shall be a business day) and the amount of the requested Loan. Requests received after 11:00 a.m. Boston, Massachusetts time on any day shall be deemed to have been made as of the opening of business on the immediately following business day. All Loans and Letter of Credit Accommodations under this Agreement shall be conclusively presumed to have been made to, and at the request of and for the benefit of, Borrowers when deposited to the credit of Borrowers or otherwise disbursed or established in accordance with the instructions of CHES or in accordance with the terms and conditions of this Agreement.

6.6 Use of Proceeds. Borrowers shall use the initial proceeds of the Loans provided by Lender to Borrowers hereunder only for: (a) payments to each of the persons listed in the disbursement direction letter furnished by Borrowers to Lender on or about the date hereof and (b) costs, expenses and fees in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Financing Agreements. All other Loans made or Letter of Credit Accommodations provided by Lender to Borrowers pursuant to the provisions hereof shall be used by Borrowers only for general operating, working capital and other proper corporate purposes of Borrowers not otherwise prohibited by the terms hereof. None of the proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Loans to be considered a "purpose credit" within the meaning of Regulation G of the Board of Governors of the Federal Reserve System, as amended.

SECTION 7. COLLATERAL REPORTING AND COVENANTS

7.1 Collateral Reporting. Borrowers shall provide Lender with the following documents in a form satisfactory to Lender: (a) on a regular basis as required by Lender, a schedule of Accounts; (b) on a monthly basis or more frequently as Lender may request, agings

of accounts payable, (c) upon Lender's request, (i) copies of customer statements and credit memos, remittance advices and reports, and copies of deposit slips and bank statements, (ii) copies of shipping and delivery documents, and (iii) copies of purchase orders, invoices and delivery documents for Equipment acquired by Borrower; (d) agings of accounts receivable on a weekly basis or more frequently as Lender may request; and (e) such other reports as to the Collateral as Lender shall request from time to time. If any of Borrowers' records or reports of the Collateral are prepared or maintained by an accounting service, contractor, shipper or other agent, Borrowers hereby

irrevocably authorize such service, contractor, shipper or agent to deliver such records, reports, and related documents to Lender and to follow Lender's instructions with respect to further services at any time that an Event of Default exists or has occurred and is continuing.

7.2 Accounts Covenants.

(a) Borrowers shall notify Lender promptly of: (i) any material delay in any Borrower's performance of any of its obligations to any account debtor or the assertion of any material claims, offsets, defenses or counterclaims by any account debtor, or any disputes with account debtors, or any settlement, adjustment or compromise thereof, (ii) all material adverse information known to any Borrower relating to the financial condition of any account debtor and (iii) any event or circumstance which, to any Borrower's knowledge would cause Lender to consider any then existing Accounts as no longer constituting Eligible Accounts. No credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any account debtor without Lender's consent, except in the ordinary course of Borrowers' business in accordance with practices and policies previously disclosed in writing to Lender. So long as no Event of Default exists or has occurred and is continuing, Borrowers shall settle, adjust or compromise any claim, offset, counterclaim or dispute with any account debtor. At any time that an Event of Default exists or has occurred and is continuing, Lender shall, at its option, have the exclusive right to settle, adjust or compromise any claim, offset, counterclaim or dispute with account debtors or grant any credits, discounts or allowances.

(b) With respect to each Account: (i) the amounts shown on any invoice delivered to Lender or schedule thereof delivered to Lender shall be true and complete, (ii) no payments shall be made thereon except payments immediately delivered to Lender pursuant to the terms of this Agreement, (iii) no credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any account debtor except as reported to Lender in accordance with this Agreement and except for credits, discounts, allowances or extensions made or given in the ordinary course of Borrowers' business in accordance with practices and policies previously disclosed to Lender, (iv) there shall be no setoffs, deductions, contras, defenses, counterclaims or disputes existing or asserted with respect thereto except as reported to Lender in accordance with the terms of this Agreement, (v) none of the transactions giving rise thereto will violate any applicable State or Federal laws or regulations, all documentation relating thereto will be legally sufficient under such laws and regulations and all such documentation will be legally enforceable in accordance with its terms.

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(c) Lender shall have the right at any time or times, in Lender's name or in the name of a nominee of Lender, to verify the validity, amount or any other matter relating to any Account or other Collateral, by mail, telephone, facsimile transmission or otherwise. Lender will notify CHES of its conducting telephone verifications after doing so.

(d) Borrowers shall deliver or cause to be delivered to Lender, with appropriate endorsement and assignment, with full recourse to Borrowers, all chattel paper and instruments which any Borrower now owns or may at any time acquire immediately upon such Borrower's receipt thereof, except as Lender may otherwise agree.

(e) Lender may, at any time or times that an Event of Default exists or has occurred and is continuing, (i) notify any or all account debtors that the Accounts have been assigned to Lender and that Lender has a security interest therein and Lender may direct any or all accounts debtors to make payment of Accounts directly to Lender, (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Accounts or other obligations included in the Collateral and thereby discharge or release the account debtor or any other party or parties in any way liable for payment thereof without affecting any of the Obligations, (iii) demand, collect or enforce payment of any Accounts or

such other obligations, but without any duty to do so, and Lender shall not be liable for its failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and (iv) take whatever other action Lender may deem necessary or desirable for the protection of its interests. At any time that an Event of Default exists or has occurred and is continuing, at Lender's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Lender and are payable directly and only to Lender and Borrowers shall deliver to Lender such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Lender may require.

7.3 Equipment Covenants. With respect to the Equipment: (a) upon Lender's request, Borrowers shall, at their expense, at any time or times as Lender may request on or after an Event of Default, deliver or cause to be delivered to Lender written reports or appraisals as to the Equipment in form, scope and methodology acceptable to Lender and by an appraiser acceptable to Lender; (b) Borrowers shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted); (c) Borrowers shall use the Equipment with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with all applicable laws; (d) the Equipment is and shall be used in Borrowers' business and not for personal, family, household or farming use; (e) Borrowers shall not remove any Equipment from the locations set forth or permitted herein, except to the extent necessary to have any Equipment repaired or maintained in the ordinary course of the business of Borrowers or to move Equipment directly from one location set forth or permitted herein to another such location and except for the movement of motor vehicles used by or for the benefit of Borrowers in the ordinary course of business; (f) Borrowers shall (i) deliver to Lender certificates of title with Lender's lien noted thereon for all motor vehicles or rolling stock acquired by any Borrower after the date hereof and (ii) for all motor vehicles and rolling stock owned by any Borrower on the date hereof, deliver to Lender all original certificates of title for

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all such motor vehicles and other rolling stock together with fully executed, undated applications and all other documents required under applicable laws for Lender to have its lien noted on all such certificates of title, which applications may be filed by Lender at any time, in its discretion (A) upon and following a Default or an Event of Default or (B) at any time that Excess Availability is less than \$4,500,000.00; (g) the Equipment is now and shall remain personal property and Borrowers shall not permit any of the Equipment to be or become a part of or affixed to real property; and (h) Borrowers assume all responsibility and liability arising from the use of the Equipment.

7.4 Power of Attorney. Each Borrower hereby irrevocably designates and appoints Lender (and all persons designated by Lender) as Borrowers' true and lawful attorney-in-fact, and authorizes Lender, in any Borrowers' or Lender's name, to: (a) at any time a Default or an Event of Default exists or has occurred and is continuing (i) demand payment on Accounts or other proceeds of Collateral, (ii) enforce payment of Accounts by legal proceedings or otherwise, (iii) exercise all of Borrowers' rights and remedies to collect any Account or other Collateral, (iv) sell or assign any Account upon such terms, for such amount and at such time or times as the Lender deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Account, (vii) prepare, file and sign Borrowers' name on any proof of claim in bankruptcy or other similar document against an account debtor, (viii) notify the post office authorities to change the address for delivery of Borrowers' mail to an address designated by Lender, and open and dispose of all mail addressed to any Borrower, and (ix) do all acts and things which are necessary, in Lender's determination, to fulfill Borrower's obligations under this Agreement and the other Financing Agreements and (b) at any time to (i) take control in any manner of any item of payment or proceeds thereof, (ii) have access to any lockbox into which any Borrower's mail is deposited, (iii) endorse any Borrower's name upon any items of payment or proceeds thereof and deposit the same in the Lender's account for application to the Obligations, (iv)

endorse any Borrower's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto or any other Collateral, (v) sign any Borrower's name on any verification of Accounts and notices thereof to account debtors, (vi) execute in any Borrower's name and file any UCC financing statements or amendments thereto or any application or other document to note Lender's lien on any certificate of title, and (viii) execute in any Borrower's name and file any application or document necessary to obtain, extend, modify or amend any order, license, permit, certificate, approval, or similar authorization necessary or appropriate for the conduct of any Borrower's business. Each Borrower hereby releases Lender and its officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Lender's own gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

7.5 Right to Cure. Lender may, at its option, (a) cure any default by any Borrower under any agreement with a third party if such default might have a material adverse effect on the business, operations or prospects of any Borrower or pay or bond on appeal any judgment entered against any Borrower, if the execution of such judgment is not effectively stayed, on appeal or otherwise, (b) discharge taxes, liens, security interests or other encumbrances at any

time levied on or existing with respect to the Collateral and (c) pay any amount, incur any expense or perform any act which, in Lender's judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Lender with respect thereto. Lender may add any amounts so expended to the Obligations and charge Borrowers' account(s) therefor, such amounts to be repayable by Borrower(s) on demand. Lender shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of any Borrower. Any payment made or other action taken by Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

7.6 Access to Premises. From time to time as requested by Lender, at the cost and expense of Borrowers, (a) Lender or its designee shall have complete access to all of Borrowers' premises during normal business hours and after notice to CHES, or at any time and without notice to any Borrower if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of Borrowers' books and records, including, without limitation, the Records, and (b) Borrowers shall promptly furnish to Lender such copies of such books and records or extracts therefrom as Lender may request, and (c) use during normal business hours such of Borrowers' personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Accounts and realization of other Collateral.

SECTION 8. REPRESENTATIONS AND WARRANTIES

Each Borrower hereby represents and warrants to Lender the following (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which are a continuing condition of the making of Loans and providing Letter of Credit Accommodations by Lender to Borrowers:

8.1 Corporate Existence, Power and Authority; Subsidiaries. Each Borrower is a corporation duly organized and in good standing under the laws of its state of incorporation and is duly qualified as a foreign corporation and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a material adverse effect on any Borrower's financial condition, results of operation or business or the rights of Lender in or to any of the

Collateral. The execution, delivery and performance of this Agreement, the other Financing Agreements and the transactions contemplated hereunder and thereunder are all within each Borrower's corporate powers, have been duly authorized and are not in contravention of law or the terms of any Borrower's certificate of incorporation, by-laws, or other organizational documentation, or any indenture, agreement or undertaking to which any Borrower is a party or by which any Borrower or its property are bound. This Agreement and the other Financing Agreements constitute legal, valid and binding obligations of each Borrower enforceable in accordance with their respective terms. Borrowers do not have any subsidiaries except as set forth on the Information Certificates.

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8.2 Financial Statements; No Material Adverse Change. All financial statements relating to Borrowers which have been or may hereafter be delivered by Borrowers to Lender have been prepared in accordance with GAAP and fairly present the financial condition and the results of operation of Borrowers as at the dates and for the periods set forth therein. Except as disclosed in any interim financial statements furnished by Borrowers to Lender prior to the date of this Agreement, there has been no material adverse change in the assets, liabilities, properties and condition, financial or otherwise, of Borrowers, since the date of the most recent audited financial statements furnished by Borrowers to Lender prior to the date of this Agreement.

8.3 Chief Executive Office; Collateral Locations. The chief executive office of each Borrower and Borrowers' Records concerning Accounts are located only at the addresses set forth below and their only other places of business and the only other locations of Collateral, if any, are the addresses set forth in the Information Certificates, subject to the right of Borrowers to establish new locations in accordance with Section 9.2 below. The Information Certificates correctly identify any of such locations which are not owned by any Borrowers and sets forth the owners and/or operators thereof.

8.4 Priority of Liens; Title to Properties. The security interests and liens granted to Lender under this Agreement and the other Financing Agreements constitute valid and perfected first priority liens and security interests in and upon the Collateral subject only to the liens indicated on Schedule 8.4 hereto and the other liens permitted under Section 9.8 hereof. Borrowers have good and marketable title to all of their properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to Lender and such others as are specifically listed on Schedule 8.4 hereto or permitted under Section 9.8 hereof.

8.5 Tax Returns. Borrowers have filed, or caused to be filed, in a timely manner all tax returns, reports and declarations which are required to be filed by them (without requests for extension except as previously disclosed in writing to Lender). All information in such tax returns, reports and declarations is complete and accurate in all material respects. Borrowers have paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrowers and with respect to which adequate reserves have been set aside on their books. Adequate provision has been made for the payment of all accrued and unpaid Federal, State, county, local, foreign and other taxes whether or not yet due and payable and whether or not disputed.

8.6 Litigation. Except as set forth on the Information Certificates, there is no present investigation by any governmental agency pending, or to the best of Borrowers' knowledge threatened, against or affecting any Borrower, its assets or business and there is no action, suit, proceeding or claim by any Person pending, or to the best of Borrowers' knowledge threatened, against any Borrower or its assets or goodwill, or against or affecting any transactions contemplated by this Agreement, which if adversely determined against any Borrower would result in any material adverse change in the assets, business or prospects of such Borrower or would impair the ability of such Borrower to perform its obligations hereunder or under any of

the other Financing Agreements to which it is a party or of Lender to enforce any Obligations or realize upon any Collateral.

8.7 Compliance with Other Agreements and Applicable Laws. Borrowers are not in default in any material respect under, or in violation in any material respect of any of the terms of, any agreement, contract, instrument, lease or other commitment to which any of them is a party or by which any of them or any of their assets are bound and Borrowers are in compliance in all material respects with all applicable provisions of laws, rules, regulations, licenses, permits, approvals and orders of any foreign, Federal, State or local governmental authority.

8.8 Environmental Compliance. Except as shown or reflected in the financial statements of Borrowers previously furnished to Lender and to be furnished to Lender under Section 9.6 hereof, unless such matters would not have a material adverse effect upon the business, assets or prospects of the Borrowers on a consolidated basis:

(a) No Borrower has generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates any applicable Environmental Law or any order, license, permit, certificate, approval or similar authorization thereunder and the operations of Borrowers comply in all material respects with all Environmental Laws and all orders, licenses, permits, certificates, approvals and similar authorizations thereunder.

(b) There has been no investigation, proceeding, complaint, order, directive, claim, citation or notice by any governmental authority or any other person, nor is any pending, with respect to any non-compliance with or violation of the requirements of any Environmental Law by any Borrower or the release, spill or discharge, threatened or actual, of any Hazardous Material or any properties at or from which any Borrower has transported, stored or disposed of any Hazardous Materials, and all handling, production or disposal of any Hazardous Materials by Borrowers has been conducted in compliance with all applicable Environmental Laws, all laws and regulations relating to health and safety matters and all orders, licenses, permits, certificates, approvals and similar authorizations relating thereto.

(c) Borrowers have no material liability (contingent or otherwise) in connection with (i) a release, spill or discharge, threatened or actual, of any Hazardous Materials, (ii) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or (iii) any service or remediation performed by any Borrower at any location.

(d) Borrowers have obtained and are in material compliance with all licenses, permits, certificates, approvals or similar authorizations required in connection with the operations of Borrowers under any Environmental Law and, to the best of Borrowers' knowledge, all of such licenses, permits, certificates, approvals or similar authorizations are valid and in full force and effect.

8.9 Employee Benefits.

(a) Borrowers have not engaged in any transaction in connection with which any Borrower or any of its ERISA Affiliates could be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, including any accumulated funding deficiency described in Section 8.9(c) hereof and any deficiency with respect to vested accrued benefits described in Section 8.9(d) hereof.

(b) No liability to the Pension Benefit Guaranty Corporation has been or

is expected by Borrowers to be incurred with respect to any employee pension benefit plan of any Borrower or any of its ERISA Affiliates. There has been no reportable event (within the meaning of Section 4043(b) of ERISA) or any other event or condition with respect to any employee pension benefit plan of any Borrower or any of its ERISA Affiliates which presents a risk of termination of any such plan by the Pension Benefit Guaranty Corporation.

(c) Full payment has been made of all amounts which any Borrower or any of its ERISA Affiliates is required under Section 302 of ERISA and Section 412 of the Code to have paid under the terms of each employee pension benefit plan as contributions to such plan as of the last day of the most recent fiscal year of such plan ended prior to the date hereof, and no accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, exists with respect to any employee pension benefit plan, including any penalty or tax described in Section 8.9(a) hereof and any deficiency with respect to vested accrued benefits described in Section 8.9(d) hereof.

(d) The current value of all vested accrued benefits under all employee pension benefit plans maintained by Borrowers that are subject to Title IV of ERISA does not exceed the current value of the assets of such plans allocable to such vested accrued benefits, including any penalty or tax described in Section 8.9(a) hereof and any accumulated funding deficiency described in Section 8.9(c) hereof. The terms "current value" and "accrued benefit" have the meanings specified in ERISA.

(e) No Borrower nor any ERISA Affiliates thereof is or has ever been obligated to contribute to any "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA) that is subject to Title IV of ERISA.

8.10 Interrelated Businesses. (a) Parent owns beneficially and of record all the outstanding capital stock of each Borrower, subject to no liens or encumbrances of any kind; (b) the financial condition and business prospects of each Borrower are of direct economic benefit to the other Borrowers; and (c) each Borrower's access to the financing arrangements through Lender significantly enhances its own financial condition and business prospects and, consequently, directly benefits all other Borrowers.

8.11 Real Property. Borrowers have not received any notice of nor do they have any reason to believe that there is any basis for any claim by any third party regarding any encroachment, boundary dispute or violation of any easement or restriction on or serving any of

the Real Property located in Braintree, Weymouth or Natick, Massachusetts. Notwithstanding the foregoing, Lender reserves the right at any time in its discretion, (a) upon and following a Default or an Event of Default, or (b) any time that the Excess Availability is less than \$4,500,000.00, to require that Borrowers cause instrument surveys to be conducted with respect to such the Real Property and that Borrowers obtain title insurance endorsements deleting the survey exceptions from the title policies furnished to Lender on the date hereof; provided, however, that Lender may at any time require an instrument survey and such title insurance endorsements with respect to any parcel of Real Property if any third party claim is made or threatened.

8.12 Accuracy and Completeness of Information. All information furnished by or on behalf of Borrowers in writing to Lender in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, including, without limitation, all information on the Information Certificates is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the business, assets or prospects of Borrowers, which has not been fully and accurately disclosed to Lender in writing.

8.13 Survival of Warranties; Cumulative. All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to Lender on the date of each additional borrowing or other credit accommodation hereunder and shall be conclusively presumed to have been relied on by Lender regardless of any investigation made or information possessed by Lender. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which Borrowers shall now or hereafter give, or cause to be given, to Lender.

SECTION 9. AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 Maintenance of Existence. Each Borrower shall at all times preserve, renew and keep in full force and effect its corporate existence and rights and franchises with respect thereto and maintain in full force and effect all permits, licenses, trademarks, tradenames, approvals, authorizations, leases and contracts necessary to carry on the business as presently or proposed to be conducted. Each Borrower shall give Lender thirty (30) days prior written notice of any proposed change in its corporate name, which notice shall set forth the new name and such Borrower shall deliver to Lender a copy of the amendment to the Certificate of Incorporation, Articles of Organization or other charter document of such Borrower providing for the name change certified by the Secretary of State of the jurisdiction of incorporation of Borrower as soon as it is available.

9.2 New Collateral Locations. Borrowers may open any new location within the continental United States provided (a) Borrowers give Lender written notice (i) thirty (30) days

prior to the intended opening of any such new location where the value of the Collateral located or to be located at such location does or will equal or exceed \$100,000 and (ii) within ten (10) days of the opening of any new location where the value of the Collateral located or to be located at such location is less than \$100,000 and (b) execute and deliver, or cause to be executed and delivered, to Lender such agreements, documents, and instruments as Lender may deem reasonably necessary or desirable to protect its interests in the Collateral at such location, including, without limitation, UCC financing statements.

9.3 Compliance with Laws, Regulations, Etc. Each Borrower shall, at all times, comply in all material respects with all laws, rules, regulations, licenses, permits, approvals and orders applicable to it and duly observe all requirements of any Federal, State or local governmental authority, including, without limitation, the Employee Retirement Security Act of 1974, as amended, the Occupational Safety and Hazard Act of 1970, as amended, the Fair Labor Standards Act of 1938, as amended, and all statutes, rules, regulations, orders, permits and stipulations relating to environmental pollution and employee health and safety, including, without limitation, all of the Environmental Laws, if failure to so comply could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the business, assets or prospects of the Borrowers on a consolidated basis.

(a) Each Borrower shall establish and maintain, at its expense, a system and policies to assure and monitor its continued compliance with all Environmental Laws in all of its operations, which system and policies shall include periodic reviews of such compliance by employees or agents of Borrowers who are familiar with the requirements of the Environmental Laws. Copies of all such periodic reviews shall be made available by Borrowers for inspection by Lender and, upon Lender's request, copies of all environmental reviews, surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by Borrowers to Lender. Borrowers shall take prompt and appropriate action to respond to any non-compliance with any of the Environmental Laws and shall regularly report to Lender on such response.

(b) Borrowers shall give both oral and written notice to Lender promptly upon any Borrower's receipt of any notice of, or any Borrower's otherwise obtaining knowledge of, any of the following which could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the business, assets or prospects of the Borrowers on a consolidated basis: (i) the occurrence of any event involving the release, spill or discharge, threatened or actual, of any Hazardous Material or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any Environmental Law by any Borrower or (B) the release, spill or discharge, threatened or actual, of any Hazardous Material or (C) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Material in a manner that is not in compliance with Environmental Laws or any order, license, permit, certificate, approval or similar authorization relating thereto, (D) any other environmental, health or safety matter, which may materially and adversely affect any Borrower or its business, operations or assets, or (E) any properties at which any Borrower transported, stored or disposed of any Hazardous Materials.

