

EXECUTION COPY

AGREEMENT FOR ELECTRIC GENERATION FACILITY
OPERATION, MANAGEMENT AND MAINTENANCE SERVICES

THIS AGREEMENT FOR ELECTRIC GENERATION FACILITY OPERATION, MANAGEMENT AND MAINTENANCE SERVICES (this "Agreement") is made as of this 22nd day of December, 2000 (the "Effective Date"), by and between the **CONNECTICUT RESOURCES RECOVERY AUTHORITY**, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, and having a principal place of business at 100 Constitution Plaza, Hartford, Connecticut 06103-1702 ("CRRA") and **RESOURCE RECOVERY SYSTEMS OF CONNECTICUT, INC.**, a Connecticut corporation, having a principal place of business at 40 Lane Road, Fairfield, New Jersey 07007-2615 (the "Contractor").

PRELIMINARY STATEMENT

WHEREAS, CRRA expects to purchase an electric generation facility (the "Facility") located at Gate 20, Reserve Road in Hartford, Connecticut ("South Meadow Station"); and

WHEREAS, CRRA wishes to have Contractor perform the operating, management and maintenance services with respect to the Facility as specified in this Agreement; and

WHEREAS, Contractor wishes to perform such operating, management and maintenance services for the consideration specified herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Contractor hereby agree as follows:

ARTICLE 1
DEFINITIONS, REPRESENTATIONS AND CONDITIONS

Section 1.1. Definitions

"Act of Bankruptcy" means that (a) Contractor shall have commenced a voluntary case under any bankruptcy law, applied for or consented to the appointment of, or the taking of possession by, a receiver, trustee, assignee, custodian or liquidator of all or a substantial part of its assets, (b) Contractor shall have failed, or admitted in writing its inability generally, to pay its debts as such debts become due, (c) Contractor shall have made a general assignment for the benefit of creditors, (d) Contractor shall have been adjudicated a bankrupt, or shall have filed a

petition or an answer seeking an arrangement with creditors, (e) Contractor shall have taken advantage of any insolvency law, or shall have submitted an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding, (f) an order, judgment or decree for relief in respect of Contractor shall have been entered in an involuntary case, without the application, approval or consent of Contractor by any court of competent jurisdiction appointing a receiver, trustee, assignee, custodian or liquidator, for Contractor or for a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred eighty (180) consecutive days, (g) Contractor shall have filed a voluntary petition in bankruptcy, (h) Contractor shall have failed to remove an involuntary petition in bankruptcy filed against it within one hundred eighty (180) days of the filing thereof, or (i) an order for relief shall have been entered against Contractor under the provisions of the United States Bankruptcy Act, 11 U.S.C.A. §301. For purposes of this definition, the term Contractor shall mean Contractor, Guarantor or any Substitute Guarantor.

"Affiliate" means a Person that, directly or indirectly, controls or is controlled by, or is under common control with, Contractor.

"Agreement" means this Agreement for Electric Generation Facility Operation, Management and Maintenance Services between CRRA and Contractor, together with Exhibits I - VI (inclusive) attached hereto and made a part hereof and any written amendments, modifications or supplements hereto.

"Applicable Laws" means any applicable statute, law, constitution, charter, ordinance, resolution, judgment, order, procedures, permits (including but not limited to the Permits), decree, rule, regulation, directive, official interpretation, standard or similar binding authority, which has been or shall hereinafter be enacted, promulgated, issued or enforced by any judicial or governmental authority or body (other than from CRRA) having jurisdiction over the Facility.

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday which is not a legal holiday observed by CRRA.

"Commencement Date" shall mean the date on which the conditions precedent set forth in Section 1.4 are satisfied or waived.

"Confidential Information" shall mean proprietary information of Contractor or CRRA related to operation, management and maintenance of the Facility and identified as confidential and, if in writing, marked "confidential" conspicuously thereon that is not otherwise in the public domain and is in tangible form.

"Contractor's Direct Cost" shall mean the following direct costs incurred by Contractor in, and which are reasonable, customary and necessary for, the performance of any Service Change or Facility Change hereunder: (i) direct labor costs, including payroll taxes, payroll insurances, fringe benefits and those off-site labor costs of Contractor or an Affiliate of Contractor directly attributable to and a necessary result of the performance of such work; (ii) Contractor's cost of materials, fuels and supplies used for or in connection with such work; and

(iii) Contractor's cost for any subcontractor used for or in connection with such work. Contractor's Direct Cost shall not include, and Contractor shall not be entitled to any additional compensation for, any work for a Service Change or Facility Change that will not reasonably require additional personnel or overtime hours.

"Cost Substantiation" means, with respect to any costs of Contractor, a certificate signed by an authorized representative of Contractor setting forth Contractor's reasons for incurring the cost, the amount of such cost with supporting invoices, and other pertinent documentation, and the event or section of this Agreement giving rise to Contractor's right to incur such cost, and certification that the cost is at a competitive price for the services or materials supplied.

"Desired Change" shall have the meaning set forth in Section 2.9(b) hereof.

"Event of Default" shall mean any one or more of those events described in Article VII hereof.

"Facility" shall mean the steam electric generation facility located at Gate 20, Reserve Road in Hartford, Connecticut which is owned by, licensed to or leased to CRRA.

"Facility Change" shall have the meaning set forth in Section 2.9 hereof.

"Generating Building" shall mean the existing building at South Meadow Station that contains the turbines and generators used for the generation of electricity from steam provided by the Power Block Facility, including the employee building, so-called, which stands northerly from the Generating Building.

"Good Electric Utility Practices" shall have the meaning set forth in Exhibit VI hereto.

"Guarantor" shall mean Ogden Energy Group, Inc.

"ISO" shall mean ISO New England, Inc., its successor, or any other independent system operator designated by NEPOOL (or an appropriate authority) for New England.

"NEPOOL" shall mean the New England Power Pool or its successor.

"O&M Contract Price" shall have the meaning set forth in Section 3.1 hereof.

"Operating Year" shall mean a period commencing on July 1 and terminating on the following June 30, provided, however, that the first Operating Year shall commence on the Commencement Date and the last Operating Year shall end on the last day of the term of this Agreement or, if earlier, the day this Agreement is terminated. Where this Agreement specifies amounts or quantities with respect to an Operating Year, the amounts or quantities shall be prorated for any Operating Year which is less than a twelve month period.

"Permits" means all permits, consents, licenses, approvals or authorizations required by any governmental body having jurisdiction over the Facility or Services hereunder.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Power Block Facility" or **"PBF"** shall have the meaning set forth in the Power Block Facility Agreement.

"Power Block Facility Agreement" or **"PBF Agreement"** shall mean the Amended and Restated Agreement for Operation and Maintenance of Power Block Facility between CRRA and Contractor dated as of December 22, 2000.

"Process" shall mean processing of steam into electricity by the Facility as described in Exhibit I hereof or, at the request of CRRA, the diversion of steam from the Facility.

"Rating Agencies" shall mean Standard & Poors, Moody's Investors Services, Inc., or any other nationally recognized securities rating agency.

