

May 8, 2018

The Camara Family
c/o Michael Camara
ABC Disposal Service, Inc.
1245 Shawmut Avenue
New Bedford, MA 02745

Dear Mr. Camara:

Each of the undersigned municipalities has received notice that ABC Disposal Service Inc. ("ABC") could cease collecting recyclables after June 30, 2018. ABC asserts that China's National Sword Policy has made it financially impossible for ABC to continue to service the recycling requirements of its contracts and has pushed the company towards pending insolvency. The National Sword Policy bans certain types of solid waste and sets lower contamination thresholds for recyclables entering China, which has been one of the largest importers of U.S. recyclables.

We all understand that the China National Sword policy has increased the cost of processing recyclables, and we all hope that ABC remains a viable company. To that end, we have repeatedly expressed willingness during the past several months to consider modification of our contracts with ABC, provided we are given the opportunity to review financial information that gives us a clear understanding of ABC's financial status. We are willing to review this financial information at ABC's offices and have not insisted that ABC send it to us. We are also willing to enter into appropriate non-disclosure agreements to protect ABC's proprietary information.

There are two main reasons we need this information. First, we cannot recommend the expenditure of additional taxpayer dollars unless we have verified that China's National Sword Policy is in fact jeopardizing ABC's solvency. We do not know whether China's National Sword Policy will put ABC out of business or will simply make its recycling contracts less profitable. ABC's mere assertions that it needs contract increases in order to survive are an insufficient basis on which to impose an additional burden on taxpayers.

Second, we need this information to assure ourselves that even if we make financial concessions under the contracts, ABC will be in a position to perform on them, given the pre-existing and ongoing claims of its creditors. For example, we know that ABC is currently in litigation in the United States District Court for the District of Massachusetts with BFS Capital ("BFS") and Bofl Federal Bank ("Bofl") over a series of loans made to ABC in the 2014-2016 time period. As of May 3, 2016, BFS asserted that ABC owed it \$2,504,243.96 on these loans, which had an effective annual interest rate of over 50%. Although ABC has tried to have these loans deemed unenforceable, acknowledging that its "principals are not sophisticated in the areas of finance and lending," we need to understand whether this potential debt and others would likely lead to ABC's insolvency, even in the absence of China's National Sword Policy. Put simply, we do not want to be in a position of throwing good taxpayer money after bad.

To date, you have refused to provide us information that presents a clear picture of ABC's financial outlook. This letter serves as notice that unless we are given an opportunity to review the requested information by May 14, 2018, we will take legal action to protect our respective interests. We all would regard ABC's discontinuance of recyclable collection as a breach of our respective contracts and reject all of ABC's proffered defenses. We expect that ABC will continue to fully perform under its contracts on July 1, 2018, including by obtaining any required performance bonds.

Sincerely,

Jon Mitchell
Mayor, City of New Bedford

Melissa Arrighi
Town Manager, Plymouth

Suzanne Szyndlar
Town Administrator, Rochester

Mark Rees
Town Administrator, Fairhaven

Michael J. Gagne
Town Administrator, Mattapoisett