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(c) Without limiting the generality of the foregoing, whenever Lender reasonably determines that there is non-compliance, or any condition which requires any action by or on behalf of any Borrower in order to avoid any material non-compliance, with any Environmental Law which could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the business, assets or prospects of the Borrowers on a consolidated basis, Borrowers shall, at Lender's request and Borrowers' expense: (i) cause an independent environmental engineer acceptable to Lender to conduct such assessments, investigations or tests of the site where any Borrower's non-compliance or alleged non-compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to Lender a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof and (ii) provide to Lender a supplemental report of such engineer whenever the scope of such non-compliance, or Borrower's response thereto or the estimated costs thereof, shall change in any material respect.

(d) Borrowers shall maintain in full force and effect all orders, licenses, permits, certificates, approvals and similar authorizations necessary or appropriate for the conduct of their business, unless the failure to have or maintain the same will not have a material adverse effect on the business assets or prospects of Borrowers on a consolidated basis, and shall promptly give notice to Lender of any rescission, termination, lapse, breach (including all citations, fines or notices of non-compliance), modification or amendment thereof which might have a material adverse effect on the business, assets or prospects of Borrowers on a consolidated basis.

(e) Each Borrower shall indemnify and hold harmless Lender, its directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including attorneys' fees and legal expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including, without limitation, the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of any Borrower and the preparation and implementation of any closure, remedial or other required plans or any actions of Lender relating thereto.

(f) Borrowers acknowledge and agree that neither the Financing Agreements or the actions of Lender pursuant thereto shall operate or be deemed (i) to place upon Lender any responsibility for the operation, control, care, service, management, maintenance or repair of property or facilities of Borrowers or (ii) to make Lender the "owner" or "operator" of any property or facilities of Borrowers or a "responsible party" within the meaning of applicable

Environmental Laws. For purposes of this Section 9.3, "substantial fines or penalties" will be determined based upon fines or penalties that have been assessed by governmental agencies or courts in other instances of noncompliance or violation of Environmental Laws by similarly situated entities. All representations, warranties, covenants and indemnifications in Sections 8.8

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and 9.3 shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

9.4 Payment of Taxes and Claims. Each Borrower shall duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrowers and with respect to which adequate reserves have been set aside on its books. Borrowers shall be liable for any tax or penalties imposed on Lender as a result of the financing arrangements provided for herein and Borrowers agree to indemnify and hold Lender harmless with respect to the foregoing, and to repay to Lender on demand the amount thereof, and until paid by Borrowers such amount shall be added and deemed part of the Loans, provided, that, nothing contained herein shall be construed to require Borrowers to pay any income or franchise taxes attributable to the income of Lender from any amounts charged or paid hereunder to Lender. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

9.5 Insurance. Borrowers shall, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be satisfactory to Lender as to form, amount and insurer. Borrowers shall furnish certificates, policies or endorsements to Lender as Lender shall require as proof of such insurance, and, if Borrowers fail to do so, Lender is authorized, but not required, to obtain such insurance at the expense of Borrowers. All policies shall provide for at least thirty (30) days prior written notice to Lender of any cancellation or reduction of coverage and that Lender may act as attorney for Borrower in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and canceling such insurance. Borrowers shall cause Lender to be named as a loss payee and an additional insured (but without any liability for any premiums) under such insurance policies and Borrowers shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to Lender. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Lender as its interests may appear and further specify that Lender shall be paid regardless of any act or omission by Borrowers or any of their affiliates. At its option, Lender may apply any insurance proceeds received by Lender at any time to the cost of repairs or replacement of Collateral and/or to payment of the Obligations, whether or not then due, in any order and in such manner as Lender may determine or hold such proceeds as cash collateral for the Obligations.

9.6 Financial Statements and Other Information.

(a) Borrowers shall keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of Borrowers and their and its subsidiaries (if any) in accordance with GAAP and Borrowers shall furnish or cause to be furnished to Lender: (i) within thirty (30) days after the end of each fiscal month (or forty-five (45) days, if such month is the last month of a fiscal

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quarter), monthly unaudited consolidated financial statements, and, unaudited

consolidating financial statements (including in each case balance sheets, statements of income and loss and statements of shareholders' equity), all in reasonable detail, fairly presenting the financial position and the results of the operations of Parent, Borrowers and their respective subsidiaries as of the end of and through such fiscal month and (ii) within ninety (90) days after the end of each fiscal year, audited consolidated financial statements and, audited consolidating financial statements of Parent, Borrower and their subsidiaries (including in each case balance sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), and the accompanying notes thereto, all in reasonable detail, fairly presenting the financial position and the results of the operations of Parent, Borrowers and their respective subsidiaries as of the end of and for such fiscal year, together with the opinion of independent certified public accountants, which accountants shall be an independent accounting firm selected by Parent and Borrowers and reasonably acceptable to Lender, that such financial statements have been prepared in accordance with GAAP, and present fairly the results of operations and financial condition of Parent, Borrowers and their respective subsidiaries as of the end of and for the fiscal year then ended.

(b) Borrowers shall promptly notify Lender in writing of the details of (i) any material loss, damage, investigation, action, suit, proceeding or claim relating to the Collateral or any other property which is security for the Obligations or which would result in any material adverse change in any Borrower's business, properties, assets, goodwill or condition, financial or otherwise and (ii) the occurrence of any Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

(c) Borrowers shall promptly after the sending or filing thereof furnish or cause to be furnished to Lender copies of all reports which Parent sends to its stockholders generally and copies of all reports and registration statements which Parent or any Borrower files with the Securities and Exchange Commission, any national securities exchange or the National Association of Securities Dealers, Inc.

(d) Borrowers shall furnish or cause to be furnished to Lender such budgets, forecasts, projections and other information respecting the Collateral and the business of Borrowers, as Lender may, from time to time, reasonably request. Lender is hereby authorized to deliver a copy of any financial statement or any other information relating to the business of Borrowers to any court or other government agency or to any participant or assignee or prospective participant or assignee. Borrowers hereby irrevocably authorize and direct all accountants or auditors to deliver to Lender, at Borrowers' expense, copies of the financial statements of Borrowers and any reports or management letters prepared by such accountants or auditors on behalf of Borrowers and to disclose to Lender such information as they may have regarding the business of Borrowers. Any documents, schedules, invoices or other papers delivered to Lender may be destroyed or otherwise disposed of by Lender one (1) year after the same are delivered to Lender, except as otherwise designated by Borrowers to Lender in writing.

(e) Borrowers shall provide to Lender, on a monthly basis or more frequently as Lender may request, a Compliance Certificate in the form attached as Exhibit B hereto,

substantiating Parent's and Borrowers' continuing compliance (noncompliance) with the covenants set forth in Sections 4.03, 4.04 and 4.05 of the Senior Unsecured Notes Indenture.

9.7 Sale of Assets, Consolidation, Merger, Dissolution, Etc. Borrowers shall not, directly or indirectly, (a) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with any Borrower (except for merger or consolidations among Borrowers and mergers of subsidiaries of Borrowers into Borrowers), or (b) sell, assign, lease, transfer, abandon or otherwise dispose of any stock or indebtedness to

any other Person or any of their assets to any other Person (except for the disposition of worn-out or obsolete Equipment or Equipment no longer used in the business of Borrowers so long as (i) if an Event of Default exists or has occurred and is continuing, any proceeds are paid to Lender and (ii) such sales do not involve Equipment having an aggregate fair market value in excess of \$500,000.00 for all such Equipment disposed of in any fiscal year of Borrowers), or (c) form or acquire any subsidiaries, or (d) wind up, liquidate or dissolve or (e) agree to do any of the foregoing.

9.8 Encumbrances. Borrowers shall not create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including, without limitation, the Collateral, except: (a) liens and security interests of Lender; (b) liens securing the payment of taxes, either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrowers and with respect to which adequate reserves have been set aside on its books; (c) non-consensual statutory liens (other than liens securing the payment of taxes or clean-up, containment, removal, remediation or restoration of property of Borrowers or their subsidiaries under any applicable Environmental Laws) arising in the ordinary course of Borrowers' business to the extent: (i) such liens secure indebtedness which is not overdue or (ii) such liens secure indebtedness relating to claims or liabilities which (subject to normal deductibles) are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to Borrowers, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on their books; (d) zoning restrictions, easements, licenses, covenants and other restrictions affecting the use of any Real Property which do not interfere in any material respect with the use of such Real Property or ordinary conduct of the business of Borrower as presently conducted thereon or materially impair the value of the real property which may be subject thereto; (e) pledges or deposits under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of indebtedness) or leases to which a Borrower is a party, or deposits to secure public or statutory obligations of a Borrower or deposits or cash or United States government bonds to secure surety or appeal bonds to which a Borrower is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business; (f) purchase money security interests in Equipment (including capital leases) and purchase money mortgages on real estate not to exceed \$5,000,000 in the aggregate at any time outstanding so long as such security interests and mortgages do not apply to any property of Borrower other than the Equipment or real estate so acquired, and the indebtedness secured thereby does not exceed the cost of the

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Equipment or real estate so acquired, as the case may be; and (g) the security interests and liens set forth on Schedule 8.4 hereto. This covenant is not intended to restrict Borrowers from entering into operating leases, as determined in accordance with GAAP.

9.9 Indebtedness. Borrowers shall not incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any indebtedness, except (a) the Obligations; (b) trade obligations and normal accruals in the ordinary course of business not yet due and payable, or with respect to which the Borrowers are contesting in good faith the amount or validity thereof by appropriate proceedings diligently pursued and available to Borrowers, and with respect to which adequate reserves have been set aside on their books; (c) lease obligations or purchase money indebtedness (including capital leases) to the extent not incurred or secured by liens (including capital leases) in violation of any other provision of this Agreement; (d) indebtedness to the Parent (provided that the repayment thereof shall be subject to the limitations on distributions set forth in Schedule 9.11 as if such payments were distributions) and other Borrowers incurred in the ordinary course of Borrowers' business; (e) guaranty, suretyship or indemnification obligations in connection with the

Borrowers' performance of services in the ordinary course of business; and (f) obligations or indebtedness described in notes 9 and 10 to the audited financial statements of the Parent for the year ended December 31, 1994 (exclusive of the indebtedness described in such notes under the Borrowers' former revolving credit agreement); provided, that, (i) Borrowers may only make regularly scheduled payments of principal and interest in respect of such indebtedness in accordance with the terms of the agreement or instrument evidencing or giving rise to such indebtedness as in effect on the date hereof, (ii) Borrowers shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such indebtedness or any agreement, document or instrument related thereto as in effect on the date hereof, or (B) redeem, retire, defease, purchase or otherwise acquire such indebtedness, or set aside or otherwise deposit or invest any sums for such purpose (except as otherwise permitted in this Agreement), and (iii) Borrowers shall furnish to Lender all notices or demands in connection with such indebtedness either received by any Borrower or on its behalf, promptly after the receipt thereof, or sent by any Borrower or on its behalf, concurrently with the sending thereof, as the case may be.

9.10 Loans, Investments, Guarantees, Etc. Borrowers shall not, directly or indirectly, make any loans or advance money or property to any person, or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the stock or indebtedness or all or a substantial part of the assets or property of any person, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly) the indebtedness, performance, obligations or dividends of any Person or agree to do any of the foregoing, except: (a) the endorsement of instruments for collection or deposit in the ordinary course of business; (b) investments in: (i) short-term direct obligations of the United States Government, (ii) negotiable certificates of deposit issued by any bank satisfactory to Lender, payable to the order of the Borrower or to bearer and delivered to Lender, and (iii) commercial paper rated A1 or P1; provided, that, as to any of the foregoing, unless waived in writing by Lender, Borrowers shall take such actions as are deemed necessary by Lender to perfect the security interest of Lender in such investments; (c) the guarantees set forth in the Information Certificates; and (d) guarantees and loans among Borrowers entered into in the ordinary course of Borrowers' business.

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9.11 Dividends and Redemptions. Borrowers shall not, directly or indirectly, declare or pay any dividends on account of any shares of class of capital stock of Borrower now or hereafter outstanding, or set aside or otherwise deposit or invest any sums for such purpose, or redeem, retire, defease, purchase or otherwise acquire any shares of any class of capital stock (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration other than common stock or apply or set apart any sum, or make any other distribution (by reduction of capital or otherwise) in respect of any such shares or agree to do any of the foregoing, except as set forth on Schedule 9.11 hereto.

9.12 Transactions with Affiliates. Borrowers shall not enter into any transaction for the purchase, sale or exchange of property or the rendering of any service to or by any affiliate, except in the ordinary course of and pursuant to the reasonable requirements of Borrowers' business and upon fair and reasonable terms no less favorable to Borrowers than Borrowers would obtain in a comparable arm's length transaction with an unaffiliated person.

9.13 Working Capital. Parent shall, from the date hereof to the Reset Date (as herein defined), maintain Working Capital of not less than \$12,500,000.00. Parent shall, at all times from and following the Reset Date, maintain Working Capital of not less than an amount, as determined by Lender, equal to (a) the Working Capital of Parent as shown on its management prepared balance sheet as at June 30, 1995, minus (b) the Borrowers' Excess Availability as at June 30, 1995. Borrower shall furnish such balance sheet to Lender on or before July 28, 1995. The Reset Date shall be the date on which Lender notifies CHES of its determination of the changed Working Capital and Net Worth covenants under Sections 9.13 and 9.14.

9.14 Adjusted Net Worth. Parent shall, from the date hereof to the Reset Date (as herein defined), maintain Adjusted Net Worth of not less than \$20,000,000.00. Parent shall, at all times from and following the Reset Date, maintain Adjusted Net Worth of not less than an amount, as determined by Lender, equal to (a) the Adjusted Net Worth of Parent as shown on its management prepared balance sheet as at June 30, 1995, minus (b) the Borrowers' Excess Availability as at June 30, 1995.

9.15 Compliance with ERISA. Borrowers shall not with respect to any "employee pension benefit plans" maintained by any Borrower or any of its ERISA Affiliates:

(i) terminate any of such employee pension benefit plans so as to incur any liability to the Pension Benefit Guaranty Corporation established pursuant to ERISA, (ii) allow or suffer to exist any prohibited transaction involving any of such employee pension benefit plans or any trust created thereunder which would subject any Borrower or such ERISA Affiliate to a tax or penalty or other liability on prohibited transactions imposed under Section 4975 of the Code or ERISA, (iii) fail to pay to any such employee pension benefit plan any contribution which it is obligated to pay under Section 302 of ERISA, Section 412 of the Code or the terms of such plan, (iv) allow or suffer to exist any accumulated funding deficiency, whether or not waived, with respect to any such employee pension benefit plan, (v) allow or suffer to exist any occurrence of a reportable event or any other event or condition which presents a material risk of

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termination by the Pension Benefit Guaranty Corporation of any such employee pension benefit plan that is a single employer plan, which termination could result in any liability to the Pension Benefit Guaranty Corporation or (vi) incur any withdrawal liability with respect to any multiemployer pension plan.

As used in this Section 9.15, the term "employee pension benefit plans," "employee benefit plans", "accumulated funding deficiency" and "reportable event" shall have the respective meanings assigned to them in ERISA, and the term "prohibited transaction" shall have the meaning assigned to it in Section 4975 of the Code and ERISA.

9.16 Costs and Expenses. Borrowers shall pay to Lender on demand all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Lender's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including, but not limited to: (a) all costs and expenses of filing or recording (including Uniform Commercial Code financing statement filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) all title insurance and other insurance premiums, environmental audits, surveys, assessments, engineering reports and inspections, appraisal fees and search fees; (c) costs and expenses of remitting loan proceeds, collecting checks and other items of payment, and establishing and maintaining the Blocked Accounts, together with Lender's customary charges and fees with respect thereto; (d) customary issuance, transfer and other charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit Accommodations; (e) costs and expenses of preserving and protecting the Collateral; (f) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Lender, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against Lender arising out of the transactions contemplated hereby and thereby (including, without limitation, preparations for and consultations concerning any such matters); (g) all out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Lender during the course of periodic field examinations of the Collateral and Borrower's operations, plus

a per diem charge at the rate of \$600 per person per day for Lender's examiners in the field and office; and (h) the fees and disbursements of counsel (including legal assistants) to Lender and any Participant in connection with any of the foregoing.

9.17 Further Assurances. At the request of Lender at any time and from time to time, Borrowers shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Lender may at any time and from time to time request a certificate from an officer of CHES or any other Borrower representing that all conditions precedent to the making of Loans and providing Letter of Credit

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Accommodations contained herein are satisfied. In the event of such request by Lender, Lender may, at its option, cease to make any further Loans or provide any further Letter of Credit Accommodations until Lender has received such certificate and, in addition, Lender has determined that such conditions are satisfied. Where permitted by law, Borrowers hereby authorize Lender to execute and file one or more UCC financing statements signed only by Lender.

9.18 Acquisition of Kimball, Nebraska Facility. Upon the acquisition by Buyer pursuant to the Purchase Agreements of the facility and personal and real property associated therewith in Kimball, Nebraska, Borrowers shall furnish to Lender a Mortgage on such property, a title insurance policy satisfying the conditions of Section 4.1(j) in the amount of \$2,500,000 and such certificates and documents as Lender may request confirming satisfaction of the conditions precedent set forth in the Purchase Agreements.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default. The occurrence or existence of any one or more of the following events are referred to herein individually as an "Event of Default", and collectively as "Events of Default":

(a) (i) Any Borrower fails to pay any of the Obligations (other than third party fees and expenses as set forth in Section 10.1(a)(ii)) when the same becomes due and payable, or (ii) any Borrower fails to pay any third party fees or expenses of Lender within five (5) Business Days of the due date, or (iii) any Borrower or any Obligor fails to perform any of the terms, covenants, conditions or provisions contained in this Agreement or any of the other Financing Agreements other than as described in Section 10.1(a)(i) or (ii) and such failure shall continue for fourteen (14) days; provided, that, such fourteen (14) day period shall not apply in the case of: (A) any failure to observe any such term, covenant, condition or provision which is not capable of being cured at all or within such fourteen (14) day period or which has been the subject of a prior failure within a six (6) month period or (B) an intentional breach by any Borrower or any Obligor of any such term, covenant, condition or provision, or (C) the failure to observe or perform any of the covenants or provisions contained in Sections 6, 7, 9.1, 9.5, 9.7, 9.13 or 9.14 of this Agreement or any covenants or agreements covering substantially the same matters as such specified sections in any of the other Financing Agreements; or

(b) any representation, warranty or statement of fact made by any Borrower to Lender in this Agreement, the other Financing Agreements or any other agreement, schedule, confirmatory assignment or otherwise shall when made or deemed made be false or misleading in any material respect;

(c) any Obligor revokes, terminates or fails to perform any of the terms, covenants, conditions or provisions of any guarantee, endorsement or other agreement of such party in favor of Lender;

(d) any judgment for the payment of money is rendered against any Borrower or any Obligor in excess of \$100,000.00 in any one case or in excess of \$250,000.00 in the aggregate (after deducting any undisputed insurance coverage) and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed, or any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against Borrower or any Obligor or any of their assets which has a material adverse effect on the business, assets or prospects of Borrowers on a consolidated basis;

(e) any Borrower or any Obligor, which is a partnership or corporation, dissolves or suspends or discontinues doing business;

(f) any Borrower or any Obligor becomes insolvent (however defined or evidenced), makes an assignment for the benefit of creditors, makes or sends notice of a bulk transfer or calls a meeting of its creditors or principal creditors;

(g) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed against any Borrower or any Obligor or all or any part of its properties and such petition or application is not dismissed within thirty (30) days after the date of its filing or any Borrower or any Obligor shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(h) a case or proceeding under the bankruptcy laws of the United States of America now or hereafter in effect or under any insolvency, reorganization, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed by any Borrower or any Obligor or for all or any part of its property; or

(i) any default by any Borrower or any Obligor under any agreement, document or instrument relating to any indebtedness for borrowed money owing to any person other than Lender, or any capitalized lease obligations, contingent indebtedness in connection with any guarantee, letter of credit, indemnity or similar type of instrument in favor of any person other than Lender, in any case in an amount in excess of \$100,000.00, which default continues for more than the applicable cure period, if any, with respect thereto, or any default by any Borrower or any Obligor under any material contract, lease, license or other obligation to any person other than Lender, which default continues for more than the applicable cure period, if any, with respect thereto;

(j) any change in the ownership of any Borrower or in the controlling ownership of Parent;

(k) the indictment or threatened indictment of any Borrower or any Obligor under any criminal statute, or commencement or threatened commencement of criminal or civil proceedings against any Borrower or any Obligor, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture of any of the property of any Borrower or such Obligor;

(l) there shall be a default under the Senior Unsecured Notes Indenture, Senior Unsecured Notes or under any of the agreements, instruments or documents relating thereto;

(m) there shall be a default under the MCRC Notes or the Exchange Agreement pursuant to which the MCRC Notes were issued or under any of the agreements, instruments or documents relating thereto;

(n) there shall be a material adverse change in the business, assets or prospects of any Borrower or any Obligor after the date hereof; or

(o) there shall be an event of default under any of the other Financing Agreements.

10.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, Lender shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the Uniform Commercial Code and other applicable law, all of which rights and remedies may be exercised without notice to or consent by any Borrower or any Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Lender hereunder, under any of the other Financing Agreements, the Uniform Commercial Code or other applicable law, are cumulative, not exclusive and enforceable, in Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by any Borrower of this Agreement or any of the other Financing Agreements. Lender may, at any time or times, proceed directly against any Borrower or any Obligor to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, Lender may, in its discretion and without limitation, (i) accelerate the payment of all Obligations and demand immediate payment thereof to Lender (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(g) and 10.1(h), all Obligations shall automatically become immediately due and payable), (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (iii) require Borrowers, at Borrowers' expense, to assemble and make available to Lender any part or all of the Collateral at any place and time designated by Lender, (iv) collect, foreclose, receive, appropriate, setoff and

realize upon any and all Collateral, (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including, without limitation, entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Lender or elsewhere) at such prices or terms as Lender may deem reasonable, for cash, upon credit or for future delivery, with the Lender having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of Borrowers, which right or equity of redemption is hereby expressly waived and released by Borrowers and/or (vii) terminate this Agreement. If any of the Collateral is sold or leased by Lender upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Lender. If notice of disposition of Collateral is required by law, five (5) days prior notice by Lender to Borrowers designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Borrower waives any other notice. In the event Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, each Borrower waives the posting of any bond which might otherwise be required.

(c) Lender may apply the cash proceeds of Collateral actually received by Lender from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as Lender

may elect, whether or not then due and regardless of the adequacy of any Collateral. Borrowers shall remain liable to Lender for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of collection or enforcement, including attorneys' fees and legal expenses.