"Reimbursable Cost" shall mean one hundred ten percent (110%) of the direct additional costs, subject to Cost Substantiation, incurred by Contractor, in, and which are reasonable, customary and necessary for, the performance of Schedule C-2 Services, supplies, parts, and other work described in Schedule C-2, including but not limited to: (i) labor costs, including payroll taxes, payroll insurances, fringe benefits, and those off-site labor costs of Contractor or an Affiliate of Contractor directly attributable to and a necessary result of the performance of such work; (ii) Contractor's cost of materials, fuels, and supplies used for or in connection with such work; and (iii) Contractor's cost of any subcontractor use for or in connection with such work; provided, however, Reimbursable Costs shall not include the direct costs incurred by Contractor for Schedule C-2 services that were necessitated by the negligence or willful misconduct of Contractor.

"Required Change" shall have the meaning set forth in Section 2.9(b) hereof.

"Restructuring Act" shall mean Connecticut Public Act 98-28.

"Service Change" shall have the meaning set forth in Section 2.8 hereof.

"Services" shall mean (i) all of the operating, management and maintenance services specified in Exhibit I hereto; and (ii) any work required to perform and complete any Service Change, Facility Change, Required Change or Desired Change in accordance with the terms of this Agreement.

"South Meadow Station" shall mean all of the real property, fixtures, improvements and personal property and equipment in the City of Hartford, Connecticut on a parcel of land

bounded on the North by property now or formerly of the City of Hartford, on the East by the Connecticut River, on the South by Maxim Road and on the West by Reserve Road.

"Standards" shall have the meaning ascribed to such term in Section 2.3 hereof.

"Substitute Guarantor" shall mean any corporation, limited liability company, limited liability partnership, limited partnership or general partnership formed pursuant to the laws of any state of the United States that has at the time of the assumption of the obligations of the Guarantor (under the Guaranty referred to in Section 10.8 hereof), a credit rating on its unenhanced long term debt from all Rating Agencies that rate its long term debt at least equal to the credit rating given by such Rating Agencies on the unenhanced long term debt of the Guarantor.

"Ton" means a "short ton", or 2,000 pounds.

"Uncontrollable Circumstances" shall mean any events or conditions that have or have had a material adverse effect on CRRA's or Contractor's ability to perform pursuant to this Agreement, or on the operation of the Facility, but only to the extent such event or condition is beyond the reasonable control, and not caused by the willful or negligent action or a lack of reasonable diligence, of the party relying on such event or condition as justification for not performing any obligation or complying with any condition required of such party hereunder (the "Non-Performing Party"), and such event or condition cannot be overcome or mitigated by all reasonable efforts of such party, and is the proximate cause of such failure to perform or comply. As defined herein, Uncontrollable Circumstances shall include, but not be limited to-, the following events if they meet the requirements of the preceding sentence:

- (a) an act of God, storm, flood or similar occurrence, landslide, earthquake, fire or other casualty, an act of general unrest or restraint of government and people, civil disturbance or similar occurrence;
- (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or lack of reasonable diligence of the Non-Performing Party and the Non-Performing Party does not control the administrative agency or governmental officer or body;
- (c) (i) the adoption, promulgation, issuance, material modification or change in the interpretation by a government authority, after the Effective Date of this Agreement, of any federal, state or local law, regulation, rule, requirement or ordinance or other Applicable Laws, regardless of the effective date thereof;
- (ii) the suspension, termination, denial or failure of issuance or renewal of, or any unreasonable delay in the obtaining of any permit, license, consent, authorization required by law or essential to the operation and maintenance of the EGF Facilities (as defined in Exhibit I), if such event is not appealable, or, if

appealable, adversely affects the obligations of the parties during the pendency of the appeal.

- (d) the failure of the jurisdiction in which the Facility is situated or the appropriate federal or state agencies or public utilities having operational jurisdiction in the area of the Facility to provide and maintain all utilities, transportation, sewerage and water lines to the Facility;
- (e) a strike, lockout or other similar labor action (other than involving employees of the Non-Performing Party);
- (f) a failure to obtain or maintain any essential permit or license from any governmental unit related to the Facility;
- (g) the breach of any provision of this Agreement by a party other than the Non-Performing Party, or any unlawful interference by a party to this Agreement with the performance by the Non-Performing Party of its obligations, or the exercise of the rights of the Non-Performing Party, under this Agreement;
- (h) the wrongful act or omission to act of the other party to this Agreement or its agents, contractors or subcontractors, provided that such act or omission to act is related to the EGF Facilities; as used in this paragraph, a "wrongful act or omission" means any act or omission to act in violation of a duty (whether by virtue of a contract, the common law of the State of Connecticut or statute, ordinance or regulation) owed to the other party, provided such act or omission is a proximate cause of the delay, action, inaction or failure to perform in question;
- (i) the failure of a subcontractor or supplier to furnish labor, services, materials or equipment in accordance with its contractual obligations, provided such failure is itself due to Uncontrollable Circumstances (as defined in Subsections (a) through (h) and (j) of this definition) and the party affected cannot obtain substitute performance at an equivalent or lower price within an equivalent or shorter period of time; or
- (j) any limitation upon, or failure in, the performance of the EGF Facilities or EGF Equipment (both as defined in Exhibit I) to the extent that such limitation or failure (i) is (individually or cumulatively with other such limitations or failures) material to the proper operation of the EGF Facilities or EGF Equipment in accordance with the Standards, and (ii) results from the design, specifications, selection, construction, installation or age of the such EGF Facilities or EGF Equipment.

"Use Map" shall mean the Use Map on file with CRRA and Contractor.

"Week" shall mean each successive, seven day period during the term of this Agreement, except that the first week shall begin on the date hereof and end at midnight of the Sunday immediately following the date hereof, and each subsequent Week shall commence on Sunday at midnight and end at midnight of the immediately following Sunday.

Section 1.2 Construction. For purposes of this Agreement:

- (a) Capitalized terms used herein shall have the meanings set forth herein;
- (b) Whenever nouns or pronouns are used in this Agreement, the singular shall mean the plural, the plural shall mean the singular, and any gender shall mean all genders or any other gender, as the context may require;
- (c) Words which have well-known technical or trade meanings are used herein in accordance with such recognized meanings unless otherwise specifically provided;
- (d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with "generally accepted accounting principles", and the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles which are generally accepted as of the Commencement Date of this Agreement;
- (e) The words "herein", "hereof" and "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or Subsection;
- (f) Reference to any particular party shall include that party's employees and the authorized agents of that party;
- (g) All references to agreements are references to the agreements as the provisions thereof may be amended, modified or waived from time to time; and
- (h) The captions contained in this Agreement have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the terms or provisions of this Agreement.

Section 1.3 Warranties , Representations and Covenants

1.3.1 Warranties, Representations and Covenants of Contractor

- (a) Contractor represents and warrants to CRRA that as of the Effective Date:
 - (1) Contractor is a corporation duly organized and validly existing in good standing in the jurisdiction of its incorporation and is duly qualified to

transact business in each and every jurisdiction where such qualification is required to enable Contractor to perform its obligations under the terms of this Agreement. No Act of Bankruptcy has been commenced by or against Contractor or Guarantor. Contractor has full power, authority and legal right to enter into and perform its obligations hereunder, and the execution and delivery of this Agreement by Contractor, and the performance of all its obligations under this Agreement have been authorized by all required corporate actions of Contractor, all as required by the charter, by-laws and Applicable Laws that regulate the conduct of Contractor's affairs. The execution and delivery of this Agreement by Contractor and the performance of all its obligations set forth herein do not conflict with and will not, with the passage of time or the giving of notice, constitute a breach of or an event of default under any charter, by-laws or resolutions of Contractor or any agreement, indenture, mortgage, trust, contract, permit or instrument to which Contractor is a party or by which Contractor is bound. This Agreement has been duly executed and delivered by Contractor and, as of the date hereof, constitutes a legal, valid and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.

