

SETTLEMENT AGREEMENT

This Settlement Agreement (hereinafter "Agreement") is made between the following Parties:

Union County Utilities Authority ("Authority")
1499 Routes 1 & 9, Rahway, New Jersey 07065

- and -

Hamlette Disposal Inc., (hereinafter "Hamlette" and/or "Defendant")
757 Jerusalem Road
Scotch Plains, New Jersey 07076

WHEREAS, on February 4, 2014, the Authority filed a Complaint in the Superior Court of New Jersey, Union County Vicinage, entitled, *Union County Utilities Authority v. Hamlette Disposal Inc., et al.*, Docket No.: UNN-L- 0395-14 ("the Litigation") by and through its counsel, Weber Dowd Law, LLC ("WDL");

WHEREAS, The Authority initiated the Litigation against Hamlette to recover a balance then remaining due to the Authority in the amount of \$160,309.27 ("Complaint Amount") for the tipping fees associated with Hamlette's Solid Waste Disposal Account for solid waste deliveries to the Authority's facility up to the point of the filing of the Litigation;

WHEREAS, The balance due and owing to the Authority as of October 13, 2014, is \$212,232.01 (hereinafter "Debt Amount"), which represents the Complaint amount of \$160,309.27, plus \$51,922.74 for certain tipping fees associated with Defendant's Solid Waste Disposal Account due and owing to the Authority since WDL's initiation of the Litigation through October 13, 2014; and

WHEREAS, the Parties to the Litigation wish to resolve the Authority' claim in an effort to avoid further disputes and litigation with their attendant inconveniences and expenses; and

NOW, THEREFORE, it is hereby agreed:

1. Settlement. Hamlette agrees to pay \$212,232.01, plus any and all tipping fees incurred by Hamlette that become due and owing after October 13, 2014, to the Authority pursuant to the following terms:

a. Payment: Hamlette agrees to provide for payment to the Authority in accordance with the terms of the fully executed Assignment Agreement attached hereto as *Exhibit A*. There is no penalty for prepayment.

b. Conditions Precedent for Settlement:

- (1) In addition to the payments set forth in ¶1(a) above, Hamlette shall promptly pay any and all tipping fees incurred that become due and owing to the Authority after October 13, 2014, but any unpaid balance shall be paid to the Authority no later than the date of closing on the Asset Purchase Agreement. If such tipping fees are not paid: (i) any forbearance obligation of the Authority pursuant to ¶2 herein will immediately terminate; (ii) the NJDEP will be immediately notified that the terms of Settlement have not been

upheld by Hamlette; and (iii) the Assignment Agreement referred to in paragraph 1(a) herein shall be considered voidable by the Authority at the Authority's sole option.

- (2) This Agreement is further premised and conditioned upon the Consent Judgment referenced herein in ¶2, and attached hereto as *Exhibit B*, being accepted, granted, and filed by the Superior Court of New Jersey, Union County Vicinage, in the same form as is attached hereto. This Agreement will be deemed voidable by the Authority at the Authority's sole option should the Consent Judgment not be filed for any reason.

2. Consent Judgment with Forbearance. The Parties shall execute the form of Consent Judgment attached hereto as *Exhibit B*, and Counsel for the Authority shall file the original with the Superior Court of New Jersey, Union County Vicinage, for entry by the Court. The Authority is permitted to record the filed Judgment in the Civil Judgment and Order Docket maintained by the Judgment Unit of the Superior Court, Trenton, New Jersey ("Judgment Unit"). The Authority agrees to forbear on post-judgment attachment and/or execution on any assets to which Hamlette may have a right, unless any of the following conditions are not met:

- a. Hamlette's and Grand Sanitation Services, Inc.'s continued compliance with the payment provisions in ¶1(a).
- b. Hamlette's continued compliance with the payment provisions in ¶1(b) of this Agreement.
- c. Hamlette hereby admits that it is liable for the Debt Amount minus any and all Payment(s), and Hamlette does not take a position inconsistent with same.
- d. Hamlette hereby admits and affirm that the Authority is entitled to 33.07% of any payments, whether they be Installment Payments or otherwise, remitted from Grand Sanitation services, Inc., to Hamlette up and until the full amount of the full Debt Amount is satisfied by Hamlette.
- e. Failure to notify the Authority of any material changes in Hamlette's assets or financial situation may invalidate the forbearance set forth herein.
- f. Hamlette hereby waives its right to move to vacate or take any other action against the Authority that contravenes the Consent Judgment, the Assignment Agreement, or this Settlement Agreement, and Hamlette does not take a position inconsistent with same.