(d) Without limiting the foregoing, upon the occurrence of a Default or an Event of Default, Lender may, at its option, without notice, (i) cease making Loans or arranging for Letter of Credit Accommodations or reduce the lending formulas or amounts of Revolving Loans and Letter of Credit Accommodations available to Borrowers and/or (ii) terminate any provision of this Agreement providing for any future Loans or Letter of Credit Accommodations to be made by Lender to Borrowers.

(e) Whether or not any Borrower is or all Borrowers are then insolvent, and whether or not any deficiency balance is anticipated, any rights of the Lender hereunder may be exercised by a court appointed receiver. In connection therewith, such a receiver shall be appointed upon a petition, motion, or application filed by the Lender with any court of competent jurisdiction and, effective after the occurrence and during the continuation of an Event of Default. Each Borrower hereby irrevocably consents to and approves, without prior notice or hearing, the immediate appointment of a receiver (in connection with a foreclosure action or otherwise) and waives any right to object thereto without regard to the value of the Collateral or the adequacy of any Collateral.

(f) As the subject matter of this Agreement involves general intangibles such as permits, licenses, certificates, approvals, and authorizations by governmental authorities which by their nature are

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unique, the Borrowers agree and acknowledge that their failure to observe the provisions hereof will cause irreparable harm to the Lender for which there is no adequate remedy at law and so the provisions hereof shall be specifically enforceable by Lender in a court of equity by injunctive relief without any requirement for Lender to provide a bond or other security or prove or allege that its remedies at law are inadequate.

SECTION 11. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

11.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts (without giving effect to principles of conflicts of law).

(b) each Borrower and Lender irrevocably consent and submit to the non-exclusive jurisdiction of the Courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against any Borrower or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Borrower or its property).

(c) Each Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified

mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Borrowers in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Borrowers shall appear in answer to such process, failing which Borrowers shall be deemed in default and judgment may be entered by Lender against Borrowers for the amount of the claim and other relief requested.

(d) EACH BORROWER AND LENDER HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY

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OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH BORROWER AND LENDER HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY BORROWER OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) (i) Lender shall not have any liability to Borrowers (whether in tort, contract, equity or otherwise) for losses suffered by any Borrower in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender, that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement.

(ii) The exercise by Lender of any one or more of the rights and remedies set forth herein shall not operate or be deemed (A) to place upon Lender any responsibility for the operation, control, care, service, management, maintenance or repair of any property or facilities of Borrowers, or (B) make Lender the "owner" or "operator" of any property or facilities of Borrowers or a "responsible party" within the meaning of applicable Environmental Laws.

11.2 Waiver of Notices. Each Borrower hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on any Borrower which Lender may elect to give shall entitle any Borrower to any other or further notice or demand in the same, similar or other circumstances.

11.3 Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

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11.4 Waiver of Counterclaims. Each Borrower waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

11.5 Indemnification. Each Borrower shall indemnify and hold Lender, and its directors, agents, employees and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the fees and expenses of counsel. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Borrowers shall pay the maximum portion which it is permitted to pay under applicable law to Lender in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

SECTION 12. TERM OF AGREEMENT; MISCELLANEOUS

12.1 Term.

(a) This Agreement and the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the date three (3) years from the date hereof (the "Renewal Date"), and from year to year thereafter, unless sooner terminated pursuant to the terms hereof; provided, that, Lender may, at its option, extend the Renewal Date to the date four (4) years from the date hereof by giving Borrower notice at least one hundred twenty (120) days prior to the third anniversary of this Agreement. Lender or Borrower (subject to Lender's right to extend the Renewal Date as provided above) may terminate this Agreement and the other Financing Agreements effective on the Renewal Date or on the anniversary of the Renewal Date in any year by giving to the other party at least one hundred twenty (120) days prior written notice; provided, that, this Agreement and all other Financing Agreements must be terminated simultaneously. Upon the effective date of termination or non-renewal of the Financing Agreements, Borrower shall pay to Lender, in full, all outstanding and unpaid Obligations and shall furnish cash collateral or a letter of credit, from a bank and in form acceptable to Lender, to Lender in such amounts as Lender determines are reasonably necessary to secure Lender from loss, cost, damage or expense, including attorneys' fees and legal expenses, in connection with any contingent Obligations, including issued and outstanding Letter of Credit Accommodations and checks or other payments provisionally credited to the Obligations and/or as to which Lender has not yet received final and indefeasible payment. Such cash collateral shall be remitted by wire transfer in Federal funds to such bank account of Lender, as Lender may, in its discretion, designate in writing to Borrower

for such purpose. Interest shall be due until and including the next business day, if the amounts so paid by Borrower to the bank account designated by Lender are received in such bank account later than 12:00 noon, Boston, Massachusetts time.

(b) No termination of this Agreement or the other Financing Agreements shall relieve or discharge Borrower of its respective duties, obligations and covenants under this Agreement or the other Financing Agreements until all Obligations have been fully and finally discharged and paid, and Lender's

continuing security interest in the Collateral and the rights and remedies of Lender hereunder, under the other Financing Agreements and applicable law, shall remain in effect until all such Obligations have been fully and finally discharged and paid.

(c) If for any reason this Agreement is terminated prior to the end of the then current term or renewal term of this Agreement, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Lender's lost profits as a result thereof, Borrower agrees to pay to Lender, upon the effective date of such termination, an early termination fee in the amount set forth below if such termination is effective in the period indicated:

Amount	Period
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(i) 3% of Revolving Credit Limit	May 8, 1995 to and including May 8, 1996
(ii) 2% of Revolving Credit Limit	May 9, 1996 to and including May 8, 1997
(iii) 1% of Revolving Credit Limit	May 9, 1997 to and including May 8, 1998

Such early termination fee shall be presumed to be the amount of damages sustained by Lender as a result of such early termination and Borrower agrees that it is reasonable under the circumstances currently existing. The refinancing and repayment of the Term Loan through the issuance of pollution control authority industrial revenue bonds shall not trigger the payment of the early termination fee. The early termination fee provided for in this Section 12.1 shall be deemed included in the Obligations.

12.2 Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address set forth below and to Borrowers at the addresses set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

12.3 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

12.4 Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by Lender, Borrowers and their respective successors and assigns, except that Borrowers may not assign their rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Lender. Lender may, after notice to Borrowers, assign its rights and delegate its obligations under this Agreement and the other Financing Agreements and further may assign, or sell participations in, all or any part of the Loans, the Letter of Credit Accommodations or any other interest herein to another financial institution or other person, in which event, the assignee or participant shall have, to the extent of such assignment or participation, the same rights and benefits as it would have if it were the Lender hereunder, except as otherwise provided by the terms of such assignment or participation.

12.5 Participant's Security Interest. If a Participant shall at any time participate with Lender in the Loans, Letter of Credit Accommodations or other Obligations, Borrowers hereby grant to such Participant and such Participant shall have and is hereby given, a continuing lien on and security interest in any money, securities and other property of Borrowers in the custody or

possession of the Participant, including the right of setoff, to the extent of the Participant's participation in the Obligations and regardless of the adequacy of any Collateral, and such Participant shall be deemed to have the same right of setoff to the extent of its participation in the Obligations, as it would have if it were a direct lender.

12.6 Confidentiality.

(a) Lender shall use all reasonable efforts to keep confidential, in accordance with its customary procedures for handling confidential information and safe and sound lending practices, any non-public information supplied to it by Borrower pursuant to this Agreement which is clearly and conspicuously marked as confidential at the time such information is furnished by Borrowers to Lender, provided, that, nothing contained herein shall limit the disclosure of any such information: (i) to the extent required by statute, rule, regulation, subpoena or court order, (ii) to bank examiners and other regulators, auditors and/or accountants, (iii) in connection with any litigation to which Lender is a party, (iv) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) shall have first agreed in writing to treat such information as confidential in accordance with this Section 12.6, or (v) to counsel for Lender or any participant or assignee (or prospective participant or assignee).

(b) In no event shall this Section 12.6 or any other provision of this Agreement or applicable law be deemed: (i) to apply to or restrict disclosure of information that has been or is made public by Borrowers or any third party without breach of this Section 12.6 or otherwise become generally available to the public other than as a result of a disclosure in violation hereof, (ii) to apply to or restrict disclosure of information that was or becomes available to Lender on a non-confidential basis from a person other than Borrowers, (iii) require

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Lender to return any materials furnished by Borrowers to Lender or (iv) prevent Lender from responding to routine informational requests in accordance with the Code of Ethics for the Exchange of Credit Information promulgated by The Robert Morris Associates or other applicable industry standards relating to the exchange of credit information. The obligations of Lender under this Section 12.6 shall supersede and replace the obligations of Lender under any confidentiality letter signed prior to the date hereof.

12.7 Joint and Several Liability. All Loans made hereunder are made to or for the benefit of each of the Borrowers. The Borrowers are jointly and severally, directly and primarily liable for the full and indefeasible payment when due and performance of all Obligations and for the prompt and full payment and performance of all of the promises, covenants, representations, and warranties made or undertaken by each Borrower under the Financing Agreements and Borrowers agree that such liability is independent of the duties, obligations, and liabilities of each of the joint and several Borrowers. In furtherance of the foregoing, each Borrower jointly and severally, absolutely and unconditionally guaranties to Lender and agrees to be liable for the full and indefeasible payment and performance when due of all the Obligations.

12.8 Suretyship Waivers and Consents.

(a) Each Borrower acknowledges that the obligations of such Borrower undertaken herein might be construed to consist, at least in part, of the guaranty of obligations of persons other than such Borrower (including the other Borrowers) and, in full recognition of that fact, each Borrower consents and agrees that Lender may, at any time and from time to time, without notice or demand (except as provided in and in accordance with the terms of this Agreement), whether before or after any actual or purported termination, repudiation or revocation of this Agreement by any Borrower, and without affecting the enforceability or continuing effectiveness hereof as to each Borrower: (i) increase, extend, or otherwise change the time for payment or the terms of the Obligations or any part thereof; (ii) supplement, restate, modify,

amend, increase, decrease, or waive, or enter into or give any agreement, approval or consent with respect to, the Obligations or any part thereof, or any of the Financing Agreements or any additional security or guarantees, or any condition, covenant, default, remedy, right, representation, or term thereof or thereunder; (iii) accept new or additional instruments, documents, or agreements in exchange for or relative to any of the Financing Agreements or the Obligations or any part thereof; (iv) accept partial payments on the Obligations; (v) receive and hold additional security or guarantees for the Obligations or any part thereof; (vi) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer, or enforce any security or guarantees, and apply any security and direct the order or manner of sale thereof as Lender in its sole and absolute discretion may determine; (vii) release any person from any personal liability with respect to the Obligations or any part thereof; (viii) settle, release on terms satisfactory to Lender or by operation of applicable laws or otherwise liquidate or enforce any Obligations and any security therefor or guaranty thereof in any manner, consent to the transfer of any security and bid and purchase at any sale; or (ix) consent to the merger, change, or any other restructuring or termination of the corporate or partnership existence of any Borrower, and correspondingly restructure the Obligations, and any such merger, change, restructuring, or termination shall not affect the liability of any Borrower or the continuing

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effectiveness hereof, or the enforceability hereof with respect to all or any part of the Obligations.

(b) Lender may enforce this Agreement independently as to each Borrower and independently of any other remedy or security Lender at any time may have or hold in connection with the Obligations, and it shall not be necessary for Lender to marshal assets in favor of any Borrower or any Obligor or to proceed upon or against or exhaust any security or remedy before proceeding to enforce this Agreement. Each Borrower expressly waives any right to require Lender to marshal assets in favor of any Borrower or any guarantor of the Obligations or to proceed against any other Borrower, and agrees that Lender may proceed against Borrowers or any Collateral in such order as Lender shall determine in its sole and absolute discretion.

(c) Lender may file a separate action or actions against any Borrower, whether such action is brought or prosecuted with respect to any security or against any guarantor of the Obligations, or whether any other person is joined in any such action or actions. Each Borrower agrees that Lender and each Borrower and any affiliate of any Borrower may deal with each other in connection with the Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the continuing efficacy of this Agreement. Each Borrower, as a joint and several Borrower hereunder, expressly waives the benefit of any statute of limitations affecting its joint and several liability hereunder (but not its primary liability) or the enforcement of the Obligations or any rights of Lender created or granted herein.

(d) Lender's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Obligations which thereafter shall be required to be restored or returned by Lender, all as though such amount had not been paid. The rights of Lender created or granted herein and the enforceability of this Agreement at all times shall remain effective to cover the full amount of all the Obligations even though the Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any Borrower and whether or not any Borrower shall have any personal liability with respect thereto.

(e) Each Borrower expressly waives any and all defenses now or hereafter arising or asserted by reason of (i) any disability or other defense of the other Borrower with respect to the Obligations; (ii) the unenforceability or

invalidity of any security or guaranty for the Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations; (iii) the cessation for any cause whatsoever of the liability of the any Borrower (other than by reason of the full payment and performance of all Obligations); (iv) any failure of Lender to marshall assets in favor of any Borrower; (v) any failure of Lender to give notice to any Borrower of sale or other disposition of Collateral of another Borrower or any defect in any notice that may be given in connection with any such sale or disposition of Collateral of any Borrower securing the Obligations; (vi) any failure of Lender to comply with applicable law in connection with the sale or other disposition of any Collateral or other security of any Borrower, for any Obligation, including any failure of Lender to conduct a commercially

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reasonable sale or other disposition of any Collateral or other security of the other Borrower for any Obligation; (vii) any act or omission of Lender or others that directly or indirectly results in or aids the discharge or release of the other Borrower or the Obligations of the other Borrower or any security or guaranty therefor by operation of law or otherwise; (viii) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (ix) any failure of Lender to file or enforce a claim in any bankruptcy or other proceeding with respect to any Borrower; (x) the avoidance of any lien or security interest in assets of the other Borrower in favor of Lender for any reason; or (xi) any action taken by Lender that is authorized by this section or any other provision of any Loan Document. Until such time, if any, as all of the Obligations have been indefeasibly paid and performed in full and no portion of any commitment of Lender to Borrowers under any Financing Agreement remains in effect, Borrowers' rights of subrogation, contribution, reimbursement, or indemnity against the other shall be fully and completely subordinated to the indefeasible repayment in full of the Obligations, and each Borrower expressly waives any right to enforce any remedy that it now has or hereafter may have against any other Person and waives the benefit of, or any right to participate in, any Collateral now or hereafter held by Lender.

(f) To the fullest extent permitted by applicable law, each Borrower expressly waives and agrees not to assert, any and all defenses in its favor based upon an election of remedies by Lender which destroys, diminishes, or affects such Borrower's subrogation rights against the other Borrowers, or against any Obligor, and/or (except as explicitly provided for herein) any rights to proceed against each other Borrower, or any other party liable to Lender, for reimbursement, contribution, indemnity, or otherwise.

(g) Borrowers and each of them warrant and agree that each of the waivers and consents set forth herein are made after consultation with legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy, or otherwise adversely affect rights which Borrowers otherwise may have against each other, Lender, or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. If any of the waivers or consents herein are determined to be contrary to any applicable law or public policy, such waivers and consents shall be effective to the maximum extent permitted by law.

12.9 Contribution Agreement. As an inducement to Lender to enter into the Financing Agreements and to make the loans and extend credit to the Borrowers, each Borrower and each Obligor agrees to indemnify and hold the other harmless from and each shall have a continuing right of contribution against the other Borrowers and any Obligors, if and to the extent that a Borrower makes or is caused to make disproportionate payments in excess of that Borrower's Proportionate Share of the Loans or contributions (from dispositions of its assets or otherwise) to the repayment and satisfaction of the Obligations. These indemnification and contribution obligations shall be unconditional and continuing obligations of the Borrowers and Obligors and shall not be waived,

rescinded, modified, limited or terminated in any way whatsoever without the prior written consent of Lender, in its sole discretion.

12.10 PREJUDGEMENT REMEDIES. EACH BORROWER HEREBY WAIVES SUCH RIGHTS AS IT MAY HAVE TO NOTICE AND/OR HEARING UNDER ANY APPLICABLE FEDERAL OR STATE LAWS INCLUDING, WITHOUT LIMITATION, CONNECTICUT GENERAL STATUTES SECTIONS 52-278A, ET-SEQ., AS AMENDED, PERTAINING TO THE EXERCISE BY LENDER OF SUCH RIGHTS AS THE LENDER MAY HAVE INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK PREJUDGMENT REMEDIES AND/OR DEPRIVE ANY BORROWER OF OR AFFECT THE USE OF OR POSSESSION OR ENJOYMENT OF A BORROWER'S PROPERTY PRIOR TO THE RENDITION OF A FINAL JUDGMENT AGAINST A BORROWER. EACH BORROWER FURTHER WAIVES ANY RIGHT IT MAY HAVE TO REQUIRE LENDER TO PROVIDE A BOND OR OTHER SECURITY AS A PRECONDITION TO OR IN CONNECTION WITH ANY PREJUDGMENT REMEDY SOUGHT BY LENDER.

12.11 Entire Agreement. This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

IN WITNESS WHEREOF, Lender and Borrowers have caused these presents to be duly executed as of the day and year first above written.

[SIGNATURES CONTINUED ON NEXT PAGE]

LENDER

CONGESS FINANCIAL CORPORATION
(NEW ENGLAND)

BORROWERS

CLEAN HARBORS ENVIRON-
MENTAL SERVICES, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: James A. Pitts
Title: Vice President

Address:

One Post Office Square
Boston, MA 02109

Chief Executive Office:

325 Wood Road
Braintree, MA 02184

CLEAN HARBORS TECHNOLOGY
CORPORATION

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

325 Wood Road
Braintree, MA 02184

CLEAN HARBORS KINGSTON
FACILITY CORPORATION

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

Joseph Street
Kingston, MA 02364

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CLEAN HARBORS OF
BRAINTREE, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

325 Wood Road
Braintree, MA 02184

CLEAN HARBORS OF
CHICAGO, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

11800 South Stony Island Avenue
Chicago, IL 60617

CLEAN HARBORS OF NATICK, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

10 Mercer Road
Natick, MA 01760

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CLEAN HARBORS OF
CONNECTICUT, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

51 Broderick Road
Bristol, CT 06010

MURPHY'S WASTE OIL
SERVICE, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

252 Salem Street
Woburn, MA 01801

CLEAN HARBORS OF
CLEVELAND, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

11800 South Stony Island Avenue
Chicago, IL 60617

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MR. FRANK, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

21900 South Central Avenue
Matteson, IL 60443

SPRING GROVE RESOURCE
RECOVERY, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Chief Executive Office:

4879 Spring Grove Avenue
Cincinnati, OH 45214

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SCHEDULE 9.11

PERMITTED DIVIDENDS AND DISTRIBUTIONS

So long as no Default or Event of Default exists, Borrowers may make distributions to Parent from time to time as required for Parent to pay:

(a) regularly scheduled payments of principal and interest due on the Senior Unsecured Notes, the MCRC Notes, the Junior Subordinated Promissory Note dated June 30, 1992 issued to Southdown Environmental Treatment Systems, Inc. and other indebtedness for borrowed money of Parent (including leases) (but not any

amount due upon the acceleration thereof or otherwise);

(b) regularly scheduled dividends on Series B Preferred Stock of Parent;

(c) prepayments of principal with respect to the indebtedness referred to in clause (a) and payments for the redemption of Series B Preferred Stock referred to in clause (b) provided that, in either case, such payments may only be made to the extent of 50% of Excess Cash Flow of Borrowers for the prior twelve (12) month period;

(d) amounts necessary to make acquisitions of additional subsidiaries in accordance with Section 5.7 of the Security Agreement between Parent and Lender; and

(e) actual out-of-pocket costs and expenses incurred by Parent from time to time in the ordinary course of business;

provided that on each of the sixty (60) consecutive days prior to the making of any such distribution and on the date thereof after giving effect thereto, Borrowers shall maintain Excess Availability of not less than \$4,500,000.00.

For purposes of this Schedule 9.11, Excess Cash Flow shall mean the net income (loss) of Borrowers from continuing operations plus income tax and interest expenses for such period, plus depreciation and amortization expenses for such period less all current maturities of long term debt and capital expenditures incurred during such period, all as determined in accordance with GAAP.

TERM PROMISSORY NOTE

\$10,000,000.00

Boston, Massachusetts
May 8, 1995

FOR VALUE RECEIVED, Clean Harbors Environmental Services, Inc., a Massachusetts corporation, Clean Harbors Technology Corporation, a Massachusetts corporation, Clean Harbors Kingston Facility Corporation, a Massachusetts corporation, Clean Harbors of Braintree, Inc., a Massachusetts corporation, Clean Harbors of Chicago, Inc., a Massachusetts corporation, Clean Harbors of Natick, Inc., a Massachusetts corporation, Clean Harbors of Connecticut, Inc., a Connecticut corporation, Clean Harbors of Cleveland, Inc., a Massachusetts corporation, Murphy's Waste Oil Service, Inc., a Massachusetts corporation, Mr. Frank, Inc., an Illinois corporation and Spring Grove Resource Recovery, Inc., a Delaware corporation (each a "Debtor" and, collectively the "Debtors"), jointly and severally, hereby unconditionally promise to pay to the order of CONGRESS FINANCIAL CORPORATION (NEW ENGLAND), a Massachusetts corporation (the "Payee"), at the offices of Payee at One Post Office Square, Boston, MA 02109, or at such other place as the Payee or any holder hereof may from time to time designate, the principal sum of TEN MILLION DOLLARS (\$10,000,000) in lawful money of the United States of America and in immediately available funds, in sixty (60) consecutive monthly installments (or earlier as hereinafter provided) on the first day of each month commencing June 1, 1995 of which the first fifty-nine (59) installments shall each be in the amount of ONE HUNDRED SIXTY SIX THOUSAND SIX HUNDRED SIXTY-SEVEN DOLLARS (\$166,667), and the last installment shall be in the amount of the entire unpaid balance of this Note.

Debtors, jointly and severally, hereby further promise to pay interest to the order of Payee on the unpaid principal balance hereof at the Interest Rate. Such interest shall be paid in like money at said office or place from the date hereof, commencing June 1, 1995 and on the first day of each month thereafter until the indebtedness evidenced by this Note is paid in full. Interest payable upon and after an Event of Default or termination or non-renewal of the Loan Agreement shall be payable upon demand.