- (2) Contractor is not currently in breach of or in default under any Applicable Laws that would materially adversely affect Contractor's ability to perform hereunder, and Contractor has obtained all required Permits, approvals, and registrations necessary to perform its obligations hereunder.
 - (3) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority pending or, to the knowledge of Contractor, threatened against Contractor or Guarantor from which an unfavorable decision, ruling or finding would materially adversely affect or enjoin the performance by Contractor of its obligations hereunder or the other transactions contemplated hereby, or that in any way would materially adversely affect the validity or enforceability of this Agreement, Contractor's or Guarantor's financial condition, or any other agreement or instrument entered into by Contractor in connection with the transaction contemplated hereby.
 - (4) Contractor shall use all reasonable efforts to ensure the performance of its obligations under this Agreement, including observing its covenants and representations hereunder.
- (b) Neither Contractor nor its employees shall conduct any business activity at the Facility other than the operation of the Facility and other related activities

contemplated by this Agreement nor shall Contractor or any of its employees use any part of the Facility, or any of CRRA's vehicles, equipment, materials or other property for any purpose unrelated to the operation of the Facility. In the event Contractor or its employees violates this covenant, CRRA shall give the Contractor written notice by facsimile to the Contractor's operations or business managers at the Facility of such violation and Contractor shall itself immediately stop such activity and shall take all reasonable action to stop such unauthorized activity by any employee immediately. The Contractor will turn over to CRRA two times all revenues it received from any such unauthorized activities.

1.3.2 Warranties and Representations of CRRA

CRRA represents and warrants to Contractor that, as of the Effective Date:

- (a) CRRA is duly organized and validly existing in good standing under the laws of the State of Connecticut and is duly qualified and has the power, authority and legal right, to enter into and perform its obligations set forth in this Agreement.
- (b) The execution, delivery and performance of this Agreement by CRRA (1) has been duly authorized by the governing body of CRRA, (2) does not require any consent, approval or referendum of voters or any approval, authorization, order or consent of any governmental authority, and (3) will not violate any judgment, order, law or regulation applicable to CRRA or any provisions of CRRA's by-laws or resolutions.
- (c) The execution and delivery of this Agreement by CRRA, and the performance of all its obligations set forth herein do not conflict with, and will not, with the passage of time or the giving of notice, constitute a breach of or an event of default under any by-laws or resolutions of CRRA or any agreement, indenture, mortgage, trust, contract, permit or instrument to which CRRA is a party or by which CRRA is bound. This Agreement has been duly executed and delivered and, as of the date hereof, constitutes a legal, valid and binding obligation of CRRA, enforceable against CRRA in accordance with its terms, except as enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.
- (d) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority, pending or, to the knowledge of CRRA, threatened against CRRA that in any way would materially adversely affect the validity or enforceability of this Agreement, or any other agreement or instrument entered into by CRRA in connection with the transaction contemplated hereby.

Section 1.4 Conditions Precedent to the Commencement Date.

- (a) The following is a condition precedent to the Commencement Date:
 - (i) CRRA and CL&P shall deliver a certificate to Contractor stating that either (i) the Operating, Access and License Agreement by and between CRRA and CL&P regarding the Facility has been entered into and become effective so as to transfer responsibility for operation of the Facility to CRRA or (ii) CL&P has transferred its interest in and rights to the Facility to CRRA.

**ARTICLE 2
SCOPE OF SERVICES**

Section 2.1 Facility Operation, Management And Maintenance Services. After the Commencement Date, Contractor shall perform and complete all of the services set forth in Exhibit I attached hereto and made a part hereof pursuant to the terms of this Agreement (hereinafter collectively referred to as the "Services").

Section 2.2 Labor, Materials and Restoration. Contractor shall, at its sole cost and expense: (a) furnish all labor, materials, supplies, tools, equipment, parts, facilities and any other property in order to perform the Services hereunder; and (b) restore any portion of the Facility, or any other property accessed by the Contractor, or the improvements thereon, disturbed or damaged by Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen to the same condition existing immediately prior to such disturbance or damage. The foregoing sentence shall not be deemed to imply that Contractor is not entitled to receive the compensation set forth in Section 3.1.

Section 2.3 Performance of Services. Contractor shall perform and complete all Services hereunder in accordance with; (1) the terms and conditions of this Agreement, including all exhibits and attachments hereto; (2) prevailing industry standards applicable to Contractor and its performance of the Services hereunder; (3) all Applicable Laws including but not limited to any successor or additional federal, state and local laws, rules or regulations that may be promulgated by any governmental authority having jurisdiction over the Facility or Services or any other property accessed by Contractor; and (4) the provisions of Exhibit VI (hereinafter collectively referred to as the "Standards") provided, however, Contractor's obligations to accept Quality Steam (as set forth in the PBF Agreement) and to deliver electricity under this Agreement (including, without limitation, Contractor's steam acceptance guarantees set forth in Exhibit II) shall be reduced to the extent that Quality Steam (as defined in the PBF Agreement) from the Power Block Facility is not delivered to the Facility due to no fault of Contractor in its performance hereunder. Contractor shall perform all Services in a manner that will reasonably maximize the economic benefit of the Facility.

Section 2.4 Direction of Services. Subject to the provisions of Section 2.8 hereof, CRRA may, where deemed necessary or desirable by CRRA, provide Contractor with reasonable instructions, guidance and directions with respect to Contractor's performance of the Services hereunder, and Contractor shall, within a reasonable period of time, comply with such instructions, guidance and directions in all material respects; provided, however, that CRRA's instructions, guidance and directions shall be, in all respects, consistent with the Standards.

Section 2.5 CRRA's Inspection Rights. CRRA shall have the right at all times to inspect and observe Contractor's performance of any Services hereunder provided, however, that CRRA complies with Contractor's health and safety guidelines during such inspection and, provided further, however, that upon arrival at the Facility to make such inspection and observation, CRRA notifies Contractor's facility manager or shift supervisor of such arrival. If, after any such inspection, CRRA reasonably believes that Contractor's performance of any Services hereunder does not satisfy the Standards, CRRA shall promptly give Contractor written notice specifying in reasonable detail Contractor's non-performance. Contractor shall promptly render such performance reasonably in conformance with the Standards to CRRA at no additional cost or expense to CRRA and without any extension of or addition to any time schedules for the remaining Services.

Section 2.6 Access. CRRA hereby grants to Contractor for the term of this Agreement an unlimited, non-exclusive license to and right of access on the Facility and a right of access to only those additional areas of the South Meadow Station to which CRRA can grant such access and which are necessary for Contractor to perform the Services hereunder, provided that: (a) Contractor shall not interfere with any other operations being conducted on South Meadow Station by CRRA, or any other person or entity; and (b) No Event of Default by Contractor has occurred and is continuing hereunder. CRRA reserves the right to revoke the license and access granted to Contractor herein if Contractor commits an Event of Default so long as CRRA also exercises its remedy of terminating this Agreement.