3. Execution on Judgment. In addition to the conditions set forth in ¶2 above, the Authority's forbearance obligation terminates upon:

- a. The dissolution of Hamlette Disposal Inc.;
- b. The commencement of proceedings in bankruptcy, proceedings for an assignment for the benefit of creditors, or proceedings for the reorganization or readjustment of debts under any law, instituted by or against Hamlette, under state or federal law, providing for the relief of debtors; or
- c. Hamlette instituting an action against the Authority, for a cause other than the enforcement of this Agreement.

4. Satisfaction of Judgment. In the event the Authority has filed the Consent Judgment contemplated by this Agreement as a lien with the Judgment Unit, then, within 60 days after satisfaction of all of the terms of this Agreement and the Assignment Agreement, by Hamlette, including but not limited to the timely receipt of all monies due to the Authority as contemplated hereby, the Authority shall execute and file a Warrant to Satisfy Judgment with the Judgment Unit.

5. Conditional General Release by The Authority. With the exception of the Judgment to be consented to by Hamlette and entered in accordance with this Agreement, and with the exception of any claims related to the enforcement of this Agreement, the Authority and each of the Authority's respective past, present, and future directors, officers, agents, commissioners, employees, attorneys, representatives, predecessors, successors and assigns (hereinafter collectively referred to in this paragraph as the "Authority Releasers") do hereby forever release and discharge Hamlette, of and from any and all actions, claims, suits, demands, rights, damages, costs, accounts, judgments, executions, debts, obligations, rights of contribution and indemnification, and any and all other liabilities of any kind or nature whatsoever, either in law or in equity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, direct or indirect, that the Authority Releasers, or any of them, ever had, now have, or may have or claim to have in the future, against Hamlette, arising from the incurrence of tipping fees associated with Hamlette's solid waste disposal account with the Authority through the date of this Agreement including, but not limited to, all claims asserted or which could have been asserted by the Authority Releasers, or any of them, in the Litigation.

6. Conditional General Release by Hamlette. With the exception of claims related to the enforcement of this Agreement, Hamlette does hereby forever release and discharge the Authority, including its past, present and future directors, officers, commissioners, agents, employees, attorneys, representatives, predecessors, successors and assigns (hereinafter collectively referred to in this paragraph as the "Authority Releasees") of and from any and all actions, claims, suits, demands, rights, damages, costs, accounts, judgments, executions, debts, obligations, rights of contribution and indemnification, and any and all other liabilities of any kind or nature whatsoever, either in law or in equity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, direct or indirect, that Hamlette ever had, now has, or may have or claim to have in the future, against the Authority Releasees or any of them, for or by reason of any cause, matter or event whatsoever, through the date of this Agreement including, but not limited to, any claims or affirmative defenses that were or could have been asserted by the Hamlette in the Litigation.

7. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed served: (i) when delivered or transmitted by hand (ii) the next business day if deposited in a timely manner with a nationally recognized overnight delivery service (e.g., UPS, Lawyers Service, Fed Ex, etc.); or (iii) three (3) days after deposit with the United States Postal Service by first class mail postage prepaid to:

The Authority:

Kraig M. Dowd, Esq.,
Weber Dowd Law, LLC
365 Rifle Camp Road
Woodland Park, NJ 07424

Hamlette:

John De Massi, Esq.

Schiller & Pittinger, P.C.
1771 Front Street
Scotch Plains, NJ 07076

or to such other addresses or persons as the Parties hereto may agree to in writing from time to time.

8. Survival of Covenants. The respective promises, representations, duty of good faith dealing, and obligations of the Parties contained or implied in this Agreement shall survive this Agreement, and shall not terminate until such time as no one Party can be liable to any person or entity for allegedly breaching any portion of this Agreement.