For purposes hereof, (a) the term "Interest Rate" shall mean, as to Prime Rate Loans, a rate of one and one-half (1.5%) percent per annum in excess of the Prime Rate, and as to Eurodollar Rate Loans, a rate of three (3.0%) percent per annum in excess of the Adjusted Eurodollar Rate; provided, that, at Payee's option, the Interest Rate shall mean a rate of four (4.0%) percent per annum in excess of the Prime Rate as to Prime Rate Loans and a rate of four (4.0%) percent per annum in excess of the Adjusted Eurodollar Rate as to Eurodollar Rate Loans upon and after an Event of Default or termination or non-renewal of the Loan Agreement, (b) the term "Prime Rate" shall mean the rate from time to time publicly announced by CoreStates Bank, N.A., or its successors, at its office in Philadelphia, Pennsylvania, as its prime rate, whether or not such announced rate is the best rate available at such bank, (c) the term "Event of Default" shall mean an Event of Default as such term is defined in the Loan Agreement, and (d) the term "Loan Agreement" shall mean the Loan and Security Agreement, dated of even date herewith, between Debtors and Payee, as the same now exists or may hereafter be amended, modified,

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supplemented, extended, renewed, restated or replaced. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning assigned thereto in the Loan Agreement.

The Interest Rate applicable to Prime Rate Loans payable hereunder shall increase or decrease by an amount equal to each increase or decrease,

respectively, in the Prime Rate, effective on the first day of the month after any change in the Prime Rate, based on the Prime Rate in effect on the last day of the month in which any such change occurs. Interest shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. In no event shall the interest charged hereunder exceed the maximum permitted under the laws of the Commonwealth of Massachusetts or other applicable law.

This Note is issued pursuant to the terms and provisions of the Loan Agreement to evidence the Term Loan by Payee to Debtors. This Note is secured by the Collateral described in the Loan Agreement and all notes, guarantees, security agreements and other agreements, documents and instrument now or at any time hereafter executed and/or delivered by any Debtor or any other party in connection therewith (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, renewed, extended, restated or replaced, being collectively referred to herein as the "Financing Agreements"), and is entitled to all of the benefits and rights thereof and of the other Financing Agreements. At the time any payment is due hereunder, at its option, Payee may charge the amount thereof to any account of any Debtor maintained by Payee.

If any payment of principal or interest is not made when due hereunder, or if any other Event of Default shall occur for any reason, or if the Loan Agreement shall be terminated or not renewed for any reason whatsoever, then and in any such event, in addition to all rights and remedies of Payee under the Financing Agreements, applicable law or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively and concurrently, Payee may, at its option, declare any or all of Debtor's obligations, liabilities and indebtedness owing to Payee under the Loan Agreement and the other Financing Agreements (the "Obligations"), including, without limitation, all amounts owing under this Note, to be due and payable, whereupon the then unpaid balance hereof, together with all interest accrued thereon, shall forthwith become due and payable, together with interest accruing thereafter at the then applicable Interest Rate stated above until the indebtedness evidenced by this Note is paid in full, plus the costs and expenses of collection hereof, including, but not limited to, attorneys' fees and legal expenses.

Each Debtor (i) waives diligence, demand, presentment, protest and notice of any kind, (ii) agrees that it will not be necessary for Payee to first institute suit in order to enforce payment of this Note and (iii) consents to any one or more extensions or postponements of time of payment, release, surrender or substitution of collateral security, or forbearance or other indulgence, without notice or consent. The pleading of any statute of limitations as a defense to any demand against any Debtor is expressly hereby waived by each Debtor. Upon any Event of Default or termination or non-renewal of the Loan Agreement, Payee shall have the right, but not the obligation to setoff against this Note all money owed by Payee to any Debtor.

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Payee shall not be required to resort to any Collateral for payment, but may proceed against any Debtor and any guarantors or endorsers hereof in such order and manner as Payee may choose. None of the rights of Payee shall be waived or diminished by any failure or delay in the exercise thereof.

The validity, interpretation and enforcement of this Note and the other Financing Agreements and any dispute arising in connection herewith or therewith shall be governed by the internal laws of the Commonwealth of Massachusetts (without giving effect to principles of conflicts of law).

Each Debtor irrevocably consents and submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Note or any of the other Financing Agreements or in any way connection with or related or incidental to the dealings of any Debtor and Payee in respect of this Note or any of the other Financing Agreements or

the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between any Debtor and Payee or the conduct of such persons in connection with this Note or otherwise shall be heard only in the courts described above (except that Payee shall have the right to bring any action or proceeding against such Debtor or its property in the courts of any other jurisdiction which Payee deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against such Debtor or its property).

Each Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed as specified in the Loan Agreement and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Payee's option, by service upon Debtors in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Debtors shall appear in answer to such process, failing which Debtors shall be deemed in default and judgment may be entered by Payee against Debtors for the amount of the claim and other relief requested.

EACH DEBTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS NOTE OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS BETWEEN DEBTOR AND PAYEE IN RESPECT OF THIS NOTE OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

The execution and delivery of this Note has been authorized by the Board of Directors and by any necessary vote or consent of the stockholders of each Debtor. Each Debtor hereby

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authorizes Payee to complete this Note in any particulars according to the terms of the loan evidenced hereby.

This Note shall be binding upon the successors and assigns of each Debtor and inure to the benefit of Payee and its successors, endorsees and assigns. Whenever used herein, the term "Debtor" shall be deemed to include its successors and assigns and the term "Payee" shall be deemed to include its successors, endorsees and assigns. If any term or provision of this Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

ATTEST:

BORROWERS:

CLEAN HARBORS, INC.

Clerk
[Corporate Seal]

By: _____
Name: James A. Pitts
Title: Executive Vice
President

Clerk CORPORATION
[Corporate Seal]

CLEAN HARBORS TECHNOLOGY

By: _____
Name: James A. Pitts
Title: Vice President

Clerk
[Corporate Seal]

CLEAN HARBORS KINGSTON
FACILITY CORPORATION

By: _____
Name: James A. Pitts
Title: Vice President

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Clerk INC.
[Corporate Seal]

CLEAN HARBORS OF BRAINTREE,

By: _____
Name: James A. Pitts
Title: Vice President

Clerk

CLEAN HARBORS OF CHICAGO,
INC.

By: _____
Name: James A. Pitts
Title: Vice President

Clerk
[Corporate Seal]

CLEAN HARBORS OF NATICK, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Secretary
[Corporate Seal]

CLEAN HARBORS OF CONNECTICUT,
INC.

By: _____
Name: James A. Pitts
Title: Vice President

Clerk
[Corporate Seal]

MURPHY'S WASTE OIL
SERVICE, INC.

By: _____
Name: James A. Pitts
Title: Vice President

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Clerk
[Corporate Seal]

CLEAN HARBORS OF CLEVELAND,
INC.

By: _____
Name: James A. Pitts
Title: Vice President

MR. FRANK, INC.

Secretary
[Corporate Seal]

By: _____
Name: James A. Pitts
Title: Vice President

Secretary
[Corporate Seal]

SPRING GROVE RESOURCE
RECOVERY, INC.

By: _____
Name: James A. Pitts
Title: Vice President

Secretary
[Corporate Seal]

CLEAN HARBORS ENVIRONMENTAL
SERVICES, INC.,

By: _____
Name: James A. Pitts
Title: Vice President

GUARANTEE

May 8, 1995

Congress Financial Corporation (New England)
One Post Office Square
Boston, MA 02109

Re: Clean Harbors Environmental Services, Inc., a Massachusetts corporation, Clean Harbors Technology Corporation, a Massachusetts corporation, Clean Harbors Kingston Facility Corporation, a Massachusetts corporation, Clean Harbors of Braintree, Inc., a Massachusetts corporation, Clean Harbors of Chicago, Inc., a Massachusetts corporation, Clean Harbors of Natick, Inc., a Massachusetts corporation, Clean Harbors of Connecticut, Inc., a Connecticut corporation, Clean Harbors of Cleveland, Inc., a Massachusetts corporation, Murphy's Waste Oil Service, Inc., a Massachusetts corporation, Mr. Frank, Inc., an Illinois corporation and Spring Grove Resource Recovery, Inc., a Delaware corporation (each, a "Borrower" and, collectively, the "Borrowers").

Gentlemen:

Congress Financial Corporation (New England) ("Lender") and Borrowers have entered into certain financing arrangements pursuant to which Lender may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated May 8, 1995, among Borrowers and Lender (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement"), and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Guarantee (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements").

Due to the close business and financial relationships between Borrowers and the undersigned ("Guarantor"), in consideration of the benefits which will accrue to Guarantor and as an inducement for and in consideration of Lender making loans and advances and providing other financial accommodations to Borrowers pursuant to the Loan Agreement and the other Financing Agreements, Guarantor hereby agrees in favor of Lender as follows:

1. Guarantee.

(a) Guarantor absolutely and unconditionally guarantees and agrees to be liable for the full and indefeasible payment and performance when due of the following (all of

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which are collectively referred to herein as the "Guaranteed Obligations"): (i) all obligations, liabilities and indebtedness of any kind, nature and description of any Borrower to Lender and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Loan Agreement, the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the

initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to any Borrower under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts, which would accrue and become due but for the commencement of such case and including loans, interest, fees, charges and expenses related thereto and all other obligations of any Borrower or its successors to Lender arising after the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Lender and (ii) all expenses (including, without limitation, attorneys' fees and legal expenses) incurred by Lender in connection with the preparation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of any Borrower's obligations, liabilities and indebtedness as aforesaid to Lender, the rights of Lender in any collateral or under this Guarantee and all other Financing Agreements or in any way involving claims by or against Lender directly or indirectly arising out of or related to the relationships between any Borrower, Guarantor or any other Obligor (as hereinafter defined) and Lender, whether such expenses are incurred before, during or after the initial or any renewal term of the Loan Agreement and the other Financing Agreements or after the commencement of any case with respect to any Borrower or Guarantor under the United States Bankruptcy Code or any similar statute.

(b) This Guarantee is a guaranty of payment and not of collection. Guarantor agrees that Lender need not attempt to collect any Guaranteed Obligations from any Borrower, Guarantor or any other Obligor or to realize upon any collateral, but may require Guarantor to make immediate payment of all of the Guaranteed Obligations to Lender when due, whether by maturity, acceleration or otherwise, or at any time thereafter. Lender may apply any amounts received in respect of the Guaranteed Obligations to any of the Guaranteed Obligations, in whole or in part (including attorneys' fees and legal expenses incurred by Lender with respect thereto or otherwise chargeable to any Borrower or Guarantor) and in such order as Lender may elect.

(c) Payment by Guarantor shall be made to Lender at the office of Lender from time to time on demand as Guaranteed Obligations become due. Guarantor shall make all payments to Lender on the Guaranteed Obligations free and clear of, and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. One or more successive or concurrent actions may be brought hereon against Guarantor either in the same action in which any Borrower or any other Obligor is sued or in separate actions. In the event any claim or action, or action on any judgment, based on this Guarantee is brought against Guarantor, Guarantor agrees not to deduct, set-off, or seek any counterclaim for or recoup any amounts which are or may be owed by Lender to Guarantor.

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2. Waivers and Consents.

(a) Notice of acceptance of this Guarantee, the making of loans and advances and providing other financial accommodations to any Borrower and presentment, demand, protest, notice of protest, notice of nonpayment or default and all other notices to which any Borrower or Guarantor is entitled are hereby waived by Guarantor. Guarantor also waives notice of and hereby consents to, (i) any amendment, modification, supplement, extension, renewal, or restatement of the Loan Agreement and any of the other Financing Agreements, including, without limitation, extensions of time of payment of or increase or decrease in the amount of any of the Guaranteed Obligations or any collateral, and the guarantee made herein shall apply to the Loan Agreement and the other Financing Agreements and the Guaranteed Obligations as so amended, modified, supplemented, renewed, restated or extended, increased or decreased, (ii) the taking, exchange, surrender and releasing of collateral or guarantees now or at any time held by or available to Lender for the obligations of any Borrower or any other party at any time liable on or in respect of the Guaranteed Obligations or who is the owner of any property which is security for the Guaranteed Obligations

(individually, an "Obligor" and collectively, the "Obligors"), (iii) the exercise of, or refraining from the exercise of any rights against any Borrower or any other Obligor or any collateral, (iv) the settlement, compromise or release of, or the waiver of any default with respect to, any of the Guaranteed Obligations and (v) any financing by Lender of any Borrower under Section 364 of the United States Bankruptcy Code or consent to the use of cash collateral by Lender under Section 363 of the United States Bankruptcy Code. Guarantor agrees that the amount of the Guaranteed Obligations shall not be diminished and the liability of Guarantor hereunder shall not be otherwise impaired or affected by any of the foregoing.

(b) No invalidity, irregularity or unenforceability of all or any part of the Guaranteed Obligations shall affect, impair or be a defense to this Guarantee, nor shall any other circumstance which might otherwise constitute a defense available to or legal or equitable discharge of any Borrower in respect of any of the Guaranteed Obligations, or Guarantor in respect of this Guarantee, affect, impair or be a defense to this Guarantee. Without limitation of the foregoing, the liability of Guarantor hereunder shall not be discharged or impaired in any respect by reason of any failure by Lender to perfect or continue perfection of any lien or security interest in any collateral or any delay by Lender in perfecting any such lien or security interest. As to interest, fees and expenses, whether arising before or after the commencement of any case with respect to any Borrower under the United States Bankruptcy Code or any similar statute, Guarantor shall be liable therefor, even if such Borrower's liability for such amounts does not, or ceases to, exist by operation of law.

3. Subordination. Payment of all amounts now or hereafter owed to Guarantor by any Borrower or any other Obligor is hereby subordinated in right of payment to the indefeasible payment in full in cash to Lender of the Guaranteed Obligations and all such amounts and any security and guarantees therefor are hereby assigned to Lender as security for the Guaranteed Obligations.

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4. Acceleration. Notwithstanding anything to the contrary contained herein or any of the terms of any of the other Financing Agreements, the liability of Guarantor for the entire Guaranteed Obligations shall mature and become immediately due and payable, even if the liability of any Borrower or any other Obligor therefor does not, upon the occurrence of any act, condition or event which constitutes an Event of Default as such term is defined in the Loan Agreement.

5. Account Stated. The books and records of Lender showing the account between Lender and Borrowers shall be admissible in evidence in any action or proceeding against or involving Guarantor as prima facie proof of the items therein set forth, and the monthly statements of Lender rendered to Borrowers, to the extent to which no written objection is made within thirty (30) days from the date of sending thereof to Borrowers, shall be deemed conclusively correct and constitute an account stated between Lender and Borrowers and be binding on Guarantor.

6. Termination. This Guarantee is continuing, unlimited, absolute and unconditional. All Guaranteed Obligations shall be conclusively presumed to have been created in reliance on this Guarantee. Guarantor shall continue to be liable hereunder until one of Lender's officers actually receives a written termination notice from Guarantor sent to Lender at its address set forth above by certified mail, return receipt requested and thereafter as set forth below. Revocation or termination hereof by Guarantor shall not affect, in any manner, the rights of Lender or any obligations or duties of Guarantor under this Guarantee with respect to (a) Guaranteed Obligations which have been created, contracted, assumed or incurred prior to the receipt by Lender of such written notice of revocation or termination as provided herein, including, without limitation, (i) all amendments, extensions, renewals and modifications of such Guaranteed Obligations (whether or not evidenced by new or additional agreements, documents or instruments executed on or after such notice of revocation or termination), (ii) all interest, fees and similar charges accruing

or due on and after revocation or termination, and (iii) all attorneys' fees and legal expenses, costs and other expenses paid or incurred on or after such notice of revocation or termination in attempting to collect or enforce any of the Guaranteed Obligations against any Borrower, Guarantor or any other Obligor (whether or not suit be brought), or (b) Guaranteed Obligations which have been created, contracted, assumed or incurred after the receipt by Lender of such written notice of revocation or termination as provided herein pursuant to any contract entered into by Lender prior to receipt of such notice. The sole effect of such revocation or termination by Guarantor shall be to exclude from this Guarantee the liability of Guarantor for those Guaranteed Obligations arising after the date of receipt by Lender of such written notice which are unrelated to Guaranteed Obligations arising or transactions entered into prior to such date. Without limiting the foregoing, this Guarantee may not be terminated and shall continue so long as the Loan Agreement shall be in effect (whether during its original term or any renewal, substitution or extension thereof).

7. Reinstatement. If after receipt of any payment of, or proceeds of collateral applied to the payment of, any of the Guaranteed Obligations, Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Guaranteed Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this

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Guarantee shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Guarantor shall be liable to pay to Lender, and does indemnify and hold Lender harmless for the amount of any payments or proceeds surrendered or returned. This Section 7 shall remain effective notwithstanding any contrary action which may be taken by Lender in reliance upon such payment or proceeds. This Section 7 shall survive the termination or revocation of this Guarantee.

8. Amendments and Waivers. Neither this Guarantee nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

9. Corporate Existence, Power and Authority. Guarantor is a corporation duly organized and in good standing under the laws of its state or other jurisdiction of incorporation and is duly qualified as a foreign corporation and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a material adverse effect on the financial condition, results of operation or businesses of Guarantor or the rights of Lender hereunder or under any of the other Financing Agreements. The execution, delivery and performance of this Guarantee is within the corporate powers of Guarantor, have been duly authorized and is not in contravention of law or the terms of the certificates of incorporation, by-laws, or other organizational documentation of Guarantor, or any indenture, agreement or undertaking to which Guarantor is a party or by which Guarantor or its property are bound. This Guarantee constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms.

10. Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Guarantee and any dispute arising out of the relationship between Guarantor and Lender, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts (without giving effect to

principles of conflicts of law).

(b) Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guarantee or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Lender in respect of this Guarantee or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter

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arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or any Borrower and Lender or the conduct of any such persons in connection with this Guarantee, the other Financing Agreements or otherwise shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Guarantor or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on any collateral at any time granted by any Borrower or Guarantor to Lender or to otherwise enforce its rights against Guarantor or its property).

(c) Guarantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Guarantor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Guarantor shall appear in answer to such process, failing which Guarantor shall be deemed in default and judgment may be entered by Lender against Guarantor for the amount of the claim and other relief requested.

(d) GUARANTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS GUARANTEE OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GUARANTOR AND LENDER IN RESPECT OF THIS GUARANTEE OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. GUARANTOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT GUARANTOR OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GUARANTOR AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Guarantor (whether in tort, contract, equity or otherwise) for losses suffered by Guarantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Guarantee, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of the Loan Agreement and the other Financing Agreements.

11. Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address set forth above and to Guarantor at its chief executive office set

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forth below, or to such other address as either party may designate by written

notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

12. Partial Invalidity. If any provision of this Guarantee is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Guarantee as a whole, but this Guarantee shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

13. Entire Agreement. This Guarantee represents the entire agreement and understanding of the parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

14. Successors and Assigns. This Guarantee shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Lender and its successors, endorsees, transferees and assigns. The liquidation, dissolution or termination of Guarantor shall not terminate this Guarantee as to such entity or as to Guarantor.

15. Construction. All references to the term Guarantor wherever used herein shall mean Guarantor and its successors and assigns (including, without limitation, any receiver, trustee or custodian for Guarantor or any of its assets or Guarantor in its capacity as debtor or debtor-in-possession under the United States Bankruptcy Code). All references to the term "Lender" wherever used herein shall mean Lender and its successors and assigns and all references to the term "Borrower" wherever used herein shall mean each Borrower and its successors and assigns (including, without limitation, any receiver, trustee or custodian for such Borrower or any of its assets or such Borrower in its capacity as debtor or debtor-in-possession under the United States Bankruptcy Code). All references to the term "Person" or "person" wherever used herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof. All references to the plural shall also mean the singular and to the singular shall also mean the plural.

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IN WITNESS WHEREOF, Guarantor has executed and delivered this Guarantee as of the day and year first above written.

ATTEST:

CLEAN HARBORS, INC.

By: _____

Name: James A. Pitts

Title: Executive Vice President

[CORPORATE SEAL]

Chief Executive Office

325 Wood Road
Braintree, MA 02184

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COUNTY OF SUFFOLK) ss.:
)

On this ____ day of May, 1995, before me personally came James A. Pitts, to me known, who stated that he is the Executive Vice President of Clean Harbors, Inc., the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Notary Public

GENERAL SECURITY AGREEMENT

This General Security Agreement dated May 8, 1995 is by Clean Harbors, Inc., a Massachusetts corporation ("Guarantor") in favor of Congress Financial Corporation (New England), a Massachusetts corporation ("Lender").

W I T N E S S E T H

WHEREAS, Lender has entered or is about to enter into certain financing arrangements with Clean Harbors Environmental Services, Inc., a Massachusetts corporation, Clean Harbors Technology Corporation, a Massachusetts corporation, Clean Harbors Kingston Facility Corporation, a Massachusetts corporation, Clean Harbors of Braintree, Inc., a Massachusetts corporation, Clean Harbors of Chicago, Inc., a Massachusetts corporation, Clean Harbors of Natick, Inc., a Massachusetts corporation, Clean Harbors of Connecticut, Inc., a Connecticut corporation, Clean Harbors of Cleveland, Inc., a Massachusetts corporation, Murphy's Waste Oil Service, Inc., a Massachusetts corporation, Mr. Frank, Inc., an Illinois corporation and Spring Grove Resource Recovery, Inc., a Delaware corporation (each, a "Borrower" and, collectively, the "Borrowers") pursuant to which Lender may make loans and provide other financial accommodations to Borrowers; and

WHEREAS, Guarantor has executed and delivered or is about to execute and deliver to Lender a guarantee in favor of Lender pursuant to which Guarantor absolutely and unconditionally guarantees to Lender the payment and performance of all now existing and hereafter arising obligations, liabilities and indebtedness of Borrowers to Lender; and

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

All terms used herein which are defined in Article 1 or Article 9 of the Uniform Commercial Code shall have the meanings given therein unless otherwise defined in this Agreement. If not defined herein, capitalized terms used herein shall have the meaning given to them in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Guarantor, Borrowers and Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7.3. Any accounting term used herein unless otherwise defined in this Agreement shall have the meanings customarily given to such term in accordance with GAAP. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean all present and future rights of Guarantor to payment for goods sold or leased or for services rendered, which are not evidenced by instruments or chattel paper, and whether or not earned by performance.

1.2 "Equipment" shall mean all of Guarantor's now owned and hereafter acquired equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.3 "Event of Default" shall have the meaning set forth in Section 6.1 hereof.