Section 2.7 Contractor Cooperation. Contractor shall perform all Services in cooperation with CRRA and all other entities who may be responsible for any activity or function being performed at South Meadow Station. Such cooperation shall include, at a minimum, routine reporting, communications with CRRA and other parties, attendance at coordination meetings, and similar activities, all as more fully specified or referenced in Exhibit I. Such cooperation shall also involve scheduling of staff and Services hereunder. Contractor shall direct all inquiries from the press to CRRA for response and shall not initiate any discussion of Facility issues with the press without the prior consent of CRRA.

Section 2.8 Change in Scope of Services. CRRA reserves the right to determine during the term of this Agreement whether any revision, modification or change to the scope of Services, as set forth in Section 2.1 above (a "Service Change"), is necessary.

- (a) If requested by CRRA, Contractor shall promptly undertake a Service Change which does not impact any costs of Contractor hereunder. Contractor shall also promptly undertake upon (i) CRRA's request and (ii) CRRA's acceptance of

Contractor's cost estimate (as provided below) any Service Change which is not likely to result in additional costs to Contractor in excess of \$100,000 individually, or in aggregation with all other Service Changes undertaken to the applicable date pursuant to this subsection 2.8(a) for which charges have been incurred by Contractor but payment has not been approved by CRRA. Contractor shall also promptly undertake upon CRRA's request, any Service Change required to be performed in order to avoid a shutdown of the Facility if such Service Change is limited to two months in duration and is not likely to result in additional costs to Contractor in excess of \$250,000 in the aggregate, provided that CRRA provide such request by written notice which notice shall also confirm that the Service Change is required in order to avoid a shutdown of the Facility and undertake to pay all Contractor's Direct Costs in accordance with the terms of this Agreement. Any Service Change shall be performed by Contractor in accordance with the Standards, unless otherwise agreed to in writing by CRRA and Contractor. In the event that a Service Change could result in an increased cost to Contractor, Contractor shall provide to CRRA an estimate setting forth: (i) a statement of the adjustment to the fees payable pursuant to Article 3 hereof necessary to compensate Contractor for the anticipated effect, if any, on the projected operating and maintenance costs, or to extend to CRRA the savings that will result from such action; (ii) anticipated impact on the production of electricity at the Facility, (iii) a statement of any anticipated capital costs or other expense related thereto, (iv) whether Contractor's guarantees or the performance of its Services hereunder would be materially affected and (v) any other information necessary for CRRA to fully evaluate the estimate. CRRA shall review the estimate and, if acceptable to CRRA, subject to Cost Substantiation and unless the parties agree otherwise, CRRA shall pay Contractor Contractor's Direct Cost plus fifteen (15%) percent thereof for such Service Change. If CRRA and Contractor cannot agree on the Cost Substantiation therefor, CRRA and Contractor shall meet to attempt to resolve the disagreement. If such disagreement is not resolved to the mutual satisfaction of CRRA and Contractor within five (5) Business Days of such meeting, the dispute will be resolved in accordance with and subject to Section 10.6 hereof.

- (b) For any Service Change not specified in subsection 2.8(a) above, Contractor shall first provide to CRRA an estimate which shall include: (i) a statement of the adjustment to the fees payable pursuant to Article 3 hereof necessary to compensate Contractor for the anticipated effect, if any, on the projected operating and maintenance costs, or to extend to CRRA the savings that will result from such action; (ii) anticipated impact on the production of electricity at the Facility, (iii) a statement of any anticipated capital costs or other expense related thereto, (iv) whether Contractor's guarantees or the performance of its Services hereunder would be materially affected, and (v) any other information necessary for CRRA to fully evaluate the estimate. CRRA shall review the estimate and, if acceptable to CRRA and subject to Cost Substantiation and unless the parties agree otherwise, CRRA shall pay Contractor Contractor's Direct Cost plus fifteen

(15%) percent thereof for such Service Change. In the event of such occurrence, Contractor shall promptly commence and perform the work required to accommodate such Service Change, which work shall be performed by Contractor in accordance with the Standards unless otherwise agreed to in writing by CRRA and Contractor. If the CRRA and the Contractor cannot agree on the terms of the Contractor's proposal or the Cost Substantiation therefor, CRRA and Contractor shall meet to attempt to resolve the disagreement. If such disagreement is not resolved to the mutual satisfaction of CRRA and Contractor within ten (10) Business Days of such meeting, the dispute will be resolved in accordance with and subject to Section 10.6 hereof. Unless the parties otherwise agree, Contractor shall not be obligated to perform the Service Change until the dispute is resolved.

- (c) If any Service Change would materially affect Contractor's guarantees or the performance of its Services hereunder, CRRA and Contractor will negotiate in good faith to modify this Agreement accordingly

Section 2.9 Changes To Facility. At any time during the term of this Agreement, CRRA or Contractor may request in writing any change, modification or addition to the Facility ("Facility Change") which may alter, add to or reduce the Services to be performed by Contractor under this Agreement.

(a) Changes At The Request Of The CRRA -

- (i) If requested by CRRA, Contractor shall promptly undertake a Facility Change which does not impact any costs of Contractor hereunder. Contractor shall also promptly undertake upon CRRA's request any Facility Change which is not likely to result in additional costs to Contractor in excess of \$10,000 individually, or in aggregation with all other Facility Changes undertaken pursuant to this subsection 2.9(a) for which payment has not been approved by CRRA. In response to such request, Contractor shall provide to CRRA an estimate which shall include: (i) statement of the work and materials required or to be omitted by the estimate; (ii) a statement as to whether the Facility Change would materially affect Contractor's guarantees or the performance of its Services hereunder; (iii) a statement of the adjustment to the fees payable pursuant to Article 3 hereof necessary to compensate Contractor for the anticipated effect, if any, on the projected operating and maintenance costs, or to extend to CRRA the savings that will result from such action; (iv) anticipated impact on the generation of electricity by the Facility and; (v) a statement of the anticipated capital costs thereof. CRRA shall review the estimate and, if acceptable to CRRA, subject to Cost Substantiation and unless the parties agree otherwise, CRRA shall agree to pay Contractor Contractor's Direct Cost plus fifteen (15%) percent thereof for such Facility Change. In such event, Contractor shall proceed with the proposed Facility Change in accordance with the Standards, unless

otherwise agreed to in writing by CRRA and Contractor. If CRRA and Contractor cannot agree on the Cost Substantiation therefor, CRRA and Contractor shall meet to attempt to resolve the disagreement. If such disagreement is not resolved to the mutual satisfaction of CRRA and Contractor within ten (10) Business Days of such meeting, the dispute will be resolved in accordance with and subject to Section 10.6 hereof.

- (ii) For any Facility Change not specified in subsection 2.9(a)(i) above, Contractor shall first provide to CRRA an estimate which shall include: (i) statement of the work and materials required or to be omitted by the estimate; (ii) a statement as to whether the Facility Change would materially affect Contractor's guarantees or the performance of its Services hereunder; (iii) a statement of the adjustment to the fees payable pursuant to Article 3 hereof necessary to compensate Contractor for the anticipated effect, if any, on the projected operating and maintenance costs, or to extend to CRRA the savings that will result from such action; (iv) anticipated impact on the generation of electricity by the Facility and; (v) a statement of the anticipated capital costs thereof. CRRA shall review the estimate and, if acceptable to CRRA and subject to Cost Substantiation and unless the parties agree otherwise, CRRA shall pay Contractor Contractor's Direct Cost plus fifteen (15%) percent thereof for such Facility Change. In such event, Contractor shall promptly proceed with the Facility Change and perform the work required for such Facility Change in accordance with the Standards unless otherwise agreed to in writing by CRRA and Contractor. If CRRA and Contractor cannot agree on the terms of the Contractor's estimate or the Cost Substantiation therefor, CRRA and Contractor shall meet to attempt to resolve the disagreement. If such disagreement is not resolved to the mutual satisfaction of CRRA and Contractor within ten (10) Business Days of such meeting, the dispute will be resolved in accordance with and subject to Section 10.6 hereof. Unless the parties otherwise agree, Contractor shall not be obligated to perform the Facility Change until the dispute is resolved.
- (iii) If any Facility Change would materially affect Contractor's guarantees or the performance of its Services hereunder, CRRA and Contractor will negotiate in good faith to modify this Agreement accordingly.