9. Neutral Construction. This Agreement shall be given a neutral construction, such that it shall not be construed in favor of or against any Party to this Agreement by reason of the extent to which any Party or its counsel participated in the drafting hereof.

10. No Waiver. The acquiescence or failure of one Party to enforce a term of this Agreement against another Party shall not operate, or be construed, as a waiver of any rights by the non-breaching Party, or as a waiver of any subsequent breach or violation of the Agreement, or as a modification of the terms of this Agreement.

11. No Modification and/or Discharge unless Written. This Agreement may not be changed, altered, or modified except in a writing signed by the Parties. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

12. Full Expression of Settlement. This Agreement, and its incorporated Exhibits, represents the entire agreement between the Parties with respect to the subject-matter set forth herein.

13. Severability. If any of the provisions of this Agreement are determined to be invalid under any applicable state or federal laws or by an order of a Court having legal and appropriate jurisdiction over this matter, such invalidity shall not affect or impair the validity of the other provisions, which shall be considered severable, and shall remain in full force and effect.

14. Binding. This Agreement is binding on each of the Parties' respective assigns, heirs, successors-in-interest, agents, attorneys, officers, members, shareholders, and partners.

15. Independent Legal Counsel. Each Party has had the opportunity to seek the assistance of his/her/its own independent legal counsel to assist with reviewing and negotiating this Agreement and has chosen to enter into this Agreement without reservation over the meaning or legality of it.

16. Execution. This Agreement shall become effective only upon its execution by all parties hereto. It is understood, however, that this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same Agreement.

17. Authorized Signatures Required. By signing this Agreement, the representatives of the Parties hereto warrant and represent that he/she are properly authorized to enter into this Agreement, that he/she has read the foregoing Agreement and has executed the same freely on behalf of the Party.

**** Authorized Signatures on the Following Pages ****

UNION COUNTY UTILITIES AUTHORITY,
Plaintiff

By: *Daniel P. Sullivan*
Daniel P. Sullivan, Executive Director
Union County Utilities Authority

HAMLETTE DISPOSAL INC.,
Defendant

By: _____
Patrick Hamlette, Sr., *President of*
Hamlette Disposal Inc.

Dated: Oct 15, _____, 2014

Dated: _____, 2014

Exhibit A
(Form of Consent Judgment)

Kraig M. Dowd, Esq.
Attorney I.D. No: 052771997
WEBER DOWD LAW, LLC
365 Rifle Camp Rd.
Woodland Park, NJ 07424
973-200-0805 (tel.)
973-200-0806 (fax)
*Attorneys for Plaintiff,
Union County Utilities Authority*

UNION COUNTY UTILITIES AUTHORITY,

Plaintiff,

vs.

HAMLETTE DISPOSAL INC.; ABC
CORPORATIONS 1-10; and JOHN & JANE
DOES 1-10,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION, UNION COUNTY

Docket No.: UNN-L-0395-14

Civil Action

CONSENT JUDGMENT

WHEREAS this matter having been opened to the Court by Weber Dowd Law, LLC., attorneys for the Plaintiff, Union County Utilities Authority (hereinafter "UCUA"), by the filing of a Complaint against the Defendants to recover a then-existing balance of \$160,309.27 on the Solid Waste Disposal Account of Defendant, Hamlette Disposal Inc. (hereinafter "Hamlette" and/or "Defendant"), and with the consent of John De Massi, Esq., Attorney for Defendant, as evidenced by the Parties' signatures below, and it appearing to the Court that the said application is proper and for other good and sufficient cause shown;

WHEREAS the undersigned parties have agreed to resolve this matter without the need for any further litigation;

WHEREAS Defendant, Hamlette Disposal, Inc., by its attorney, John De Massi, Esq., has consented to the entry of this Consent Judgment in the amount of \$212,232.01, representing the Complaint amount of \$160,309.27, plus \$51,922.74 for certain tipping fees associated with Defendant's Solid Waste Disposal Account becoming due and owing to the UCUA after the filing of the Complaint, without trial or adjudication of any issue of fact or law and to waive any appeal upon entry of the Consent Judgment as submitted; and

WHEREAS this Judgment is given with the consent of Defendant Hamlette Disposal subject to and pursuant to the terms of a Settlement Agreement between the Plaintiff and Defendant.