1.4 "Financing Agreements" shall mean, collectively, the Loan Agreement, this Agreement and all notes, guarantees, security agreements and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by any Borrower, Guarantor or any Obligor in connection with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.5 "Information Certificate" shall mean the Information Certificate of Guarantor constituting Exhibit A hereto containing material information with respect to Guarantor, its business and assets provided by or on behalf of Guarantor to Lender in connection with the preparation of this Agreement and the other Financing Agreements and the financing arrangements provided for herein.

1.6 "Inventory" shall mean all of Guarantor's now owned and hereafter existing or acquired raw materials, work in process, finished goods and all other inventory of whatsoever kind or nature, wherever located.

1.7 "Loan Agreement" shall mean the Loan and Security Agreement, dated May 8, 1995, among Borrowers and Lender, as the same now exists and may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.8 "Obligations" shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Guarantor to Lender and/or its affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any case with respect to Guarantor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Lender.

1.9 "Obligor" shall mean any other guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations, other than Borrowers.

1.10 "Person" or "person" shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

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1.11 "Records" shall mean all of Guarantor's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of Guarantor with respect to the foregoing maintained with or by any other person).

SECTION 2. GRANT OF SECURITY INTEREST

To secure payment and performance of all Obligations, Guarantor hereby grants to Lender a continuing security interest in, a lien upon, and a right of set off against, and hereby assigns to Lender as security, the following property and interests in property, whether now owned or hereafter acquired or existing, and wherever located (collectively, the "Collateral"):

2.1 Accounts;

2.2 all present and future contract rights, general intangibles (including, but not limited to, tax and duty refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as licensor or licensee, choses in action and other claims and existing and future leasehold interests in equipment, real estate and fixtures), chattel paper, documents, instruments, letters of credit, bankers' acceptances and guaranties;

2.3 all present and future monies, securities, credit balances, deposits, deposit accounts and other property of Guarantor now or hereafter held or received by or in transit to Lender or its affiliates or at any other depository or other institution from or for the account of Guarantor whether for safekeeping, pledge, custody, transmission, collection or otherwise, and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Accounts and other Collateral, including, without limitation, (a) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (b) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (c) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Accounts or other Collateral, including, without limitation, returned, repossessed and reclaimed goods, and (d) deposits by and property of account debtors or other persons securing the obligations of account debtors;

2.4 Inventory;

2.5 Equipment;

2.6 Records; and

2.7 all products and proceeds of the foregoing, in any form, including, without limitation, insurance proceeds and any claims against third parties for loss or damage to or destruction of any or all of the foregoing.

SECTION 3. COLLATERAL COVENANTS

3.1 Accounts Covenants.

(a) Lender shall have the right at any time or times, in Lender's name or in the name of a nominee of Lender, to verify the validity, amount or any other matter relating to any Account or other Collateral, by mail, telephone, facsimile transmission or otherwise.

(b) Guarantor shall deliver or cause to be delivered to Lender, with appropriate endorsement and assignment, with full recourse to Guarantor, all chattel paper and instruments which Guarantor now owns or may at any time acquire immediately upon Guarantor's receipt thereof, except as Lender may otherwise agree.

(c) Lender may, at any time or times that an Event of Default exists or has occurred and is continuing, (i) notify any or all account debtors that the

Accounts have been assigned to Lender and that Lender has a security interest therein and Lender may direct any or all accounts debtors to make payment of Accounts directly to Lender, (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Accounts or other obligations included in the Collateral and thereby discharge or release the account debtor or any other party or parties in any way liable for payment thereof without affecting any of the Obligations, (iii) demand, collect or enforce payment of any Accounts or such other obligations, but without any duty to do so, and Lender shall not be liable for its failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto and (iv) take whatever other action Lender may deem necessary or desirable for the protection of its interests. At any time that an Event of Default exists or has occurred and is continuing, at Lender's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Lender and are payable directly and only to Lender and Guarantor shall deliver to Lender such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Lender may require.

3.2 Equipment Covenants. With respect to the Equipment, (a) Guarantor shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted); (b) Guarantor shall use the Equipment with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with all applicable laws; (c) the Equipment is and shall be used in Guarantor's business and not for personal, family, household or farming use; (d) Guarantor shall not remove any Equipment from the locations set forth or permitted herein, except to the extent necessary to have any Equipment repaired or maintained in the ordinary course of the business of Guarantor or to move Equipment directly from one location set forth or permitted herein to another such location and except for the movement of motor vehicles used by or for the benefit of Borrower in the ordinary course of business; (e) the Equipment is now and shall remain personal property and Guarantor shall not permit any of the Equipment to be or become a part of or affixed to real property; and (f) Guarantor assumes all responsibility and liability arising from the use of the Equipment.

3.3 Power of Attorney. Guarantor hereby irrevocably designates and appoints Lender (and all persons designated by Lender) as Guarantor's true and lawful attorney-in-fact, and authorizes Lender, in Guarantor's or Lender's name, to: at any time an Event of Default or event which with notice or passage of time or both would constitute an Event of Default exists or has occurred and is continuing (i) demand payment on Accounts or other proceeds of Collateral, (ii) enforce payment of Accounts by legal proceedings or otherwise, (iii) exercise all of Guarantor's rights and remedies to collect any Account or other Collateral, (iv) sell or assign any Account

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upon such terms, for such amount and at such time or times as the Lender deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Account, (vii) prepare, file and sign Guarantor's name on any proof of claim in bankruptcy or other similar document against an account debtor, (viii) notify the post office authorities to change the address for delivery of Guarantor's mail to an address designated by Lender, and open and dispose of all mail addressed to Guarantor, and (ix) do all acts and things which are necessary, in Lender's determination, to fulfill Guarantor's obligations under this Agreement and the other Financing Agreements and (b) at any time to (i) take control in any manner of any item of payment or proceeds thereof, (ii) have access to any lockbox or postal box into which Guarantor's mail is deposited, (iii) endorse Guarantor's name upon any items of payment or proceeds thereof and deposit the same in the Lender's account for application to the Obligations, (iv) endorse Guarantor's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto or any other Collateral, and (v) sign Guarantor's name on any verification of Accounts and notices thereof to account debtors and (vi) execute in Guarantor's name and file any UCC financing statements or

amendments thereto. Guarantor hereby releases Lender and its officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Lender's own gross negligence or wilful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

3.4 Right to Cure. Lender may, at its option, (a) cure any default by Guarantor under any agreement with a third party or pay or bond on appeal any judgment entered against Guarantor, (b) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral and (c) pay any amount, incur any expense or perform any act which, in Lender's judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Lender with respect thereto. Lender may add any amounts so expended to the Obligations and charge Guarantor's account therefor, such amounts to be repayable by Guarantor on demand. Lender shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of Guarantor. Any payment made or other action taken by Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

3.5 Access to Premises. From time to time as requested by Lender, at the cost and expense of Guarantor, (a) Lender or its designee shall have complete access to all of Guarantor's premises during normal business hours and after notice to Guarantor, or at any time and without notice to Guarantor if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of Guarantor's books and records, including, without limitation, the Records, and (b) Guarantor shall promptly furnish to Lender such copies of such books and records or extracts therefrom as Lender may request, and (c) use during normal business hours such of Guarantor's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Accounts and realization of other Collateral.

SECTION 4. REPRESENTATIONS AND WARRANTIES

Guarantor hereby represents and warrants to Lender the following (which shall survive the execution and delivery of this Agreement):

4.1 Corporate Existence, Power and Authority; Subsidiaries. Guarantor is a corporation duly organized and in good standing under the laws of its state of incorporation and

is duly qualified as a foreign corporation and in good standing in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a material adverse effect on Guarantor's financial condition, results of operation or business or the rights of Lender in or to any of the Collateral. The execution, delivery and performance of this Agreement, the other Financing Agreements and the transactions contemplated hereunder and thereunder are all within Guarantor's corporate powers, have been duly authorized and are not in contravention of law or the terms of Guarantor's certificate of incorporation, by-laws, or other organizational documentation, or any indenture, agreement or undertaking to which Guarantor is a party or by which Guarantor or its property are bound. This Agreement and the other Financing Agreements constitute legal, valid and binding obligations of Guarantor enforceable in accordance with their respective terms. Guarantor does not have any subsidiaries except as set forth on the Information Certificate.

4.2 Chief Executive Office; Collateral Locations. The chief executive office of Guarantor and Guarantor's Records concerning Accounts are located only at the address set forth below and its only other places of business and the only other

locations of Collateral, if any, are the addresses set forth in the Information Certificate, subject to the right of Guarantor to establish new locations in accordance with Section 5.2 below. The Information Certificate correctly identifies any of such locations which are not owned by Guarantor and sets forth the owners and/or operators thereof.

4.3 Priority of Liens; Title to Properties. The security interests and liens granted to Lender under this Agreement and the other Financing Agreements constitute valid and perfected first priority liens and security interests in and upon the Collateral subject only to the liens indicated on Schedule 4.3 hereto and the other liens permitted under Section 5.8 hereof. Guarantor has good and marketable title to all of its properties and assets subject to no liens, mortgages, pledges, security interests, encumbrances or charges of any kind, except those granted to Lender and such others as are specifically listed on Schedule 4.3 hereto or permitted under Section 5.8 hereof.

4.4 Tax Returns. Guarantor has filed, or caused to be filed, in a timely manner all tax returns, reports and declarations which are required to be filed by it (without requests for extension except as previously disclosed in writing to Lender). All information in such tax returns, reports and declarations is complete and accurate in all material respects. Guarantor has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Guarantor and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid Federal, State, county, local, foreign and other taxes whether or not yet due and payable and whether or not disputed.

4.5 Litigation. Except as set forth on the Information Certificate, there is no present investigation by any governmental agency pending, or to the best of Guarantor's knowledge threatened, against or affecting Guarantor, its assets or business and there is no action, suit, proceeding or claim by any Person pending, or to the best of Guarantor's knowledge threatened, against Guarantor or its assets or goodwill, or against or affecting any transactions contemplated by this Agreement, which if adversely determined against Guarantor would result in any material adverse change in the assets, business or prospects of Guarantor or which would impair the ability of Guarantor to perform its obligations hereunder or under any of the other Financing Agreements to which it is a party or of Lender to enforce the Obligations or realize upon any Collateral.

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4.6 Compliance with Other Agreements and Applicable Laws. Guarantor is not in default in any material respect under, or in violation in any material respect of any of the terms of, any agreement, contract, instrument, lease or other commitment to which it is a party or by which it or any of its assets are bound and Guarantor is in compliance in all material respects with all applicable provisions of laws, rules, regulations, licenses, permits, approvals and orders of any foreign, Federal, State or local governmental authority.

4.7 Accuracy and Completeness of Information. All information furnished by or on behalf of Guarantor in writing to Lender in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, including, without limitation, all information on the Information Certificate is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the business, assets or prospects of Guarantor, which has not been fully and accurately disclosed to Lender in writing.

4.8 Survival of Warranties; Cumulative. All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to Lender on the date of each additional borrowing or other credit accommodation under the Loan Agreement and shall be conclusively presumed

to have been relied on by Lender regardless of any investigation made or information possessed by Lender. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which Guarantor shall now or hereafter give, or cause to be given, to Lender.

SECTION 5. AFFIRMATIVE AND NEGATIVE COVENANTS

5.1 Maintenance of Existence. Guarantor shall at all times preserve, renew and keep in full, force and effect its corporate existence and rights and franchises with respect thereto and maintain in full force and effect all permits, licenses, trademarks, tradenames, approvals, authorizations, leases and contracts necessary to carry on the business as presently or proposed to be conducted. Guarantor shall give Lender thirty (30) days prior written notice of any proposed change in its corporate name, which notice shall set forth the new name and Guarantor shall deliver to Lender a copy of the amendment to the Certificate of Incorporation of Guarantor providing for the name change certified by the Secretary of State of the jurisdiction of incorporation of Guarantor as soon as it is available.

5.2 New Collateral Locations. Guarantor may open any new location within the continental United States provided (a) Guarantor gives Lender written notice (i) thirty (30) days prior to the intended opening of any such new location where the value of the Collateral located or to be located at such location does or will equal or exceed \$100,000 and (ii) within ten (10) days of the intended opening of any new location where the value of the Collateral located or to be located at such location is less than \$100,000 and (b) execute and deliver, or causes to be executed and delivered, to Lender such agreements, documents, and instruments as Lender may deem reasonably necessary or desirable to protect its interests in the Collateral at such location, including, without limitation, UCC financing statements.

5.3 Compliance with Laws, Regulations, Etc. Guarantor shall, at all times, comply in all material respects with all laws, rules, regulations, licenses, permits, approvals and orders applicable to it and duly observe all requirements of any Federal, State or local governmental

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authority, including, without limitation, the Employee Retirement Security Act of 1974, as amended, the Occupational Safety and Hazard Act of 1970, as amended, the Fair Labor Standards Act of 1938, as amended, and all statutes, rules, regulations, orders, permits and stipulations relating to environmental pollution and employee health and safety, including, without limitation, all of the Environmental Laws, if failure to so comply could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the business, assets or prospects of the Guarantors and Borrowers on a consolidated basis.

(a) Guarantor shall establish and maintain, at its expense, a system and policies to assure and monitor its continued compliance with all Environmental Laws in all of its operations, which system and policies shall include periodic reviews of such compliance by employees or agents of Guarantor who are familiar with the requirements of the Environmental Laws. Copies of all such periodic reviews shall be made available by Guarantor for inspection by Lender and, upon Lender's request, copies of all environmental reviews, surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by Guarantor to Lender. Guarantor shall take prompt and appropriate action to respond to any non-compliance with any of the Environmental Laws and shall regularly report to Lender on such response.

(b) Guarantor shall give both oral and written notice to Lender promptly upon Guarantor's receipt of any notice of, or Guarantor's otherwise obtaining knowledge of any of the following which could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the

business, assets or prospects of the Guarantor and the Borrowers on a consolidated basis: (i) the occurrence of any event involving the release, spill or discharge, threatened or actual, of any Hazardous Material or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any Environmental Law by Guarantor or (B) the release, spill or discharge, threatened or actual, of any Hazardous Material or (C) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Material in a manner that is not in compliance with Environmental Laws or any order, license, permit, certificate, approval or similar authorization relating thereto, (D) any other environmental, health or safety matter, which may materially and adversely affect Guarantor or its business, operations or assets, or (E) any properties at which Guarantor transported, stored or disposed of any Hazardous Materials.

(c) Without limiting the generality of the foregoing, whenever Lender reasonably determines that there is non-compliance, or any condition which requires any action by or on behalf of Guarantor in order to avoid any material non-compliance, with any Environmental Law which could result in the imposition of substantial fines or penalties or otherwise materially and adversely affect the business, assets or prospects of the Guarantor and the Borrowers on a consolidated basis, Guarantor shall, at Lender's request and Guarantor's expense: (i) cause an independent environmental engineer acceptable to Lender to conduct such assessments, investigations or tests of the site where Guarantor's non-compliance or alleged non-compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to Lender a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof and (ii) provide to Lender a supplemental report of such engineer whenever the scope of such non-compliance, or Guarantor's response thereto or the estimated costs thereof, shall change in any material respect.

(d) Guarantor shall maintain in full force and effect all orders, licenses, permits, certificates, approvals and similar authorizations necessary or appropriate for the

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conduct of their business, unless the failure to have or maintain the same will not have a material adverse affect the business, assets or prospects of the Guarantor and the Borrowers on a consolidated basis and shall promptly give notice to Lender of any rescission, termination, lapse, breach, modification or amendment thereof which might have a material adverse effect on the business, assets or prospects of the Guarantor and Borrowers on a consolidated basis.

(e) Guarantor shall indemnify and hold harmless Lender, its directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including attorneys' fees and legal expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including, without limitation, the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of Guarantor and the preparation and implementation of any closure, remedial or other required plans or any actions of Lender relating thereto.

(f) Borrowers acknowledge and agree that neither the Financing Agreements or the actions of Lender pursuant thereto shall operate or be deemed (i) to place upon Lender any responsibility for the operation, control, care, service, management, maintenance or repair of property or facilities of Borrowers or (ii) to make Lender the "owner" or "operator" of any property or facilities of Borrowers or a "responsible party" within the meaning of applicable Environmental Laws. For purposes of this Section 5.3, "substantial fines or penalties" will be determined based upon fines or penalties that have been assessed by governmental agencies or courts in other instances of noncompliance or violation of Environmental Laws by similarly situated entities. All representations, warranties, covenants and indemnifications in Section 8.8 of

the Loan Agreement and this Section 5.3 shall survive the payment of the Obligations and the termination or non-renewal of the Loan Agreement.

5.4 Payment of Taxes and Claims. Guarantor shall duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Guarantor and with respect to which adequate reserves have been set aside on its books. Guarantor shall be liable for any tax or penalties imposed on Lender as a result of the financing arrangements provided for herein and Guarantor agrees to indemnify and hold Lender harmless with respect to the foregoing, and to repay to Lender on demand the amount thereof, and until paid by Guarantor such amount shall be added and deemed part of the Loans, provided, that, nothing contained herein shall be construed to require Guarantor to pay any income or franchise taxes attributable to the income of Lender from any amounts charged or paid hereunder to Lender. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

5.5 Insurance. Guarantor shall, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be satisfactory to Lender as to form, amount and insurer. Guarantor shall furnish certificates, policies or endorsements to Lender as Lender shall require as proof of such insurance, and, if Guarantor fails to do so, Lender is authorized, but not required, to obtain such insurance at the expense of Guarantor. All policies shall provide for at least thirty (30) days prior written notice to Lender of any cancellation or reduction of coverage and that Lender may act as attorney for Guarantor in obtaining, and at any time an Event of Default exists or has

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occurred and is continuing, adjusting, settling, amending and canceling such insurance. Guarantor shall cause Lender to be named as a loss payee and an additional insured (but without any liability for any premiums) under such insurance policies and Guarantor shall obtain non-contributory lender's loss payable endorsements to all insurance policies in form and substance satisfactory to Lender. Such lender's loss payable endorsements shall specify that the proceeds of such insurance shall be payable to Lender as its interests may appear and further specify that Lender shall be paid regardless of any act or omission by Guarantor or any of its affiliates. At its option, Lender may apply any insurance proceeds received by Lender at any time to the cost of repairs or replacement of Collateral and/or to payment of the Obligations, whether or not then due, in any order and in such manner as Lender may determine or hold such proceeds as cash collateral for the Obligations.

5.6 Financial Statements and Other Information. Guarantor shall keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of Guarantor and its subsidiaries (if any) in accordance with GAAP. Guarantor shall furnish or cause to be furnished to Lender (a) such financial statements (including balance sheets, statements of income and loss and statement of shareholders' equity) all in reasonable detail fairly presenting the financial position and results of the operations of Guarantor as of the end and through such period as Lender may from time to time reasonably request and (b) such budgets, forecasts, projections and other information respecting the Collateral and the business of Guarantor, as Lender may, from time to time, reasonably request. Lender is hereby authorized to deliver a copy of any financial statement or any other information relating to the business of Guarantor to any court or other government agency or to any participant or assignee or prospective participant or assignee. Guarantor hereby irrevocably authorizes and directs all accountants or auditors to deliver to Lender, at Guarantor's expense, copies of the financial statements of Guarantor and any reports or management letters prepared by such accountants or auditors on behalf of

Guarantor and to disclose to Lender such information as they may have regarding the business of Guarantor. Any documents, schedules, invoices or other papers delivered to Lender may be destroyed or otherwise disposed of by Lender one (1) year after the same are delivered to Lender, except as otherwise designated by Guarantor to Lender in writing.

5.7 Sale of Assets, Consolidation, Merger, Dissolution, Etc. Guarantor shall not, directly or indirectly, (a) merge into or with or consolidate with any other Person or permit any other Person to merge into or with or consolidate with it, or (b) sell, assign, lease, transfer, abandon or otherwise dispose of any stock or indebtedness to any other Person or any of its assets to any other Person or (c) form or acquire any subsidiaries unless (i) such subsidiaries are identified as S.I.C. 4953 (Refuse Systems) corporations and/or are engaged in other businesses reasonably related to such industry classification as approved by Lender in its reasonable judgment, (ii) upon formation or acquisition, any such subsidiary becomes a Borrower under the Loan Agreement and pledges its assets to Lender and (iii) not more than \$10,000,000 shall be invested or otherwise committed by Guarantor to all new subsidiaries, in the aggregate, during the term of this Agreement, or (d) wind up, liquidate or dissolve or (e) agree to do any of the foregoing. For purposes of clause (c)(iii) above, the amount invested or otherwise committed by Guarantor to any subsidiary shall be deemed to be equal to the cash expenditures made and all liabilities incurred (contingently or otherwise) for the acquisition of stock or indebtedness of, or a joint venture interest in, or for loans, advances, capital contributions or transfer of property to such subsidiary.

5.8 Encumbrances. Guarantor shall not create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including, without limitation, the Collateral, except: (a) liens

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and security interests of Lender; and (b) the security interests and liens which would be permitted under Section 9.8 of the Loan Agreement if Guarantor were a Borrower thereunder.

5.9 Costs and Expenses. Guarantor shall pay to Lender on demand all costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Lender's rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including, but not limited to: (a) all costs and expenses of filing or recording (including Uniform Commercial Code financing statement filing taxes and fees, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) all title insurance and other insurance premiums, appraisal fees and search fees; (c) costs and expenses of preserving and protecting the Collateral; (d) costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Lender, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against Lender arising out of the transactions contemplated hereby and thereby (including, without limitation, preparations for and consultations concerning any such matters); and (e) the fees and disbursements of counsel (including legal assistants) to Lender in connection with any of the foregoing.

5.10 Further Assurances. At the request of Lender at any time and from time to time, Guarantor shall, at its expense, at any time or times duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Where permitted by law, Guarantor hereby authorizes Lender to

execute and file one or more UCC financing statements signed only by Lender.

SECTION 6. EVENTS OF DEFAULT AND REMEDIES

6.1 Events of Default. The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default", and collectively as "Events of Default".

6.2 Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, Lender shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the Uniform Commercial Code and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Guarantor or any Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Lender hereunder, under any of the other Financing Agreements, the Uniform Commercial Code or other applicable law, are cumulative, not exclusive and enforceable, in Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Guarantor of this Agreement or any of the other Financing Agreements. Lender may, at any time or times, proceed directly against Guarantor or any Obligor to collect the Obligations without prior recourse to the Collateral.