- (b) **Changes At The Request Of Contractor** - To the extent Contractor desires changes to the Facility, Contractor shall notify CRRA of such change in writing. Subject to the following terms and conditions, Contractor, at its own cost and expense, shall be entitled to make any change necessary to enable Contractor to meet its guarantees and obligations hereunder and to comply with Applicable Law (a "Required Change") if Contractor first provides a description of the effect of the Required Change upon the technical specifications, the design plans, the fees payable pursuant hereto, the operations and maintenance manual or amendments

to the existing operations and maintenance manual, final drawings, and the generation of electricity, and CRRA agrees that the proposed change is a Required Change.

Contractor may also request any change to improve Facility operations or efficiency or increase electricity generation (a "Desired Change"), if Contractor first provides a description of the effect of the Desired Change upon the technical specifications, the design plans, the fees payable pursuant hereto, the operations and maintenance manual or amendments to the existing operations and maintenance manual, final drawings, and electricity generation characteristics.

CRRA shall review any request for a Required Change or a Desired Change, together with materials submitted by Contractor in support thereof, and approve or disapprove the proposed changes and such materials on or before the fifteenth (15th) Business Day following receipt of such materials by CRRA. If CRRA approves such request, Contractor shall proceed with the Required Change or Desired Change, and perform all work required therefor in accordance with the Standards unless otherwise agreed to in writing by CRRA and Contractor. Subject to Cost Substantiation and unless the parties agree otherwise, CRRA shall pay Contractor Contractor's Direct Cost plus fifteen (15%) percent for such approved Required Change.

Section 2.10 Reservation. CRRA reserves the right to perform, or have another contractor or contractors perform, any change to, or other activity within, the Facility which will not adversely impact the performance of Contractor's Services hereunder, provided that the opportunity to undertake such change was offered to the Contractor and either (i) the Contractor elected not to submit a bid for the work, (ii) the Contractor did not submit a competitive bid for such work, (iii) the Contractor is not reasonably qualified to perform the specific requirements of the work, or (iv) CRRA, in its sole discretion, selected to perform the change or activity itself or selected another contractor to perform such work. In the event that any contractor other than the Contractor is performing work on the EGF Equipment, such contractor must be under the direction of the Contractor with respect to all matters pertaining to safety and site control. Nothing provided in this Section 2.10 shall permit any person other than Contractor to perform the Services. CRRA reserves the right to divert steam delivered to the Facility from the production of electricity to any other purpose. Contractor shall fully cooperate with such diversion. If any such diversion occurs, Contractor's steam acceptance guarantee set forth in Exhibit II shall be reduced proportionately.

Section 2.11 Acquisition of Permits and Licenses.

- (a) CRRA and the Contractor shall, at CRRA's cost and expense, and with the other's reasonable cooperation, diligently seek to obtain, renew and maintain in effect all permits and licenses that each now or in the future is required by Applicable Laws to obtain for the operation and maintenance of the EGF Facilities. To the maximum extent possible, the parties shall cause such permits and licenses to be

in the name of CRRA. Each party agrees to provide the other with copies of all relevant permits and licenses it obtains or maintains.

- (b) The Contractor shall perform its obligations under this Agreement in a manner so as to maintain a reasonable operating margin below the applicable compliance limitations of any applicable permits and licenses. The parties agree that to the extent there is a conflict between the requirements of any permit or license and the provisions of this Agreement, the permit or license requirements shall govern the Contractor's performance obligations.

ARTICLE 3 COMPENSATION AND PAYMENT

Section 3.1 Contractor's Compensation.

- (a) The total amount of compensation to be paid to Contractor by CRRA in each Operating Year for all the Services to be provided pursuant to this Agreement shall not exceed the sum of (1) the annual fee amounts for the Services, payable in accordance with the fees set forth in Exhibit III, (2) Contractor's Direct Costs, if any added in connection with a Service Change, a Facility Change or a change in Services agreed to by the parties, plus (3) Reimbursable Costs (the "O&M Contract Price").

The O & M Contract Price shall be payable monthly as set forth in Section 3.2 below. Contractor acknowledges and agrees that, except as otherwise specifically set forth in Sections 2.8 and 2.9 herein, the O& M Contract Price constitutes the full compensation to Contractor for the Services to be performed and completed by Contractor pursuant to this Agreement and includes all expenses and costs, including but not limited to any and all costs for labor, vehicles, equipment, materials and the operation and maintenance of all vehicles and equipment, to be incurred by Contractor in performing and completing such Services.

- (b) Except for the compensation set forth above in this Section 3.1 and as otherwise set forth herein, Contractor shall not be entitled to and CRRA shall not pay to Contractor any other compensation whatsoever for performing and completing the Services hereunder.

Section 3.2 Payment Schedule. As of the Commencement Date, Contractor shall submit all requests for payment for Services in writing to CRRA monthly, in accordance with this Agreement. CRRA shall pay Contractor the requisite amount for such Services within thirty (30) days after CRRA's receipt of Contractor's written request. CRRA may not withhold or set off all or any portion of the payment owed to Contractor unless an Event of Default by Contractor has occurred and is continuing; provided, however, that CRRA reserves the right to withhold payment related to a Contractor's Direct Cost or a Reimbursable Cost if it believes that

insufficient Cost Substantiation has been submitted therefor. If payment in full of any undisputed amount due, or any disputed amount later determined (by consent of the parties, or pursuant to arbitration) to have been due, in a request for payment is not made on or before the close of business on the thirtieth (30th) day following the date of CRRA's receipt of such request for payment, a delayed-payment charge equal to the lesser of (a) one percent (1%) above the prime rate (sometimes referred to as base rate) for large commercial loans published in The Wall Street Journal, as such rate may be in effect from time to time during the period any such amount remains unpaid or (b) ten percent (10%).

ARTICLE 4 TERM OF AGREEMENT

Section 4.1 Initial Term; Extension of Term. The term of this Agreement shall commence on the Effective Date and shall terminate on May 31, 2012 unless otherwise terminated or extended in accordance with the terms and conditions hereof, except that each party's performance obligations hereunder shall begin on the Commencement Date. Either Contractor or CRRA may terminate this Agreement at any time upon the giving of 180 days prior written notice to the other party. CRRA shall have two (2) three (3) year options to extend the term of this Agreement. CRRA may exercise each such option by providing Contractor with written notice of such extension no later than sixty (60) days prior to the end of the then current Operating Year. In the event CRRA elects to extend the term of this Agreement, the compensation payable to Contractor for performing and completing the Services during each additional Operating Year shall be the Annual Services fee for the preceding Operating Year escalated in accordance with the Services escalators set forth in Exhibit III, plus Contractor's Direct Cost, if any, added in connection with a Service Change, a Facility Change or a change in Services as agreed to by the parties.