It is, on this day _____ of _____, 2014,

ORDERED and **ADJUDGED** that Judgment be entered against Defendant, Hamlette Disposal, Inc., and in favor of the Plaintiff in the amount of \$212,232.01.

ORDERED and **ADJUDGED** that within 7 days of receipt by Plaintiff's counsel of a conformed copy of this Judgment, Counsel shall serve same by regular mail upon counsel for Defendant.

J.S.C.

Consent is hereby given to the form and entry of the within Judgment.

Union County Utilities Authority,
Plaintiff

Hamlette Disposal Inc.,
Defendant

By: _____
Kraig M. Dowd, Esq.
Counsel for Union County Utilities Authority

By: _____
John De Massi, Esq.
Counsel for Defendant, Hamlette Disposal Inc.

Dated: _____, 2014

Dated: _____, 2014

Exhibit B
(Assignment Agreement)

ASSIGNMENT AGREEMENT
BETWEEN HAMLETTE DISPOSAL INC., SELLER,
AND
GRAND SANITATION SERVICES, INC., BUYER
AND
UNION COUNTY UTILITIES AUTHORITY

WHEREAS, Grand Sanitation Services, Inc. (hereinafter "Buyer"), has executed an Asset Purchase Agreement to acquire the assets of Hamlette Disposal Inc. (hereinafter "Seller") for a total of \$457,937.12, by way of initial deposit along with monthly payments pursuant to a Promissory Note between Buyer and Seller; and

WHEREAS, it is the intention of the Buyer and Seller to close on the Asset Purchase transaction and/or make the transfer of title to the subject assets effective November 1, 2014; and

WHEREAS, as of October 13, 2014, the Seller owes a debt to the Union County Utilities Authority (hereinafter "Authority"), for Seller's outstanding Solid Waste Disposal Account balance in the amount of \$212,232.01 (hereinafter the "Outstanding Debt"), which indebtedness is the subject of a pending civil action in the Superior Court of New Jersey, Union County Vicinage, entitled, *Union County Utilities Authority v. Hamlette Disposal Inc., et al.*, Docket No.: UNN-L-0395-14; and

WHEREAS, in accordance with the Asset Purchase Agreement, the Buyer promised to make a substantial down-payment at closing; and

WHEREAS, the Buyer also promised to make monthly payments thereafter to the Seller until the balance of the purchase price is paid off in accordance with the Promissory Note executed between the parties in connection with the Asset Purchase Agreement.

NOW THEREFORE, intending to be legally bound, in consideration of the mutual covenants and promises to be performed by each of the parties hereto, and other good and valuable consideration set forth herein, the parties hereby agree as follows:

1. The Seller shall pay the Authority \$160,000.00 (hereinafter "First Payment") toward the Outstanding Debt. Delivery of the First Payment shall be made within five (5) business days of the receipt and deposit by the Seller of the Buyer's down payment in connection with closing on the Asset Purchase Agreement. The First Payment shall be issued and delivered in the following manner: a check in the amount of \$160,000.00 shall be issued from the Attorney Trust Account of Schiller & Pittenger, Seller's counsel, payable to the "Union County Utilities Authority", and delivered via overnight delivery service to the attention of Kraig M. Dowd, Esq., Weber Dowd Law, LLC, 365 Rifle Camp Road, Woodland Park, New Jersey 07424. "Delivery" shall be effective upon receipt of the check by Weber Dowd Law, LLC.
2. The Authority shall apply the First Payment to the oldest sums due within the Outstanding Debt.
3. The balance of \$52,232.01, together with any additional amounts which may be due and owing by the Seller to the Authority after October 13, 2014, shall be paid in equal monthly installments of \$870.53, due on the 1st day of each month, for a period of sixty (60) months, commencing on December 1, 2014 (hereinafter the "Installment Payments"). The Installment Payments shall be made payable to "Union County Utilities Authority" and delivered to Kraig M. Dowd, Esq., Weber Dowd Law, LLC, 365 Rifle Camp Road, Woodland Park, New Jersey 07424.
4. Until the remaining balance on the Outstanding Debt is paid in full, Seller hereby assigns all payments due by the Buyer to the Seller on account of the aforementioned Promissory Note to the Authority. Until notified in writing by the Authority, all Installment Payments due and owing from the Buyer shall be made to the Schiller & Pittenger Attorney Trust Account, as escrow agent and after the funds clear said Trust Account, and before any other payments are made, the Installment Payments due by the Seller to the Authority shall be issued from said account payable to the "Union County Utilities Authority" and delivered to Kraig M. Dowd, Esq., attorney for Authority, at the