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(b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, Lender may, in its discretion and without limitation, (i) accelerate the payment of all Obligations and demand immediate payment thereof to Lender (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(g) and 10.1(h) of the Loan Agreement, all Obligations shall automatically become immediately due and payable), (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (iii) require Guarantor, at Guarantor's expense, to assemble and make available to Lender any part or all of the Collateral at any place and time designated by Lender, (iv) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including, without limitation, entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Lender or elsewhere) at such prices or terms as Lender may deem reasonable, for cash, upon credit or for future delivery, with the Lender having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of Guarantor, which right or equity of redemption is hereby expressly waived and released by Guarantor. If any of the Collateral is sold or leased by Lender upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Lender. If notice of disposition of Collateral is required by law, five (5) days prior notice by Lender to Guarantor designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Guarantor waives any other notice. In the event Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, Guarantor waives the posting of any bond which might otherwise be required.

(c) Lender may apply the cash proceeds of Collateral actually received by Lender from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as Lender

may elect, whether or not then due. Guarantor shall remain liable to Lender for the payment of any deficiency with interest at the highest rate provided for in the Loan Agreement and all costs and expenses of collection or enforcement, including attorneys' fees and legal expenses.

(d) Whether or not Guarantor is insolvent, and whether or not any deficiency balance is anticipated, any rights of the Lender hereunder may be exercised by a court appointed receiver. In connection therewith, such a receiver shall be appointed upon a petition, motion, or application filed by the Lender with any court of competent jurisdiction and, effective after the occurrence and during the continuation of an Event of Default, Guarantor hereby irrevocably consents to and approves, without prior notice or hearing, the immediate appointment of a receiver (in connection with a foreclosure action or otherwise) and waives any right to object thereto without regard to the value of the Collateral or the adequacy of any Collateral.

(e) As the subject matter of this Agreement involves general intangibles such as permits, licenses, certificates, approvals, and authorizations by governmental authorities which by their nature are unique, the Guarantor agrees and acknowledges that its failure to observe the provisions hereof will cause irreparable harm to the Lender for which there is no adequate remedy at law and so the provisions hereof shall be specifically enforceable by Lender in a court

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of equity by injunctive relief without any requirement for Lender to produce a bond or other security or prove or allege that its remedies at law are inadequate.

SECTION 7. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

7.1 Governing Law; Choice of Forum; Service of Process; Jury Trial Waiver.

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts (without giving effect to principles of conflicts of law).

(b) Guarantor irrevocably consents and submits to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Guarantor and Lender in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Guarantor or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Guarantor or its property).

(c) Guarantor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Guarantor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Guarantor shall appear in answer to such process, failing which Guarantor shall be deemed in default and judgment may be entered by Lender against Guarantor for the amount of the claim and other relief requested.

(d) GUARANTOR HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF GUARANTOR AND LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. GUARANTOR HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT GUARANTOR OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GUARANTOR AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) (i) Lender shall not have any liability to Guarantor (whether in tort, contract, equity or otherwise) for losses suffered by Guarantor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any

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act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

(ii) The exercise by Lender of any one or more of the rights and remedies set forth herein shall not operate or be deemed (A) to place upon Lender any responsibility for the operation, control, care, service, management, maintenance or repair of any property or facilities of Guarantor, or (B) make Lender the "owner" or "operator" of any property or facilities of Guarantor or a "responsible party" within the meaning of applicable Environmental Laws.

7.2 Waiver of Notices. Guarantor hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonor with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on Guarantor which Lender may elect to give shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstances.

7.3 Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

7.4 Waiver of Counterclaims. Guarantor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

7.5 Indemnification. Guarantor shall indemnify and hold Lender, and its directors, agents, employees and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the

negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the fees and expenses of counsel. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Guarantor shall pay the maximum portion which it is permitted to pay under applicable law to Lender in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement. All of the foregoing costs and expenses shall be part of the Obligations and secured by the Collateral.

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SECTION 8. MISCELLANEOUS

8.1 Notices. All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address One Post Office Square, Boston, MA 02109 and to Guarantor at its chief executive office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing.

8.2 Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

8.3 Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Guarantor and its successors and assigns and inure to the benefit of and be enforceable by Lender and its successors and assigns, except that Guarantor may not assign its rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of Lender.

8.4 Entire Agreement. This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

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IN WITNESS WHEREOF, Guarantor has caused these presents to be duly executed as of the day and year first above written.

GUARANTOR

CLEAN HARBORS, INC.

By: _____
Name: James A. Pitts

Title: Executive Vice President

Chief Executive Office

Wood Road
Braintree, MA 02184

ASSET PURCHASE AGREEMENT

Agreement entered into as of March 31, 1995, but retroactive in certain respects as from December 31, 1994, by and among Clean Harbors Technology Corporation, a Massachusetts corporation (the "Buyer"), Clean Harbors, Inc., a Massachusetts corporation ("CHI"), and Ecova Corporation, a Nevada corporation (the "Seller"). The Buyer, CHI, and the Seller are referred to herein individually as a "Party" and collectively as the "Parties."

This Agreement contemplates a transaction in which: (i) the Buyer will acquire from the Seller the fluidized bed incinerator, together with the related real and personal property, which is now owned by the Seller and located in Kimball, Nebraska; (ii) the Buyer will acquire from the Seller the patent rights and other intellectual property related to such incinerator which are now owned by the Seller, subject to the retention by the Seller and Amoco Oil Company and their respective affiliates of a nonexclusive right to use such patent rights and other intellectual property in the future; (iii) the Buyer will pay to the Seller, in consideration for such incinerator, patent rights and other intellectual property, \$1,240,528.00 and certain additional amounts based upon working capital shortfall between the close of business on April 30, 1995 and the closing date; (iv) the Buyer will also pay to the Seller certain future royalties based upon the total tons of waste processed in the future by such incinerator; and (v) the Parties will agree to certain other matters as set forth in this Agreement.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

"Adverse Consequences" means all damages, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, liens, losses and expenses (including court costs and reasonable attorneys' fees and expenses), including, without limitation, all such consequences arising from suits, proceedings, hearings, investigations, inspections, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, and rulings.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Amoco" means Amoco Oil Company, a Maryland corporation.

"Applicable Rate" means the corporate base rate of interest announced from time to time by The First National Bank of Boston, plus two percent (2%) per annum.

"Approval for Commercial Operations" means the issuance on December 16, 1994, by the Director of the NDEQ of written approval authorizing the operation of the Incinerator on a commercial basis at not more than seventy-five (75%) percent of capacity.

"Approvals" means all the permits, licenses, and related authorizations and approvals necessary for the Buyer to operate the Incinerator as a facility for the treatment and disposal of hazardous wastes in accordance with applicable laws and regulations including, without limitation, the Environmental, Health and Safety Laws. The Approvals shall include, without limitation, the permits, licenses, and related approvals necessary for the future operation of the Incinerator and the financial assurance mechanisms to be provided by the Buyer and CHI which are described in Exhibit A hereto.

"Buyer" has the meaning set forth in the preface above.

"Cash Disbursements" means all Third Party payments, internal labor costs (including all directly related benefit costs), appropriate corporate overhead allocations as stipulated in the letter dated January 5, 1995, from Barbara Baumann of the Seller to Steve Moynihan of CHI, real or personal property, sales and use taxes, hazardous waste disposal fees, consumables, utilities and other operating and maintenance costs directly related to the operations and maintenance of the Incinerator. "Cash Disbursements" does not include interest or any other costs of capital invested in the Incinerator; any corporate overhead allocations not specifically incurred as a result of the operation of the Incinerator; depreciation, amortization or any other non-cash expenses; or any costs of providing financial assurances relating to the Incinerator.

"CHI" has the meaning set forth in the preface above.

"Closing" has the meaning set forth in (S)2(d) below.

"Closing Date" has the meaning set forth in (S)2(d) below.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement of Commercial Operations" means the commencement on December 23, 1994, of commercial operations of the Incinerator after the receipt of Approval for Commercial Operations.

"Confidential Information" means any information concerning the businesses and affairs of the respective Parties and the Incinerator that is in existence at the time of the Closing and is not already generally available to the public.

"Disclosure Schedule" has the meaning set forth in (S)4 below.

"Environmental, Health and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, RCRA, and the Occupational Safety and

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Health Act of 1970, each as amended, together with all other laws (including rules, regulations, and codes under each of such specified laws and any such other laws) of federal, state, local, and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, public health and safety, or employee health and safety, including laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes.

"EPA" means the United States Environmental Protection Agency.

"Existing Licenses" has the meaning set forth in (S)4(d) below.

"Final Trial Burn Test" has the meaning set forth in (S)2(g) below.

"Incinerator" means: (i) the fluidized bed incinerator, the Monofill, the Personal Property and the Real Property; (ii) all of the following insofar as they relate to such incinerator and only insofar as they are assignable by the Seller to the Buyer in connection therewith: agreements, contracts, leases, subleases, warranties (including, without limitation, all manufacturers warranties), guaranties and similar arrangements and rights thereunder, claims, deposits, prepayments, refunds, causes of action, franchises, approvals, permits, licenses, orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies (including any unused credits and future incentives allowable under the Nebraska Employment and

Investment Growth Act or the Agreement relating thereto between the State of Nebraska and the Seller (formerly known as "Waste Tech Services, Inc."), except for such credits and incentives allowed and used by the Seller for 1993 and 1994, which shall remain with the Seller); and (iii) at least one copy of all related books, records, ledgers, files, documents, correspondence, lists, architectural and engineering plans, drawings and specifications, environmental and other studies, reports, operating and monitoring data, and other similar printed or written materials, insofar as they are now owned by the Seller, but exclusive of the Seller's corporate and financial records.

"Incremental Closure Costs" means those costs associated with transporting and disposing of wastes received from the Buyer or its Affiliates and their customers and ash from such wastes accumulated at the Incinerator.

"Indemnified Party" has the meaning set forth in (S)10 (f) below.

"Indemnifying Party" has the meaning set forth in (S)10 (f) below.

"Intellectual Property" means all of the following, if any, insofar as they are relevant to the Incinerator: (i) all patents, patent applications and patent disclosures together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof; (ii) all trade secrets and confidential business information (including research and

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development, know-how, formulas, compositions, production processes and techniques, technical data, designs, drawings, specifications, supplier information, pricing and cost information, business and marketing plans and proposals); (iii) all computer software (including data and related documentation); (iv) all other related proprietary rights including, without limitation, all licenses and sublicenses granted or obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection therein under the laws of all jurisdictions; and (v) at least one copy or other tangible embodiment thereof (in whatever form or medium).

"Knowledge" means actual knowledge.

"Letter of Intent" means the letter of intent dated as of November 22, 1994, as amended by the supplemental letters dated January 16, 1995 (including the Attachment thereto) and March 30, 1995, among the Parties with respect to the transactions described in this Agreement.

"Letter of Credit" means the letter of credit drawn on The First National Bank of Boston and supplied under (S) 2(k) below by the Buyer to secure its reimbursement obligations under (S) 2(i) below.

"Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including but not limited to any liability for Taxes.

"Monofill" means the landfill now located on the Real Property.

"NDEQ" means the Nebraska Department of Environmental Quality.

"Party" and "Parties" have the meanings set forth in the preface above.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Personal Property" means all personal property (other than corporate and financial records) now owned or leased by the Seller which are located on the Real Property including, without limitation, the items of equipment, spare parts

and other personal property described in (S) 4(a) of the Disclosure Schedule.

"RCRA" means the Resource Conservation and Recovery Act of 1976, as amended.

"RCRA Permit" has the meaning set forth in (S) 2(g) below.

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"Real Property" means the approximately 600 acres of land located in Kimball, Nebraska now owned by the Seller and on which the Incinerator is now located.

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

"Security Interest" means any mortgage, pledge, lien, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar liens, (b) liens for Taxes not yet due and payable, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the ordinary course of business and not incurred in connection with the borrowing of money.

"Seller" has the meaning set forth in the preface above.

"Successful Completion of the Final Trial Burn Test" has the meaning set forth in (S) 2(g) below.

"Survey" has the meaning set forth in (S)5(i) below.

"Tax" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, treatment or disposal fees (including taxes under Code (S)59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Third Party" means any Person other than the Seller, the Buyer, CHI and all of their Affiliates.

"Third Party Claim" has the meaning set forth in (S)10(f) below.

"Transferable Licenses" has the meaning set forth in (S)4(d) below.

"Working Capital Shortfall" means Cash Disbursements net of cash receipts (but excluding costs associated with the Final Trial Burn Test and costs of processing and disposal of any wastes on the site of the Incinerator on December 31, 1994, both of which shall be the sole responsibility of the Seller).

2. Purchase and Sale of the Incinerator and the Intellectual Property.

(a) Basic Transaction. On and subject to the terms and conditions of this

Agreement, the Buyer agrees to purchase from the Seller, and the Seller agrees to sell to the Buyer:(i) the

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Incinerator, and (ii) all of the Seller's right, title and interest in and to the Intellectual Property required for the operation of the Incinerator, but only insofar as such Intellectual Property is assignable by the Seller, or by an Affiliate of the Seller, to the Buyer. Following such purchase and sale, the Seller and all other Affiliates of the Seller and Amoco shall, however, retain a perpetual, nonexclusive license to use the Intellectual Property without payment

of royalties, provided that such license may not be assigned except to the respective Affiliates of the Seller and Amoco or to transferees of all or a portion of the assets or business of the Seller, Amoco or any such Affiliate to which the license relates, without the prior written consent of the Buyer and CHI.

(b) Payment. In consideration for the Incinerator and the Intellectual

Property, the Buyer agrees: (i) to pay \$1,240,528.00 in cash to the Seller at or prior to the Closing, and (ii) to pay in cash to the Seller (or its assignee) within sixty (60) days after the Closing Date an amount equal to one hundred (100%) percent of all Working Capital Shortfall and other costs and liabilities (including risk of loss, casualty, and tort) that are associated with the operation of the Incinerator from the close of business on April 30, 1995 through the Closing Date. As soon as possible following the Closing, the Seller shall provide the Buyer with a calculation showing in detail the amount of such Working Capital Shortfall and other costs and liabilities, together with a certificate from the Seller's treasurer stating that the amounts shown on such calculation are accurate. In the event that during the period from January 1, 1995 through April 30, 1995, there were any costs, liabilities or receipts associated with the operation of the Incinerator which were not previously reflected accurately in the information supplied by the respective Parties to each other, then the amount of cash payable by the Buyer for the Incinerator pursuant to this (S)2(b) shall be adjusted to reflect such additional costs, obligations or receipts. To the extent (if any) that the Seller shall have previously drawn or shall draw upon the deposit made by the Buyer under (S) 2 (h)(iv) hereof, the Buyer shall be given a credit equal to the aggregate amount of such draws for the purposes of calculating the amount payable by the Buyer to the Seller under this (S) 2(b). In the event the aggregate amount of such deposits made by the Buyer exceed the amount of the Working Capital Shortfall then payable by the Buyer, the Seller shall remit such excess to the Buyer concurrently with the delivery by the Seller of the calculation and certificate described above.

(c) Royalty. In addition to the amounts payable under (S) 2(b) above, the

Buyer agrees to pay in cash to the Seller (or its assignee) for each calendar year commencing with the year ending December 31, 1995 through the year ending December 31, 2004, an annual royalty for each incremental ton of waste (excluding process waste water and other site-generated waste) in excess of 15,000 tons per year (up to a maximum of 45,000 tons per year) processed through the Incinerator on and after the Commencement of Commercial Operations. The royalty will be calculated as follows:

Total Tons Processed -----	Royalty Per Incremental Ton for the Years 1995-1997 -----	Royalty Per Incremental Ton for the Years 1998-2004 -----
0 to 15,000	\$ 0	\$ 0
15,001 to 20,000	\$20	\$20

20,001 to 25,000	\$25	\$30
25,001 to 30,000	\$30	\$40
30,001 to 35,000	\$35	\$50
35,001 to 40,000	\$40	\$50

The royalty for each year shall be calculated on an incremental basis based upon the respective numbers of tons processed in excess of the base numbers shown in the above table. Accordingly, if there are a total of 37,000 tons processed during the year ended December 31, 1995, the total royalty for that year shall be \$630,000 (namely \$0 for the first 15,000 tons, \$100,000 for the next 5,000 tons, \$125,000 for the next 5,000 tons, \$150,000 for the next 5,000 tons, \$175,000 for the next 5,000 tons, and \$80,000 for the last 2,000 tons). Pursuant to the above table, the maximum royalty payable for any year shall be \$975,000 for each of the years 1995 through 1997, and \$1,200,000 for each of the years 1998 through 2004. The royalty for each year described above shall be payable in one payment by February 28 of the following year and forwarded to Ecova Corporation, Colorado National Bank - Golden Branch, Account No. 1204-0432-1842, Golden, Colorado 80401, or such other account as the Seller (or its assignee) shall specify. Any payment not made by February 28 of the appropriate year shall be subject to interest at the Applicable Rate. The royalty for each year shall be accompanied by a written statement from the Buyer's treasurer certifying the total number of tons of waste processed through the Incinerator during the preceding year and showing the calculation of the royalty for such year. If the Buyer shall sell the Incinerator prior to December 31, 2004, the Buyer shall remain liable for its obligations under this (S)2(c) to pay royalties and to provide statements certifying the number of tons of waste processed, except that if the Seller (or its assignee) shall so agree in writing, the purchaser of the Incinerator from the Buyer shall assume the Buyer's future obligations to make such payments and reports and the Buyer shall thereupon be released from such future obligations.

(d) The Closing. The closing of the transactions contemplated by this

Agreement (the "Closing") shall take place at the offices of the Seller, 800 Jefferson County Parkway, Golden, Colorado 80401, commencing at 9:00 a.m. local time on May 12, 1995 (or on such other date as shall be agreed in writing by all of the Parties), provided that all of the conditions precedent for the Closing set forth in (S) 7 hereof shall have been satisfied (the "Closing Date").

(e) Accounts Receivable and Payable. Subject to the provisions of (S)

2(b) hereof (which shall control in the event of any conflict between the provisions of (S) 2(b) and this (S) 2(e)), the Seller shall be responsible for all costs, Liabilities and expenses related to the Incinerator, and shall be entitled to receive the benefit of all revenues generated by the Incinerator, through the Closing Date. The Buyer shall be responsible for all Liabilities, costs and expenses related to the Incinerator, and shall be entitled to receive the benefit of all revenues generated by the Incinerator, after the Closing Date. However, nothing contained in this (S) 2(e) shall be deemed to affect either (i) the right of the Seller to seek reimbursement in accordance with (S) 2(b) hereof for any costs or liabilities associated with the operation of the Incinerator from the close of

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business on April 30, 1995 through the Closing Date, or (ii) the right of any Party to seek indemnification for any costs, Liabilities or expenses to the extent that such indemnification is provided for under (S) 10 of this Agreement.

(f) Deliveries at the Closing. At the Closing, (i) the Seller will

deliver to the Buyer and CHI the various certificates, instruments, and documents referred to in (S)7(a) below, and one or more deeds, assignments, bills of sale and other instruments of transfer which shall be sufficient to vest in the Buyer good and marketable title free of Security Interests to the Incinerator and the Intellectual Property specified in (S)2(a) above; and (ii) the Buyer will deliver to the Seller a check equal to the difference between the \$1,240,528.00 payable by the Buyer at the Closing pursuant to (S)2(b) (i) hereof

and the payments made in respect thereof by the Buyer prior to the Closing (excluding the deposits made under (S)2(h)(iv) below), and the various certificates, instruments, and documents referred to in (S)7(b) below.

(g) Final Trial Burn Test. The Seller completed on December 17, 1994, a

final trial burn test of the Incinerator (the "Final Trial Burn Test") in accordance with (S) 1, Part V of the Hazardous Waste Treatment and Storage Facility Permit dated November 17, 1993, as heretofore amended (the "RCRA Permit") which the Seller has previously been issued for the Incinerator by the NDEQ. Within three months after the Closing, the Seller at its expense shall purchase and shall pay related installation costs for a permanent carbon injection dioxin control system for the Incinerator approved by the NDEQ which shall be similar to that used in the Final Trial Burn Test. The Seller has permitted and shall permit representatives and consultants selected by the Buyer, at the Buyer's expense, to be present during the Final Trial Burn Test and to review the results thereof and all related data as soon as available. In the joint opinion of the consultants for the Seller and the Buyer, the Incinerator has satisfied during the Final Trial Burn Test all of the performance criteria set forth in Section I, Part V of the RCRA Permit (including, without limitation, the performance criteria for destruction and removal efficiency (DRE), HCL removal, particulate emissions and dioxin emissions). Accordingly, the "Successful Completion of the Final Trial Burn Test" is deemed to have occurred. The Seller and its consultants will be responsible for submitting to the NDEQ the data required by the RCRA Permit relating to the Final Trial Burn Test, irrespective of whether or not the Closing shall have occurred prior to the date of such submission.

(h) Interim Operations. On and after the close of business on December

31, 1994, the Seller shall operate the Incinerator in accordance with the following interim procedures until the Closing shall occur or this Agreement shall be terminated prior to the Closing in accordance with (S) 11 hereof:

(i) The Buyer shall be responsible for all sales and marketing activities for the Incinerator; provided, however, such responsibility shall cease if this Agreement shall be terminated prior to the Closing Date in accordance with (S) 11 hereof.

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(ii) CHI and its Affiliates may ship wastes to the Incinerator for processing only on a COD basis. Commencing April 3, 1995, the Buyer will deposit with the Seller by wire transfer \$200,000 on each Monday, which shall constitute payment on account for waste disposal services. The charges for such services will reflect the pricing agreed upon in the Attachment to the Letter of Intent, adjusted by other applicable charges based on the actual volume and special handling requirements of the wastes as received at the Incinerator. If CHI or its Affiliates fail to make a wire transfer as described above, the Seller may, at its option, (A) accept no further waste deliveries, (B) terminate this Agreement subject to the reimbursement obligations set forth in (S) 2(i) below in accordance with (S) 11(a)(ii)(A) below, (C) draw on the deposit described in (S)2(h)(iv) below, and/or (D) collect all remaining amounts owed by the Buyer and CHI for any obligations covered by this Agreement.