Section 4.2 Time is of the Essence. CRRA and Contractor hereby acknowledge and agree that time is of the essence with respect to each party's performance and completion of its respective obligations hereunder. Accordingly, the parties shall perform and complete their respective obligations hereunder during the term of this Agreement in accordance with any time schedule set forth in this Agreement or mutually agreed upon by CRRA and Contractor for such obligations.

ARTICLE 5 INSURANCE

Section 5.1 Required Insurance. Contractor shall procure and maintain, at its own cost and expense, throughout the term of this Agreement and any extension thereof, the following insurance, including any required endorsements thereto and amendments thereof:

- (a) Commercial general liability insurance ("CGL") alone or in combination with, commercial umbrella insurance with a limit of not less than fifty million (\$50,000,000.00) dollars each occurrence covering liability arising from premises,

operations, independent contractors, products-completed operations, personal injury and advertising injury, and broad form contractual liability coverage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this Agreement, or be in such amount higher than fifty million dollars (\$50,000,000) as to be acceptable to CRRA.

- (b) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto or vehicle (including owned, hired, and non-owned autos or vehicles), with a limit of not less than one million (\$1,000,000.00) dollars each accident.
- (c) Workers' compensation insurance with statutory limits and employers' liability limits of not less than one million (\$1,000,000.00) dollars each accident for bodily injury by accident and one million (\$1,000,000.00) dollars for each employee for bodily injury by disease.
- (d) Contractor's property and equipment insurance covering all property and equipment owned by Contractor and used in performing any of the Services in an amount equal to one hundred (100%) percent of actual cash value.

Section 5.2 Certificates Of Insurance. Upon Contractor's execution of this Agreement, Contractor shall submit to CRRA a certificate or certificates for each required insurance referenced in Section 5.1 above certifying that such insurance is in full force and effect and setting forth the information required by Section 5.3 below. Additionally, Contractor shall furnish a certificate from an officer of Contractor to CRRA within thirty (30) days before the expiration date of the coverage of each required insurance set forth in Section 5.1 above, containing the information required by Section 5.3 below and certifying that such insurance has been renewed and remains in full force and effect. Contractor shall also furnish to CRRA within thirty (30) days of the expiration date of the coverage of each required insurance set forth in Section 5.1 above, a certificate or certificates containing the information required by Section 5.3 below and certifying that such insurance has been renewed and remains in full force and effect.

Section 5.3 Specific Requirements. All policies for each insurance required hereunder shall: (i) name CRRA as an additional insured (this requirement shall not apply to workers' compensation insurance or Contractor's property and equipment insurance); (ii) include a standard severability of interest clause; (iii) provide for not less than thirty (30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage; (iv) hold CRRA free and harmless from all subrogation rights of the insurer; and (v) provide that such required insurance hereunder is the primary insurance and that any other similar insurance that CRRA may have shall be deemed in excess of such primary insurance.

Section 5.4 Issuing Companies. All policies for each insurance required hereunder shall be issued by insurance companies that are either licensed by the State of Connecticut and have a

Best's Key Rating Guide of B+ VIII or better, or are otherwise deemed acceptable by CRRA in its sole and reasonable discretion.

Section 5.5 Other Conditions. CRRA shall not, because of accepting, rejecting, approving, or receiving any certificate of insurance required hereunder, incur any liability for: (i) the existence, non-existence, form or legal sufficiency of the insurance described on such certificate, (ii) the solvency of any insurer, or (iii) the payment of losses.

Section 5.6 Contractor's Subcontractors. Contractor shall require its subcontractors to be covered under the types of insurance that Contractor is required to procure and maintain under this Agreement with limits of coverage appropriate to the work being performed.

Section 5.7 Deductibles. If any person is owed, pursuant to any policy required hereunder, any sum which is subject to a deductible, Contractor shall pay such deductible.

Section 5.8 Payment By CRRA. Should Contractor fail to obtain, maintain or renew any of the insurance required by this Article 5, or to pay the premium therefor, then and in any of said events CRRA may, at its option, but without obligation to do so, upon ten (10) days' prior notice to Contractor of CRRA's intention to do so, procure such insurance, and the amounts paid shall be deducted from any compensation due to Contractor hereunder.

Section 5.9 No Limitation On Liability. No provision of this Article 5 shall be construed or deemed to limit Contractor's obligations under this Agreement to pay damages or other costs and expenses.

Section 5.10 Required Endorsements. Contractor agrees that as long as CL&P remains the owner of the Facility, any insurance carried in accordance with this Article 5 shall be endorsed to provide that: CL&P is the owner of the Facility and is included as a named insured; losses, if any, with respect to the Facility shall be payable to CL&P; the interest of CL&P shall not be invalidated by any action or inaction of Contractor or any other person and shall insure CL&P regardless of any breach or violation by Contractor or any other person of any warranties, declarations or conditions contained in such policies; that the insurance company waives all rights of subrogation against CL&P; such insurance shall be primary without right of contribution of any other insurance carried by or on behalf of CL&P; if such insurance is canceled for any reason whatsoever, (including nonpayment of premium) or any substantial change is made in the coverage that effects the interest of CL&P, such cancellation or change shall not be effective as to CL&P for fifteen (15) days for nonpayment of premiums, otherwise for sixty (60) days after receipt by CL&P of written notice from such insurer of such cancellation or change. CRRA shall name Contractor as an additional insured on any property insurance CRRA has on the Facility.

ARTICLE 6 INDEMNIFICATION

Section 6.1 Contractor's Indemnification. To the extent permitted by law, Contractor shall at all times defend, indemnify and hold harmless CRRA and its directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, workers' compensation payments and expenses (including but not limited to attorneys' fees) arising out of injuries to the person (including death), damage to property or other damages sustained by: (a) CRRA or any of its directors, officers, employees, agents or other contractors, (b) Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen, or (c) any other person, to the extent any such injuries, damage or damages are caused by the negligence or willful misconduct of Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen. Contractor further undertakes to reimburse CRRA for damage to property of CRRA caused by the negligence or willful misconduct of Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen, or by faulty, defective or unsuitable material or equipment used by it or any of them. Contractor's obligations under this Section 6.1 shall survive the termination or expiration of this Agreement.

Section 6.2 CRRA's Indemnification. To the extent permitted by law, CRRA shall at all times defend, indemnify and hold harmless Contractor and its directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, workers' compensation payments and expenses (including but not limited to attorneys' fees) arising out of injuries to the person (including death), damage to property or other damages sustained by: (a) Contractor or any of its directors, officers, employees, agents or other contractors, (b) CRRA or any of its directors, officers, employees, agents, subcontractors or materialmen, or (c) any other person, to the extent any such injuries, damage or damages (i) are caused by the negligence or willful misconduct of CRRA or any of its directors, officers, employees, agents, subcontractors or materialmen or (ii) are caused by or arise out of (a) environmental conditions at the Facility, on the site of the Facility or on South Meadow Station, not caused by Contractor, its employees, subcontractors, agents or invitees, provided, however, this clause (ii) shall only apply if Contractor has taken all reasonable actions to notify its employees, subcontractors or agents of the environmental contamination conditions on South Meadow Station made known to Contractor by CRRA in writing and has instituted safety rules and procedures with respect to such known environmental contamination conditions, including with respect to invitees or (iii) are fines, penalties or other enforcement measures imposed or taken by a governmental agency arising after CRRA has taken title to the EGF Facilities and the EGF Equipment proportionately to the extent resulting from or arising out of the selection, design, installation or age of the EGF Facilities or EGF Equipment if the cause of the damages does not arise from Contractor's negligence or willful misconduct. CRRA's obligations under this Section 6.2 shall survive the termination or expiration of this Agreement.