address stated herein above at ¶3. The balance of each Note payment from the Buyer to the Seller, if any, shall be remitted to the Seller. There is no penalty for prepayment.

5. As a condition to this Assignment Agreement, Hamlette shall promptly pay any and all tipping fees incurred that become due and owing to the Authority after October 13, 2014, but any remaining unpaid balance shall be paid to the Authority no later than the date of closing on the Asset Purchase Agreement. If such tipping fees are not paid, (i) the NJDEP will be immediately notified that the terms of Settlement have not been upheld by Hamlette, and (ii) this Assignment Agreement shall be considered voidable by the Authority at the Authority's sole option upon written notice to all parties hereto.
6. Once the Authority has collected all funds due from the Seller to the Authority, the Buyer shall be so notified, and shall be directed to make any further monthly payments on account of the aforesaid Promissory Note directly to the Seller.
7. This Assignment Agreement may be executed by the parties in counterparts, all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same, and facsimile signatures shall be treated as originals.
8. Each person executing this Assignment Agreement represents and warrants that he or she has been empowered and authorized by the respective party on whose behalf he or she is acting to so execute this Assignment Agreement.
9. The Seller, Buyer and the Authority knowingly and voluntarily enter into this Assignment Agreement.
10. Other than the limitations expressly agreed to by the Authority in making this Assignment Agreement, nothing contained herein is intended to limit the rights that the Authority might otherwise have to assert claims or take legal action against any person or entity, including the parties hereto, to protect the Authority's right to secure and/or collect the Outstanding Debt.
11. Seller admits and affirms that, after the making of the First Payment, the Authority is entitled to 33.07% (\$52,232.01 balance remaining after First Payment divided by the total Note amount of \$157,937.12 equals 0.3307) of any payments, whether they be Installment Payments or otherwise, remitted from the Buyer to the Seller up and until the full amount of the Outstanding Debt is satisfied by the Seller.
12. By executing this Assignment Agreement, Seller acknowledges and authorizes the aforementioned portion of payments to be remitted from Buyer to Seller, pursuant to the referenced Promissory Note, to be assigned to the Authority. Such assignment of payments will be transferred through the aforementioned escrow agent to the Authority pursuant to ¶ 4 hereinabove.
13. This Assignment Agreement contains the entire agreement and understanding of the parties hereto with regard to the matters specifically described in this Assignment Agreement. Any contemporaneous or prior agreements, whether written or oral, are hereby merged into this Assignment Agreement. Any modifications hereof shall not be effective unless agreed to in writing by all parties hereto.
14. If any of the provisions of this Assignment Agreement are determined to be invalid under any applicable state or federal laws or by an order of a Court having legal and appropriate jurisdiction over this matter, such invalidity shall not affect or impair the validity of the other provisions, which shall be considered severable, and shall remain in full force and effect.
15. This Assignment Agreement is binding on each of the Parties' respective assigns, heirs, successors-in-interest, agents, attorneys, officers, members, shareholders, and partners.
16. Each Party has had the opportunity to seek the assistance of his/her/its own independent legal counsel to assist with reviewing and negotiating this Assignment Agreement and has chosen to enter into this Payment Agreement without reservation over the meaning or legality of it.

**** Authorized Signatures on the Following Pages ****

HAMLETTE DISPOSAL INC.

DATED: _____

BY: _____
Patrick Hamlette, Sr., President


GRAND SANITATION SERVICES, INC.

DATED: _____

BY: _____
Richard Golinello, President

UNION COUNTY UTILITIES AUTHORITY

DATED: 10/15/2014


BY: _____
Daniel P. Sullivan, Executive Director