(iii) The Seller will retain control over scheduling all waste shipments to the Incinerator, and will accept only those wastes which conform to approved waste data sheets acceptable to the Seller. Pricing will be specified at the time of scheduling in accordance with the Attachment to the Letter of Intent, which also outlines scheduling procedures.

(iv) In addition to the other financial obligations of the Buyer and CHI under this Agreement, the Buyer has deposited with the Seller

in cash the amount of \$800,000 to secure the Buyer's obligations as described in (S)2(b) (ii) above and reimbursement obligations under (S) 2(i) below. The Buyer has also deposited with the Seller from time to time certain additional amounts to secure such obligations. If the Seller believes that any additional deposit is required to cover the expected Working Capital Shortfall relating to the operation of the Incinerator prior to the Closing, the Seller shall so notify the Buyer and the Buyer shall wire transfer the additional deposit on the next business day in order to continue waste shipments. Prior to the Closing, the Seller may draw upon such deposit without prior notification up to the full amount of the deposit if at any time the Buyer or CHI fails to satisfy any of their financial obligations to the Seller under this Agreement. Following the Closing, at the time the Buyer makes payment to the Seller under (S)2(b)(ii) hereof, the Seller shall draw the full amount of the deposit then held, and the amount of such draw (together with any previous draws) shall be credited against the amount then payable by the Buyer in accordance with (S)2(b).

(i) Special Allocation of Costs. If the Buyer and CHI elect for any

reason (other than a default by the Seller under this Agreement) not to proceed with the Closing, then the Buyer shall reimburse the Seller for: (i) fifty (50%) percent of the Working Capital Shortfall incurred by the

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Seller to operate the Incinerator and to conduct the Final Trial Burn Test from November 22, 1994 through the close of business on December 31, 1994; (ii) one hundred (100%) percent of the Working Capital Shortfall incurred by the Seller to operate the Incinerator from the close of business on December 31, 1994 and ending on the date this Agreement is terminated in accordance with (S) 11 hereof; and (iii) one hundred (100%) percent of any Incremental Closure Costs arising on and after the close of business on December 31, 1994 and ending on the date this Agreement is terminated in accordance with (S) 11 hereof. In addition, the Seller would retain ownership of the Incinerator and the Buyer would cooperate in every way with the Seller to accomplish that result.

(j) Financial Assurance. The Seller agrees to keep all closure,

postclosure, and corrective or remedial action financial assurances and hazardous waste liability financial assurances required by its permits or other applicable laws, rules or regulations in place until the Closing. The Buyer and CHI shall obtain NDEQ approval of the Buyer's financial assurances prior to the Closing. In addition, a condition for the Closing will be receipt by the Seller of releases from the NDEQ of all of the Seller's financial assurances relating to closure, post-closure and corrective or remedial action with respect to the Incinerator and the Monofill.

(k) Letter of Credit. To secure its reimbursement obligations under

(S) 2(i) hereof, the Buyer has previously provided to the Seller a Letter of Credit in the amount of \$1,200,000. The Seller agrees to draw upon such Letter of Credit only to the extent that such reimbursement obligations are not paid in cash by the Buyer to the Seller within thirty (30) days after delivery of a written notice from the Seller to the Buyer and CHI stating in detail the amount of such reimbursement obligations, together with a certificate from the Seller's treasurer stating that the amounts shown on such calculation are accurate.

(l) Insurance. CHI has provided the Seller with a certificate of

insurance for hazardous waste facility liability insurance as required by 40 CFR 264.147. The certificate of insurance specifies that the policy(ies) shall include a waiver of subrogation in favor of the Seller and Amoco, shall name each of the Seller and Amoco as an additional insured, shall include a severability of interests clause, and shall include an endorsement designating

the policy as primary with respect to any policies of the Seller or Amoco. The severability of interests clause shall read substantially as follows: "Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies: (1) as if each Named Insured were the only Named Insured, and (2) separately to each Named Insured against whom claim is made or suit is brought."

3. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties Concerning the Seller. The Seller

represents and warrants to the Buyer and CHI that the statements contained in this (S)3(a) are correct and complete in all material respects (as defined in (S)10(i) below) as of the date of this Agreement and will be

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correct and complete in all material respects as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)3(a)).

(i) Organization of the Seller. The Seller is duly organized, validly

existing, and in good standing under the laws of the State of Nevada. The Seller is duly qualified to conduct business and in good standing as a foreign corporation in the State of Nebraska.

(ii) Authorization of Transaction. The Seller has full power and authority

(including full corporate power and authority) to execute and deliver this Agreement and each of the other agreements and documents specified in this Agreement and to perform its respective obligations hereunder and thereunder. This Agreement constitutes, and when executed and delivered at the Closing such other agreements and documents (including, without limitation, the Guarantee of Amoco) will constitute, the valid and legally binding obligations of the Seller and/or of Amoco, as specified herein and therein, enforceable in accordance with their respective terms and conditions. Except as made or obtained or to be made or obtained by the Seller in connection with the Approvals, the Seller need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency which is required of the Seller in order to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a materially adverse effect on the Incinerator or on the ability of the Parties to consummate substantially all of the transactions contemplated by this Agreement.

(iii) Noncontravention. Provided the conditions to the Closing set forth

in (S) 7 hereof are satisfied, neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated hereby will (A) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Seller is subject or any provision of its charter or by-laws or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, any material agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which it is bound or to which any of its assets is subject.

(iv) Brokers' Fees. The Seller has no Liability or obligation to pay any

fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer or CHI could become liable or obligated.

(v) Outstanding Shares of the Seller. Amoco Oil Holding Company, an

Affiliate of the Seller and Amoco, holds of record and owns beneficially all of the outstanding shares of the Seller's capital stock.

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(b) Representations and Warranties Concerning the Buyer and CHI. The

Buyer and CHI represent and warrant to the Seller that the statements contained in this (S)3(b) are correct and complete in all material respects (as defined in (S) 10(i) below) as of the date of this Agreement and will be correct and complete in all material respects as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)3(b)).

(i) Organization of the Buyer and CHI. Each of the Buyer and CHI is a

corporation duly organized, validly existing, and in good standing under the laws of The Commonwealth of Massachusetts. The Buyer is duly qualified to conduct business and in good standing as a foreign corporation in the State of Nebraska.

(ii) Authorization of Transaction. Each of the Buyer and CHI has full

power and authority (including full corporate power and authority) to execute and deliver this Agreement and each of the other agreements and documents specified in this Agreement and to perform its respective obligations hereunder and thereunder. This Agreement constitutes, and when executed and delivered at the Closing such other agreements and documents will constitute, the valid and legally binding obligations of the Buyer and/or of CHI, as specified herein or therein, enforceable in accordance with their respective terms and conditions. Except as made or obtained or to be made or obtained by the Buyer and CHI in connection with the Approvals, the Buyer and CHI need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency which is required of the Buyer or CHI in order to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a materially adverse effect on the financial condition to the Buyer or CHI or on the ability of the Parties to consummate substantially all of the transactions contemplated by this Agreement.

(iii) Noncontravention. Provided the conditions to the Closing set

forth in (S) 7 hereof are satisfied, neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated hereby will (A) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer or CHI is subject or any provision of its charter or by-laws or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, any material agreement, contract, lease, license, instrument, or other arrangement to which the Buyer or CHI is a party or by which it is bound or to which any of its assets is subject.

(iv) Brokers' Fees. Neither the Buyer nor CHI has any Liability or

obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

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(v) Outstanding Shares of the Buyer. CHI holds of record and owns

beneficially all of the outstanding shares of the Buyer's capital stock.

(vi) Disclosure. The Buyer and CHI have been given full access to the

Incinerator, the personnel currently employed by the Seller to operator the Incinerator, and the related books, records, ledgers, files, documents, correspondence, lists, architectural and engineering plans, drawings and specifications, environmental and other studies, reports, and operating and monitoring data which were owned by the Seller and located at the Incinerator at the time representatives of the Buyer visited the Incinerator.

(vii) Knowledge Concerning Seller Representations. Neither the Buyer,

CHI nor any of their counsel or other representatives has Knowledge that any of the Seller's representations and warranties in (S) (S)3(a) and 4 hereof is untrue, incorrect or misleading in any material respect. The Buyer and CHI agree that any such Knowledge would operate to amend the Disclosure Schedule of the Seller, to qualify the relevant representations and warranties, and to cure any misrepresentation or breach of warranty by the Seller that otherwise might have existed hereunder.

4. Representations and Warranties Concerning the Incinerator and the Intellectual Property. The Seller represents and warrants to the Buyer and CHI that, except as set forth in the disclosure schedule delivered by the Seller to the Buyer and CHI and initialed by the Parties (the "Disclosure Schedule"), the statements contained in this (S) 4 and in the Disclosure Schedule are correct and complete in all material respects (as defined in (S)10(i) below) as of the date of this Agreement and will be correct and complete in all material respects as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)4). To the extent, if any, that such statements need to be modified in order to reflect changes which occur between the date of this Agreement and the Closing Date, the Seller shall describe such changes in the certificate to be delivered by the Seller at the Closing as provided in (S) 7(a)(iii) below and, if the Buyer and CHI shall elect to proceed with the Closing notwithstanding such changes, the statements contained in this (S) 4 and in the Disclosure Schedule shall be deemed to have been modified to the extent appropriate in order to incorporate such changes, the relevant representations and warranties shall be thereby qualified, and any misrepresentation or breach of warranty by the Seller that otherwise might have existed shall be cured thereby.

(a) Title to the Incinerator and the Intellectual Property. The Seller

has good and marketable title to the fluidized bed incinerator, the Monofill, the Personal Property and the Real Property included in the Incinerator and, to the Seller's Knowledge, the patent rights to U.S. Patents Nos. 4253824 and 4448134 included in the Intellectual Property, free and clear of all Security Interests. The Personal Property includes the items described in (S) 4(a) of the Disclosure Schedule.

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(b) Real Property. Except installments of Taxes or special assessments

which are not yet delinquent, to the Seller's Knowledge, there are no easements, building restrictions, zoning restrictions, or other restrictions which affect materially and adversely the current use or occupancy of the Real Property. To the Seller's Knowledge, there are no written leases, subleases, licenses, concessions, or other agreements granting to any Person the right of use or occupancy of any portion of the Real Property; there are no outstanding options or rights of first refusal to purchase the Real Property, or any portion thereof or interest therein; and there are no parties (other than the Seller or contractors of the Seller on a temporary basis) in possession of the Real Property.

(c) Intellectual Property. To the Knowledge of the Seller, neither the

Seller nor any of its Affiliates has interfered with, infringed upon, misappropriated, or violated any material Intellectual Property rights of any Third Party in any material respect, and neither the Seller nor any of its Affiliates has received since the commencement of construction of the Incinerator any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that either the Seller or any of its Affiliates must license or refrain from using any Intellectual Property rights of any Third Party). To the Seller's Knowledge, Section 4(c) of the Disclosure Schedule identifies each patent or registration, if any, which has been issued to either the Seller or any of its Affiliates with respect to the Intellectual Property, identifies each pending patent application or application for registration, if any, which either the Seller or any of its Affiliates has made with respect to any of the Intellectual Property, and identifies each material license, agreement, or other permission, if any, which either the Seller or any of its Affiliates has granted to any Third Party with respect to any of the Intellectual Property (together with any exceptions). The Seller has delivered to the Buyer or made available to the Buyer at the Incinerator correct and complete copies of any such patents, registrations, applications, licenses, agreements, and permissions (as amended to date). Section 4(c) of the Disclosure Schedule also identifies each material item of the Intellectual Property that any Third Party owns and that the Seller uses pursuant to license, sublicense, agreement, or permission. The Seller has delivered to the Buyer or made available to the Buyer at the Incinerator correct and complete copies of the agreements creating any such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each such item of used Intellectual Property, to the Seller's Knowledge: (i) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect in all material respects; (ii) the Seller is not in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default by the Seller or permit termination, modification, or acceleration thereunder; (iii) no party to the license, sublicense, agreement, or permission has repudiated any material provision thereof; (iv) neither the Seller nor any of its Affiliates has assigned its rights with respect to the license, sublicense, agreement or permission in such a manner as to adversely affect the Seller's ability to own and operate the Incinerator; and (v) the license, sublicense, agreement or permission is freely assignable by the Seller to the Buyer as part of the Intellectual Property provided the Buyer shall agree to assume such license, sublicense, agreement or permission.

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(d) Licenses and Permits. Section 4(d) of the Disclosure Schedule

accurately lists the type and current regulatory status (including, without limitation, the current expiration dates) of all material governmental licenses, ordinances, authorizations, permits and certificates now held by the Seller with respect to the business or operations of the Incinerator, including, without limitation, licenses granted and administered pursuant to RCRA (collectively, the "Existing Licenses"). The Seller has heretofore delivered to the Buyer and CHI or made available to the Buyer at the Incinerator true and complete copies of the Existing Licenses. Section 4(d) of the Disclosure Schedule also identifies certain of the Existing Licenses (collectively, the "Transferable Licenses") which the Seller will transfer to the Buyer as part of the Incinerator. To the Knowledge of the Seller, except as set forth on (S)4(d) of the Disclosure Schedule: (i) the Transferable Licenses have been validly issued and are in full force and effect; (ii) the permit applications filed in connection with obtaining the Transferable Licenses (including any amendments thereof) were true and complete in all material respects; (iii) the Seller is in substantial compliance with the terms and conditions of all of the Transferable Licenses; (iv) the Seller has not taken or failed to take any action that could result in a substantial risk of forfeiture of any Transferable License; and (v) there is not, as of the date hereof, pending or threatened any action by or before any court or governmental agency to revoke, cancel, rescind, modify or refuse to renew any of the Transferable Licenses.

(e) Contracts and Other Agreements. Section 4(e) of the Disclosure

Schedule lists all of the contracts and other agreements now in effect of the types described below to which the Seller is a party and which are relevant to the Incinerator:

(i) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments under such agreement (or group of related agreements) in excess of \$10,000 per annum, or which relates to the operation of the fluidized bed incinerator;

(ii) any agreement (or group of related agreements) for the purchase or sale of supplies, products, or other personal property, or for the furnishing or receipt of services (including, without limitation, incineration or other disposal services), the performance of which will extend over a period of more than six months or involve consideration in excess of \$50,000;

(iii) any warranties (including, without limitation, manufacturers warranties), guaranties and similar arrangements relating to any asset having a purchase price to the Seller in excess of \$50,000;

(iv) any agreement concerning a partnership or joint venture;

(v) any severance or similar plan or arrangement and any retention bonus or retention agreements for the benefit of its current or former employees;

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(vi) any collective bargaining agreement; or

(vii) any agreement for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation in excess of \$25,000 or providing material severance benefits.

The Seller has made available to the Buyer at the Incinerator a correct and complete copy of each written agreement (as amended to date) listed in (S) 4(e) of the Disclosure Schedule.

(f) Plans, Studies and Other Documents. The Seller has made available to

the Buyer at the Incinerator a correct and complete copy of all of the following documents with respect to the Incinerator which are now in the possession of the Seller: final architectural and engineering plans, drawings and specifications, environmental and other studies, reports, operating and monitoring data, and other similar printed or written materials.

(g) Litigation. Section 4(g) of the Disclosure Schedule sets forth any

instance in which the Seller (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge which is relevant to the Incinerator, the Seller's current or former employees at the Incinerator, or the Intellectual Property, or (ii) is a party or, to the Knowledge of the Seller, is threatened in writing to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator which is relevant to the Incinerator, the Seller's current or former employees at the Incinerator, or the Intellectual Property.

(h) Environmental, Health and Safety Laws. To the Knowledge of the

Seller, in connection with its ownership and operation of the Incinerator, the Seller as of January 1, 1995: (i) is in substantial compliance with the applicable Environmental, Health and Safety Laws (and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against the Seller alleging any such failure to comply); (ii) has obtained and been in substantial compliance with all of the

terms and conditions of all material permits, licenses, and other authorizations which are required under the applicable Environmental, Health, and Safety Laws; and (iii) is in substantial compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables which are contained in the applicable Environmental, Health, and Safety Laws.

5. Pre-Closing Covenants. The Parties agree as follows with respect to the

period between the execution of this Agreement and the Closing:

(a) General. Each of the Parties will use all commercially reasonable

efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable (including satisfaction, but not waiver, of the closing conditions set forth in (S)7 below).

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(b) Approvals. Each of the Parties will give any notices to, make any

filings with, and use all commercially reasonable efforts to obtain all of the Approvals.

(c) Operation of the Incinerator. The Seller will operate the Incinerator

in the manner contemplated by this Agreement, including the appropriate analysis and reporting of the results of the Final Trial Burn Test and the Commencement of Commercial Operations, and exercise in such operation the same level of care, skill and expertise as is customary in the hazardous waste management industry. The Seller may perform a baseline environmental study or utilize ongoing environmental monitoring to establish baseline environmental conditions at the Incinerator site as of the date of Approval for Commercial Operations.

(d) Preservation of Business. The Seller will keep the business and

properties of the Incinerator substantially intact, including its present operations, physical facilities, working conditions, and relationships with lessors, licensors, and suppliers. Notwithstanding the foregoing, the Buyer acknowledges that certain suppliers were needed by the Seller only through completion of the Final Trial Burn Test and that the Seller is now terminating its relationship with such suppliers.

(e) Full Access. Upon reasonable notice, the Seller will permit

representatives of the Buyer and CHI to have full access during normal business hours to all premises, properties, personnel, books, records (including Tax records other than records which relate exclusively to income taxes of the Seller and its Affiliates), contracts, and other documents of or pertaining to the Incinerator, to the extent permitted by applicable laws and regulations.

(f) Notice of Developments. The Seller will give prompt written notice to

the Buyer and CHI of any material adverse development causing a breach of any of the representations and warranties in (S)4 above. Each Party will give prompt written notice to the others of any material adverse development causing a breach of any of its own representations and warranties in (S)3 above. No disclosure by any Party pursuant to this (S)5(f), however, shall be deemed to amend or supplement (S) 3, (S) 4, or the Disclosure Schedule, or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant unless otherwise specifically agreed to in writing by the Parties.

(g) Exclusivity. Unless and until this Agreement is terminated in

accordance with (S) 11 hereof, the Seller shall not (i) solicit, initiate, or encourage, the submission of any proposal or offer from any Person relating to

the acquisition of any substantial portion of the Incinerator or the Intellectual Property (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing.

(h) Title Insurance. The Buyer will obtain, at the Buyer's expense, in

preparation for the Closing, with respect to the Real Property, an ALTA Owner's Policy of Title Insurance Form

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B - 1987 issued by Chicago Title Insurance Company or another title insurer satisfactory to the Buyer insuring title to the Real Property to be in the Buyer as of the Closing (subject to the title exceptions described in (S)4(b) of the Disclosure Schedule). The title insurance policy delivered under this (S)5(h) shall (A) insure title to the Real Property and all recorded easements benefitting such real property, (B) contain an "extended coverage endorsement" insuring over the general exceptions contained customarily in such policies, (C) contain an ALTA Zoning Endorsement 3.1 (or equivalent), (D) contain an endorsement insuring that the Real Property described in the title insurance policy is the same real estate as shown on the Survey delivered with respect to such property, (E) contain an endorsement insuring that each street adjacent to the Real Property is a public street and that there is direct and unencumbered pedestrian and vehicular access to such street from the Real Property, (F) if the Real Property consists of more than one record parcel, contain a "contiguity" endorsement insuring that all of the record parcels are contiguous to one another, and (G) contain a "non-imputation" endorsement to the effect that the title defects known to the officers, directors, and stockholders of the owner prior to the Closing shall not be deemed "facts known to the insured" for the purposes of the policy. The Buyer agrees to provide to the Seller as soon as practicable but not less than 15 business days prior to the anticipated Closing Date a preliminary form of such title insurance policy in order that the Seller shall have an opportunity to cure prior to the Closing any title defects disclosed in such preliminary form.

(i) Survey. The Buyer will obtain, at the Buyer's expense, in preparation

for the Closing, with respect to the Real Property, a current survey certified to the Buyer, prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access affirmatively to public streets and roads (the "Survey"). Except as set forth in (S)4(b) of the Disclosure Schedule, the Survey shall not disclose any material survey defect or encroachment from or onto the Real Property which has not been cured or insured over prior to the Closing. The Buyer agrees to provide to the Seller as soon as practicable but not less than 15 business days prior to the anticipated Closing Date a preliminary form of the Survey in order that the Seller shall have an opportunity to cure prior to the Closing any survey defects disclosed in such preliminary form.

6. Post-Closing Covenants. The Parties agree as follows with respect to the

period following the Closing:

(a) General. Each of the Parties covenants to comply with its respective

agreements set forth elsewhere in this Agreement including, without limitation, its respective agreements set forth in (S)2. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties covenants to take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification

therefor under (S)10 below).

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(b) Litigation and Other Support. In the event and for so long as any

Party actively is reasonably contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand with a Third Party, or requires assistance in preparing financial statements or reports to be filed with any Third Party, in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Incinerator or the Intellectual Property, each of the other Parties will, upon receipt of written request, reasonably cooperate with such requesting Party and its counsel in such contest, defense or preparation, reasonably make available their personnel, and provide such testimony and access to their books and records as shall be necessary in connection with the contest, or defense or preparation, all at the cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under (S)10 below). Notwithstanding the foregoing, no Party shall be obligated hereby to provide such cooperation or access if the providing of such cooperation or access would violate the terms of any agreement by which such Party is currently bound or any applicable law or regulation then in effect, or would result in the loss of any attorney-client or attorney work-product privilege by such Party.

(c) Confidentiality. From and after the Closing, the Seller will treat

and hold as such all of the Confidential Information, and refrain from using any of the Confidential Information except in connection with or as permitted by this Agreement and as may be necessary to respond to any Tax audits or to enforce the terms of this Agreement.

(d) Continuing Financial Assurance Obligations. The Parties will comply in

full with their respective financial assurance obligations relating to the Incinerator as set forth in (S)2(j) of this Agreement.

7. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer and CHI. The obligation of the

Buyer and CHI to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Seller set forth in (S)3(a) and (S)4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Seller shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) the Seller shall have delivered to the Buyer and CHI a certificate to the effect that each of the conditions specified above in (S)7(a)(i)-(ii) is satisfied;

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(iv) except for the proceedings described in (S) 4(g) of the Disclosure Schedule, no action, suit, or proceeding shall be pending or threatened in writing before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions

contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely and materially the right of the Buyer to own the Incinerator and the Intellectual Property or to operate the Incinerator (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(v) the Buyer and CHI shall have received from counsel to the Seller and Amoco an opinion substantially in the form attached hereto as Exhibit B addressed to the Buyer and CHI, and dated as of the Closing Date;

(vi) the Approval for Commercial Operations received from the Director of the NDEQ shall not have been rescinded or otherwise adversely modified;

(vii) the Buyer shall have received all of the Approvals;

(vii) the Buyer shall have received the title insurance policy and riders specified in (S)5(h) above and the Survey specified in (S)5(i) above;

(viii) the Buyer and CHI shall have obtained from their lending institutions, on terms and conditions reasonably satisfactory to them, all of the waivers they need under their existing financing documents in order to consummate the transactions contemplated hereby or, in the alternative, the Buyer and CHI shall have obtained alternative financing arrangements reasonably satisfactory to them which will allow them to close this transaction;

(ix) the Buyer and CHI shall have received an executed Guarantee by Amoco of the Seller's indemnification obligations pursuant to (S) 10(d) hereof in the form attached hereto as Exhibit C; and

(x) all actions to be taken by the Seller in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby, to the extent specifically described in this Agreement, will be reasonably satisfactory in form and substance to the Buyer and CHI.

The Buyer and CHI may waive any condition specified in this (S)7(a) if they execute a writing so stating at or prior to the Closing.

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(b) Conditions to Obligation of the Seller. The obligation of the Seller

to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Buyer and CHI set forth in (S)3(b) above shall be true and correct in all material respects at and as of the Closing Date;

(ii) the Buyer and CHI shall have performed and complied with all of their covenants hereunder in all material respects through the Closing;

(iii) the Buyer and CHI shall have delivered to the Seller a certificate to the effect that each of the conditions specified above in (S)7(b)(i)-(ii) is satisfied;

(iv) except for the proceedings described in (S) 4(g) of the Disclosure Schedule, no action, suit, or proceeding shall be pending or threatened in writing before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions

contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(v) the Seller shall have received from counsel to the Buyer and CHI an opinion substantially in the form attached hereto as Exhibit D addressed to the Seller, and dated as of the Closing Date;

(vi) the Seller shall have received from the NDEQ in accordance with (S) 2(j) hereof the releases from the financial assurances which it has provided with respect to the Incinerator and the Monofill; and

(vii) all actions to be taken by the Buyer and CHI in connection with consummation of the transactions contemplated hereby, to the extent specifically described in this Agreement, and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Seller.

The Seller may waive any condition specified in this (S)7(b) if it executes a writing so stating at or prior to the Closing.

8. Employee Matters.

(a) Offers of Employment. The Seller agrees to use its best efforts to

retain personnel currently employed to operate the Incinerator. The Buyer shall offer employment at the time of

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Closing to at least seventy-five (75%) percent of the sum of (a) the individuals currently employed by the Seller, and (b) those employees released by the Seller on October 28, 1994 who have not subsequently been rehired. Such employees shall be offered employment at comparable salaries and the Buyer and CHI shall provide industry competitive medical, dental, and (S) 401(k) plans. The Buyer and CHI agree to recognize the original hire date of all former employees of the Seller who are hired by the Buyer for all purposes, including but not limited to the Ecova Corporation Severance Program referred to in (S) 8(b) below. However, neither the Buyer nor CHI shall have any Liability relating to or arising out of the employment of employees or the engagement of independent contractors by the Seller for periods prior to and including the Closing Date.

(b) Severance Benefits. The Buyer agrees to provide all former employees

of the Seller who are hired by the Buyer comparable or better severance benefits to those provided in the 1994 Ecova Severance Program, Amended as of September 29, 1994 (the "Ecova Corporation Severance Program"), plus an additional sixty (60) calendar days on the payroll after any employee is released from work, which is consistent with the Seller's current policy, for a period of one (1) year from the Closing Date, except where any such employee is terminated for cause. For purposes hereof, "cause" shall mean either (i) the failure of the employee to perform his or her duties which failure amounts to an intentional, extended, or gross neglect of such duties or (ii) the commission by the employee of an act of fraud, embezzlement, violence, or other misconduct against the Buyer or any of its employees or the employee having been convicted of a felony involving moral turpitude. For purposes of the severance allowance in the Ecova Corporation Severance Program, the Buyer can deduct from the severance allowance any severance allowance the employee received from the Seller in connection with employee's termination of employment by the Seller.

(c) Vacation. Between the Closing and the end of the calendar year 1995,

the Buyer shall permit all of the Seller's employees who are hired by the Buyer to take at least the same number of days paid vacation as they would have been able to take as of the Closing Date under the vacation policies of the Seller based upon the original hire date of such employees by the Seller.

(d) WARN Act. The Parties agree that the Seller shall be responsible for

any obligations under the Worker Adjustment and Retraining Notification ("WARN") Act (29 U.S.C. (S)2101, et seq.), or under similar provisions of state or local law, arising prior to the Closing, and the Buyer shall be responsible for any WARN Act (or similar state or local law) obligations arising after the Closing as a consequence of this Agreement and the Incinerator and the Intellectual Property being sold hereunder. Furthermore, for the first sixty (60) days following the Closing Date, the Buyer shall not engage in any mass layoff, plant closing or other action that might trigger obligations under the WARN Act or under any similar provision of any state or local law.

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9. Tax Matters.

(a) Liability for Taxes-General. Except as otherwise expressly provided

for in this (S) 9: (i) the Seller shall be liable for, and shall indemnify the Buyer and CHI against, any Tax arising from or attributable to the operations of the Incinerator through December 31, 1994; and (ii) the Buyer and CHI shall be liable for, and shall indemnify the Seller against, any Tax arising from or attributable to the operations of the Incinerator from and after January 1, 1995.

(b) State and Local Sales and Use Taxes. It is the mutual opinion of the

Parties that the transfer of tangible personal property pursuant to this Agreement (except motor vehicles) qualifies as an "occasional sale" under applicable Nebraska statutes and regulations and, as such, is exempt from state and local sales and use taxes. The Seller agrees to provide to the Buyer and CHI at the Closing an executed Nebraska Certificate of Exemption specifying the transfer as an occasional sale. It is therefore agreed by and between the Parties that state and local sales and use taxes will not be charged or collected at the Closing. It is further agreed, however, that in the event that the Seller shall become liable for state or local sales or use taxes (including penalties and interest, if applicable) arising out of this transfer, the Buyer and CHI shall be responsible for these taxes plus penalties and interest. The Seller agrees to give timely notice to the Buyer and CHI of any proposed assessment of these taxes, penalties and interest, and the Buyer and CHI shall have the opportunity, at their own expense, to contest the imposition of these taxes, penalties, and interest.

(c) Transfer Taxes on Motor Vehicles. The Buyer shall be responsible for

any state or local sales or use tax imposed upon any motor vehicle transferred by the Seller to the Buyer, and the Buyer shall pay this tax directly to the proper authority.

(d) Transfer Fees on Conveyances. The Party responsible under applicable

law shall bear and pay, in their entirety, all registration or transfer fees, if any, payable by reason of the sale and conveyance of the Incinerator, the Real Property or the Personal Property.

(e) State and Local Property (Real and Personal) Tax Returns and Payments.

(i) Returns for Periods Prior to the Closing. The Seller shall

prepare and file all property tax returns (whether related to real property taxes or to personal property taxes) required to be filed with respect to the Incinerator for all periods ending before the Closing. Subject to its right to be indemnified pursuant to (S) 9(a) (ii) above, the Seller shall be responsible for payment of the taxes shown to be due on such returns, shall be entitled to any refunds of such taxes, and shall be responsible, at its

own expense, for all audits which may be conducted on such returns. The Buyer and CHI shall provide reasonable access to books, records, and returns and other information to the extent necessary to permit the Seller to timely prepare and file such returns and pay such taxes.

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(ii) Returns for Periods Ending On and After the Closing. The Buyer

or CHI shall prepare and file, or shall cause to be prepared and filed, all property tax returns (whether related to real property taxes or to personal property taxes) required to be filed with respect to the Incinerator for all periods ending on or after the Closing. Subject to their right to be indemnified pursuant to (S) 9(a) (i) above, the Buyer and CHI shall be responsible for payment of the taxes shown to be due on such returns and shall be entitled to any refunds of such taxes to the extent the payment or refund of such taxes is attributable to the Incinerator on or after the Closing. The Seller shall promptly reimburse the Buyer or CHI for the portion of such taxes, and the Buyer or CHI shall promptly remit to the Seller the portion of any refunds, to the extent the payment or refund of such taxes is attributable to the Incinerator before January 1, 1995. The Seller shall provide reasonable access to books, records, returns, and other information to the extent necessary to permit the Buyer or CHI to timely prepare and file such returns and pay such taxes.

(f) Cooperation and Exchange of Information. Following the Closing, each

Party will provide, or cause to be provided, upon written request to any other Party copies of all correspondence received by such Party from any taxing authority in connection with any potential liability of such other Party for Tax under this (S)9. The Parties will also provide each other with such other cooperation and information as they may reasonably request in writing of each other in preparing or filing any return, amended return, or claim for refund, in determining a liability or a right of refund, or in conducting any audit or other proceeding, in respect of Tax imposed on the Parties or their respective Affiliates as a result of the transactions provided for in this Agreement. Any information obtained pursuant to this (S)9(f) shall be kept confidential, except as may be otherwise necessary in connection with the filing of returns or claims for refund or in conducting any audit or other proceeding. Each Party shall be entitled to reimbursement for the actual costs incurred by such Party in connection with providing the cooperation and information required by this (S)9(f). Notwithstanding the foregoing, no Party shall be obligated hereby to provide such cooperation or information if the providing of such cooperation or information would violate the terms of any agreement by which such Party is currently bound or any applicable law or regulation then in effect, or would result in the loss of any attorney-client or attorney work-product privilege by such Party.

(g) Survival of Obligations and Conflict. The obligations of the Parties

set forth in this (S)9 shall be unconditional and shall remain in effect without limitation as to time. In the event of a conflict between the provisions of this (S)9 and any other provisions of this Agreement, the provisions of this (S)9 shall control.

10. Remedies and Indemnification for Third Party Claims.

(a) Survival of Representations, Warranties and Covenants. The

representations and warranties of the Parties contained in (S) 3 and (S) 4 of this Agreement shall survive the Closing hereunder for a period of six months thereafter (except to the extent that any breach of a representation or warranty is formally waived in writing at or prior to Closing), and notice of any

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alleged breach thereof must be given within such six-month period or be forever barred. However, the covenants and other obligations of the Parties under this Agreement shall survive the Closing and shall continue in full force and effect thereafter.

(b) Indemnification by the Seller for the Benefit of the Buyer and CHI.

In the event the Seller breaches any of its representations or warranties contained in (S)3(a) or (S)4 of this Agreement and notice of the same is given as provided in (S)10(a) above, then the Seller agrees to indemnify the Buyer and CHI from and against the entirety of any Adverse Consequences the Buyer or CHI may suffer through and after the date of the claim for indemnification resulting from, arising out of, relating to, in the nature of, or caused by the breach, subject to the limitations set forth in (S)10(i) below.

(c) Indemnification by the Buyer and CHI for the Benefit of the Seller.

In the event the Buyer or CHI breaches any of their representations or warranties contained in (S)3(b) of this Agreement and notice of the same is given as provided in (S)10(a) above, then the Buyer and CHI agree to indemnify the Seller from and against the entirety of any Adverse Consequences which the Seller may suffer through and after the date of the claim for indemnification resulting from, arising out of, relating to, in the nature of, or caused by the breach, subject to the limitations set forth in (S) 10(i) below.

(d) Indemnification by the Seller and Amoco for the Benefit of the Buyer

and CHI. Except for the express representations and warranties made by the Seller in (S) 4 hereof, the Incinerator is being sold hereunder on an "as is/where is" basis without any further representation, warranty or future obligation whatsoever, express or implied, by the Seller or Amoco to the Buyer or CHI. However, the Seller agrees to forever indemnify the Buyer and CHI from and against the entirety of any Adverse Consequences suffered through and after the date of the claim for indemnification resulting from any claim by a Third Party against the Buyer or CHI for any cause of action relating to the Incinerator and arising out of, or caused by, either (i) the Seller's ownership and operation of the Incinerator prior to the close of business on December 31, 1994 (excluding the Seller's design and construction of the Incinerator), or (ii) the transportation and disposal activities of the Seller prior to the Commencement of Commercial Operations. The Seller's Affiliate, Amoco, shall provide at the Closing to the Buyer and CHI a Guarantee of the Seller's obligations contained in this (S)10(d) in the form attached hereto as Exhibit C.

(e) Indemnification by the Buyer and CHI for the Benefit of the Seller and

its Affiliates. The Buyer and CHI agree to forever indemnify the Seller, Amoco and other Affiliates from and against the entirety of any Adverse Consequences suffered through and after the date of the claim for indemnification resulting from any claim by a Third Party against the Seller, Amoco or any of their Affiliates arising out of, or caused by, either (i) the operation of the Incinerator after the close of business on December 31, 1994, or (ii) the transportation and disposal activities of the Buyer or CHI after the Commencement of Commercial Operations.

(f) Matters Involving Third Parties.

(i) If any Third Party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this (S)10, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing, provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve

the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(ii) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (A) the Indemnifying Party notifies the Indemnified Party in writing with thirty (30) days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (B) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief, and (C) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(iii) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with (S)10(f)(ii) above, (A) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld unreasonably), and (C) at any time after the commencement of the defense of any Third Party Claim, the Indemnifying Party may request the Indemnified Party to agree in writing to the abandonment of such contest or to the payment or compromise by the Indemnified Party of the asserted Third Party Claim, whereupon such action shall be taken unless the Indemnified Party determines that the contest should be continued, and so notifies the Indemnifying Party in writing within thirty (30) days of such request from the Indemnifying Party. If the Indemnifying Party determines that the contest should be continued, the Indemnifying Party shall be liable hereunder only to the extent of the amount that the other party to the contested Third Party Claim had agreed to accept in payment or compromise as of the time the Indemnifying Party made its request therefor to the Indemnified Party.

(iv) In the event any of the conditions in (S)10(f)(ii) above is or becomes unsatisfied, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it reasonably may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith),

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(B) the Indemnifying Party will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including reasonable attorneys' fees and expenses), and (C) the Indemnifying Party will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this (S)10.

(g) Determination of Adverse Consequences. The Parties shall take into -----
account the time cost of money (using the Applicable Rate as the discount rate) in determining Adverse Consequences for purposes of this (S)10.

(h) Exclusive Remedies. The provisions of this (S) 10 are intended to be -----
the exclusive remedy between the Parties for the matters covered by such provisions, and no Party shall seek recovery from any other Party or any of its Affiliates with respect to such matters under theories of strict liability, negligence or other theory of recovery, whether under contract (other than this Agreement) or tort or at law or in equity.

(i) Limitation on Indemnification. The Seller shall not be liable to the -----
Buyer or CHI, and the Buyer and CHI shall not be liable to the Seller, for Adverse Consequences under this (S)10 (excluding claims pursuant to (S) 10(d) or

(S) 10(e)) unless the aggregate amount of Adverse Consequences for which such Parties would, but for the provisions of this (S)10(i), be liable exceeds, on an aggregate basis, \$250,000, and then only to the extent of such excess. In addition, the Seller shall not be liable to the Buyer or CHI, and the Buyer and CHI shall not be liable to the Seller, for any single breach governed by (S)10(b) or (S)10(c) unless the Adverse Consequences arising from such single breach exceed \$10,000 (which shall be the definition of "material" for purposes of the first sentence of (S)3(a), (S)3(b), and (S)4 above), and then only to the extent of such excess. The foregoing limitations shall not be applicable to any breach governed by (S)10(d) or (S)10(e) hereof.

(j) Johnson Litigation. Anything in this (S)10 to the contrary

notwithstanding, the Buyer and CHI agree to assume the responsibility (if any) for the defense of and any consequences which may arise from the pending litigation brought by Kenneth Johnson against the Nebraska Environmental Control Council and the Nebraska Department of Environmental Control (currently known as the "Nebraska Department of Environmental Quality"), in which the Seller (formerly known as "Waste-Tech Services, Inc.") is an intervenor.

11. Termination

(a) Termination of Agreement. Certain of the Parties may terminate this

Agreement as provided below:

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(i) the Buyer or CHI may terminate this Agreement by giving written notice to the Seller at any time prior to the Closing (A) in the event the Seller has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer or CHI has notified the Seller of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach, or (B) if the Closing shall not have occurred on or before May 15, 1995, by reason of the failure of any condition precedent under (S)7(a) hereof (unless the failure results primarily from the Buyer or CHI itself breaching any representation, warranty, or covenant contained in this Agreement);

(ii) the Seller may terminate this Agreement by giving written notice to the Buyer and CHI at any time prior to the Closing (A) in the event CHI or its Affiliates have failed to pay any invoice for waste processing at the Incinerator in accordance with (S)2(h)(ii) hereof, (B) in the event the Buyer or CHI has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Seller has notified the Buyer and CHI of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach, (C) if at any time prior to the Closing Date, the Seller is not satisfied for any reason with the progress the Buyer and CHI have made toward securing financial assurances or the financial obligations required of the Buyer or CHI in order to complete the Closing, or (D) if the Closing shall not have occurred on or before May 15, 1995, by reason of the failure of any condition precedent under (S)7(b) hereof (unless the failure results primarily from the Seller itself breaching any representation, warranty, or covenant in this Agreement); and

(iii) in the event that by May 15, 1995, the Closing shall not have occurred but this Agreement shall not have been terminated in accordance with (i) or (ii) above, this Agreement shall terminate unless all of the Parties shall thereupon mutually agree in writing to extend this Agreement.

(b) Effect of Termination. If any Party terminates this Agreement

pursuant to (S)11(a) above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to any other Party, except for (i) any Liability of any Party or Parties then in breach, and (ii) the

reimbursement obligations of the Buyer and CHI under (S) 2(i) of this Agreement.

12. Miscellaneous

(a) Nature of Certain Obligations; Guaranties. The representations, -----
warranties, and covenants in this Agreement are joint and several obligations of the respective Parties. Any and all obligations of the Buyer under this Agreement shall be unconditionally and irrevocably guaranteed by CHI.

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(b) Press Releases and Public Announcements. No Party shall issue any -----
press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its reasonable best efforts to advise the other Parties prior to making the disclosure).

(c) No Third-Party Beneficiaries. This Agreement shall not confer any -----
rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns, except insofar as the indemnification obligations hereunder may extend to any Affiliate of a Party.

(d) Entire Agreement. This Agreement (including the documents referred to -----
herein) constitutes the entire agreement among the Parties and supersedes the Letter of Intent and any other prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

(e) Succession and Assignment. This Agreement shall be binding upon and -----
inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, however, that a Party may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the designating Party nonetheless shall remain responsible for the performance of all of its and its assignee's obligations hereunder).

(f) Counterparts. This Agreement may be executed in one or more -----
counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(g) Headings. The section headings contained in this Agreement are -----
inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) Notices. All notices, requests, demands, claims, and other -----
communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by nationally recognized overnight carrier or by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

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If to the Buyer:

Clean Harbors Technology Corporation
325 Wood Road
Braintree, Massachusetts 02184
Attn: Stephen H. Moynihan

Copy to:

C. Michael Malm, Esq.
Davis, Malm & D'Agostine, P.C.
One Boston Place
Boston, Massachusetts 02108

If to CHI:

Clean Harbors, Inc.
325 Wood Road
Braintree, Massachusetts 02184
Attn: Jonathan R. Black,
General Counsel

Copy to:

C. Michael Malm, Esq.
Davis, Malm & D'Agostine, P.C.
One Boston Place
Boston, Massachusetts 02108

If to the Seller:

Ecova Corporation
800 Jefferson County Parkway
Golden, Colorado 80401
Attn: Thomas E. Noel, President

Copy to:

A.A. Kozinski
Amoco Corporation
Mail Code 1606B
200 East Randolph Drive
Chicago, IL 60601

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(i) Governing Law. This Agreement shall be governed by and construed in

accordance with the domestic laws of the State of Nebraska without giving effect to any choice or conflict of law provision or rule (whether of the State of Nebraska or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Nebraska.

(j) Amendments and Waivers. No amendment of any provision of this

Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

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(k) Severability. Any term or provision of this Agreement that is invalid

or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(l) Expenses. Each of the Parties will bear its own costs and expenses

(including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

(m) Construction. The Parties have participated jointly in the

negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean "including without limitation." The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

CLEAN HARBORS TECHNOLOGY
CORPORATION

By: _____

Title: _____

CLEAN HARBORS, INC.

By: _____

Title: _____

ECOVA CORPORATION

By: _____

Title: _____

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EXHIBITS AND SCHEDULES TO AGREEMENT

Document -----	Section Reference -----
Exhibit A: Description of the Approvals	(S) 1
Exhibit B: Form of Opinion Addressed to the Buyer and CHI	(S) 7 (a) (v)
Exhibit C: Form of Guarantee by Amoco	(S) 7 (a) (x)
Exhibit D: Form of Opinion Addressed to the Seller	(S) 7 (b) (v)
Disclosure Schedule	(S) 4

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Exhibit 11

CLEAN HARBORS, INC. AND SUBSIDIARIES
 COMPUTATION OF NET INCOME PER SHARE
 FOR THE SECOND QUARTER ENDED JUNE 30, 1995
 (in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
Net income (loss)	\$203	\$1,251	\$(387)	\$1,848
Less preferred dividends accrued	112	112	223	212
Adjusted net income (loss)	\$ 91	\$1,139	\$(610)	\$1,636
Earnings per common and common equivalent share:				
Weighted average number of shares outstanding	9,431	9,429	9,431	9,428
Incremental shares for stock options under treasury stock method	17	225	16	252
Weighted average number of common and common equivalent shares outstanding	9,448	9,654	9,447	9,680
Net earnings (loss) per common and common equivalent share	\$.01	\$.12	\$(.06)	\$.17
Earnings per common and common equivalent share - assuming full dilution:				
Weighted average number of shares outstanding	9,431	9,429	9,431	9,428
Incremental shares for stock options under treasury stock method	18	256	16	255
Weighted average number of common and common equivalent shares outstanding - assuming full dilution	9,449	9,685	9,447	9,683
Net earnings (loss) per common and common equivalent share - assuming full dilution	\$.01	\$.12	\$(.06)	\$.17

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