Section 6.3 Effect of Insurance. The existence of insurance shall in no way limit the scope of the above indemnifications.

ARTICLE 7
EVENTS OF DEFAULT

Section 7.1 Events of Default by Contractor. Each of the following shall constitute an Event of Default on the part of Contractor:

- (a) Contractor, Guarantor (or any Substitute Guarantor if a Substitute Guarantor has been provided pursuant to Section 10.8) commits an Act of Bankruptcy.
- (b) Failure on the part of Contractor to pay any undisputed amount required to be paid to CRRA under this Agreement within thirty (30) days after such amount becomes due and payable; provided however, that no such failure shall constitute an Event of Default giving CRRA the right to terminate the Agreement under this subsection unless and until:
 - (i) CRRA has given written notice to Contractor by overnight express mail or certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute an Event of Default on the part of Contractor; and
 - (ii) Contractor has not paid such amount within thirty (30) days from the date of its receipt of the notice.
- (c) Contractor's breach of its covenants or representations hereunder; provided any such event is subject to the notice and opportunity to correct provisions of subsection 7.1(f) herein.
- (d) Contractor violates the covenant set forth in Section 1.3.1(e) hereof and CRRA has given proper notice of such violation three times.
- (e) Contractor's persistent and repeated failure over a period of at least four (4) months to meet any of the performance guarantees set forth in Exhibit 2 hereof.
- (f) The failure by Contractor to fulfill, substantially in accordance with this Agreement, any of Contractor's other material obligations under this Agreement, provided, however, that no such failure shall constitute an Event of Default giving CRRA the right to terminate this Agreement (as opposed to a right to damages) under this subsection unless and until:
 - (i) CRRA has given written notice to Contractor by overnight express mail or certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute an Event of Default on the part of Contractor; and

- (ii) Contractor has not corrected such default within thirty (30) days from the date of its receipt of the notice, or if such default cannot reasonably be cured within thirty days, Contractor has not diligently initiated reasonable steps to correct the same within such thirty (30) days and thereafter does not continue to take reasonable steps to correct such default so that such default has been corrected within one hundred twenty (120) days from the date of its receipt of the notice, or such longer period as Contractor and CRRA shall agree in writing is reasonably necessary to complete the cure.

Section 7.2 Events of Default by CRRA. Each of the following shall constitute an Event of Default on the part of CRRA:

- (a) Failure on the part of CRRA to pay any undisputed amount required to be paid to Contractor under this Agreement within thirty (30) days after such amount becomes due and payable; provided however, that no such failure shall constitute an Event of Default giving Contractor the right to terminate this Agreement under this subsection unless and until:
 - (i) Contractor has given written notice to CRRA by overnight express mail or certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute an Event of Default on the part of CRRA; and
 - (ii) CRRA has not paid such amount within thirty (30) days from the date of its receipt of the notice.
- (b) The failure by CRRA to fulfill, substantially in accordance with this Agreement, the CRRA's material obligations under this Agreement, provided, however, that no such failure shall constitute an Event of Default giving Contractor the right to terminate this Agreement (as opposed to a right to damages) under this subsection unless and until:
 - (i) Contractor has given written notice to CRRA by overnight express mail or certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute an Event of Default on the part of CRRA; and
 - (ii) CRRA has not corrected such default within thirty (30) days from the date of its receipt of the notice, or if such default cannot reasonably be cured within thirty days, CRRA has not diligently initiated reasonable steps to correct the same within such thirty (30) days and thereafter does not continue to take reasonable steps to correct such default so that such default has been corrected within one hundred twenty (120) days from the date of its receipt of notice, or such longer period as Contractor and CRRA shall agree in writing is reasonably necessary to complete the cure.

ARTICLE 8
REMEDIES

Section 8.1 Selection of Remedies. Each party shall have the right to terminate this Agreement for cause when there is an Event of Default on the part of the other party. Absent an Event of Default, neither party may terminate this Agreement except as otherwise specifically provided in this Agreement. If either party declares an Event of Default, such party may elect not to immediately terminate this Agreement, but to collect damages and/or fines in accordance with this Agreement. The failure of such party to terminate this Agreement immediately upon the occurrence of an Event of Default shall not limit or restrict in any way its right to terminate this Agreement at a later time as a result of such occurrence unless such Event of Default has been cured in the interim. If an Event of Default by either party occurs, the non-defaulting party shall have the right, but not the obligation, to cure such Event of Default, provided, however, that the non-defaulting party shall first give ten (10) Business Days' prior written notice to the defaulting party of its intent to cure such Event of Default specifying the manner of such cure. The defaulting party shall fully reimburse the non-defaulting party for any and all reasonable costs and expenses incurred by the non-defaulting party in taking such curative action, including but not limited to reasonable attorneys' fees and court costs, within twenty (20) days after defaulting party's receipt of an invoice for such costs and expenses. All of the remedies provided in this Agreement are the exclusive remedies available at law, but this Agreement shall not limit any equitable remedies available to a party. All the remedies hereunder shall be deemed cumulative and the election of one shall not be deemed a waiver of any other or further rights or remedies.

Neither party shall have the right to setoff any amounts that the other party may owe to it against any amounts it may owe to the other party hereunder.

Section 8.2 Mitigation. Contractor and CRRA agree that in the event one party terminates or seeks damages pursuant to this Agreement due to an Event of Default, the injured party is obligated, to the extent not detrimental to its interests, to mitigate its damages, costs and expenses and to credit the savings therefrom to any damages, costs and expenses otherwise payable by the defaulting party.

Section 8.3 - Termination by CRRA. If CRRA terminates this Agreement for an Event of Default on the part of Contractor:

- (a) Contractor shall promptly vacate the Facility, if requested to do so by CRRA;
- (b) Contractor shall pay to CRRA actual damages including but not limited to lost energy revenues and the reasonable cost of obtaining a new contractor, but in no event shall actual damages paid by Contractor under this Agreement exceed \$5,000,000 for any Operating Year. Damages for the non delivery of electricity by Contractor shall be equal to the product of (i) the price per kWh for electricity

set forth on Schedule B of Exhibit I attached hereto times (ii) the number of kWh's of electricity which could have been produced if the steam acceptance guarantees set forth in Exhibit II attached hereto had been met (calculated using the Annual Average Energy Conversion Factor set forth in Factor B of Exhibit E to the PBF Agreement) minus the number of kWh's actually generated over the period of such Event of Default. In no event shall Contractor be liable for any special, incidental, indirect or consequential damages to CRRA;

- (c) Contractor shall fulfill or complete any outstanding restoration obligations as required by Section 2.2 of this Agreement;
- (d) Contractor shall immediately return to CRRA all equipment, parts, property, vehicles and materials provided to Contractor for use in performing the Services hereunder. Contractor shall be responsible for any cost associated with restoring the condition of such equipment, parts, property, vehicles and materials to the condition present as of the date of this Agreement, in accordance with the repair, maintenance, and replacement standards called for in Exhibit 1;
- (e) Upon payment of amounts due in subsection 8.3(b), and compliance with all provisions of 8.3(a), (c) and (d), all rights and obligations of the parties, except as otherwise specifically provided herein, shall cease with respect to this Agreement.

Section 8.4 Termination by Contractor. If Contractor terminates this Agreement for an Event of Default on the part of CRRA, then CRRA shall pay to the Contractor (a) the payments, if any, due and payable pursuant to this Agreement, for all Services performed in accordance with the Standards to the date of termination, incurred as of the termination; (b) actual damages incurred by Contractor resulting from the Event of Default, including lost profits, but in no event shall actual damages paid by CRRA under this Agreement exceed \$5,000,000 for any Operating Year. In no event shall CRRA be liable for any special, incidental, indirect or consequential damages to Contractor. Upon termination and payment of all sums due under this Section 8.3, all rights and obligations of the parties, except as otherwise specifically provided herein, shall cease with respect to this Agreement.

Section 8.5 CRRA Damages without Termination. If an Event of Default on the part of Contractor occurs, CRRA may elect to collect actual damages from Contractor, including lost energy revenues, and not terminate this Agreement, but in no event shall actual damages paid by Contractor under this Agreement exceed \$5,000,000 for any Operating Year. If Contractor terminates this Agreement for convenience under the provisions of Section 4.1 hereof, Contractor shall remain liable for the full amount of damages (up to \$5,000,000) for any Event of Default occurring prior to the effective date of such termination. Damages for the non-delivery of electricity by Contractor shall be equal to the product of (i) the price per kWh for electricity set forth on Schedule B of Exhibit I attached hereto times (ii) the number of kWh's of electricity which could have been produced if the guarantees set forth in Exhibit II attached hereto had been met (utilizing the Average Annual Energy Conversion Factor set forth in Factor B of Exhibit E to the PBF Agreement) minus the number of kWh's actually generated during the period of such

Event of Default. In no event shall Contractor be liable for any special, incidental, indirect or consequential damages to CRRA.

Section 8.6 Contractor Damages without Termination. If an Event of Default on the part of CRRA occurs, Contractor may elect to collect actual damages incurred by Contractor resulting from the Event of Default, including lost profits, and not terminate this Agreement, but in no event shall actual damages paid by CRRA under this Agreement exceed \$5,000,000 for any Operating Year. If CRRA terminates this Agreement for convenience under the provisions of Section 4.1 hereof, CRRA shall remain liable for the full amount of damages (up to \$5,000,000) for any Event of Default occurring prior to the effective date of such termination. In no event shall CRRA be liable for any special, incidental, indirect or consequential damages to Contractor.

ARTICLE 9 UNCONTROLLABLE CIRCUMSTANCES

Section 9.1 General. In the event either party is rendered unable, in whole or in part, by an Uncontrollable Circumstance, to carry out any of its obligations under this Agreement, then the obligations of such party shall be suspended during the continuance of any inability so caused by the Uncontrollable Circumstance but only to the extent affected by such an Uncontrollable Circumstance and for no longer period and provided that such party is using all reasonable efforts to mitigate damages caused by such Uncontrollable Circumstance and to resume performance at the earliest practicable time. In the event that either party is unable to perform due to an Uncontrollable Circumstance for a period of one hundred eighty days or more, and a party determines, in good faith using its reasonable judgment, that either (a) there is no reasonable expectation of future operation of the Facility, or (b) it would be uneconomical to rebuild, repair or otherwise remedy the Uncontrollable Circumstance, such determining party may terminate this Agreement, provided, however, that no payments pursuant to Article 8 shall be payable as a result of such termination.

Section 9.2 Performance Guarantees. In the event of the occurrence of an Uncontrollable Circumstance that affects Contractor's performance, Contractor shall be excused for the duration of the Uncontrollable Circumstance from its performance guarantees under Exhibit II.

Section 9.3 Notice. Either party shall notify the other by telephone on or as soon as practicable after the date of experiencing an Uncontrollable Circumstance, followed as soon as practicable by a written notice setting forth: (a) the Uncontrollable Circumstance and cause(s) thereof (if known); (b) its estimated duration and impact, if any, on such party's performance of any obligations under the Agreement; (c) the measures being taken to remove or mitigate the effect of such Uncontrollable Circumstance. Additionally, such party shall provide prompt written notice to the other of the cessation or avoidance of such Uncontrollable Circumstance.

**ARTICLE 10
MISCELLANEOUS**

Section 10.1 Notices.

- (a) **General.** All notices, demands, requests, proposals, consents or other communications whatsoever which this Agreement contemplates, authorizes, requires or permits any party to give to the other party, except as provided in subsection (b) of this Section 10.1, shall be in writing and shall be personally delivered or sent by overnight express mail service or certified mail return receipt requested, addressed to the respective party as specified in this subsection (a). Any notice shall be deemed delivered on the date of personal delivery, the day after such notice is sent via overnight express mail service or, if by certified mail, on the date set forth on the return receipt. In the event the party to whom such certified mailing is sent refuses or otherwise does not sign for it when presented, then such notice shall be deemed delivered on the fifth (5th) business day after deposit in the mail.

Notices to CRRA shall be addressed and sent to:

Connecticut Resources Recovery Authority
100 Constitution Plaza
Hartford, Connecticut 06103-1702
Attention: President

Notices to Contractor shall be addressed and sent to:

Ogden Energy Group, Inc.
40 Lane Road
Fairfield, New Jersey 07007-2615
Attention: General Counsel

and to

Resource Recovery Systems of Connecticut, Inc.
Gate 20
Reserve Road
Hartford, Connecticut
Attention: Facility Manager

Any party may from time to time designate an alternative address by notice to the other party given in accordance with this subsection.

- (b) **Routine Notices.** Except when expressly required by this Agreement to be in writing, routine communications and advises relating to day to day operations of the parties hereunder may be given orally or in writing, but need not be in the form of a formal written notice to be operative.

- (c) **Emergency Notification.** Either party shall immediately notify the other by telephone and telecopier facsimile of the occurrence of a property lien, spill, fire, explosion or other emergency or accident requiring notification of any governmental entity, and Contractor shall be responsible for complying with all *Applicable Laws* concerning notification with respect to such event. Either party shall notify the other immediately of the occurrence of a notice of violation or other regulatory action at the Facility, or arising out of either party's performance or non-performance of its obligations hereunder. Such notification shall be made formally by written notice indicating the nature of any action affecting the subject permit or permits issued with respect to the Facility or any of such obligations, and describing all corrective and remedial action undertaken or planned.

Section 10.2 Status of Contractor. CRRA and Contractor acknowledge and agree that Contractor is acting as an independent contractor in performing any Services for CRRA hereunder and that Contractor shall perform such Services in its own manner and method subject to the terms of this Agreement. Nothing in this Agreement shall be construed or interpreted as creating a partnership, a joint venture, an agency, a master-servant relationship, an employer-employee relationship or any other relationship between CRRA and Contractor other than that of an owner and independent contractor. Contractor is expressly forbidden from transacting any business in the name of or on account of CRRA, and Contractor has no power or authority to assume or create any obligation or responsibility for or on behalf of CRRA in any manner whatsoever. CRRA and Contractor further acknowledge and agree that this Agreement does not confer upon Contractor in any manner whatsoever any ownership or proprietary rights to or interests in any of the Facility, South Meadow Station or any CRRA owned vehicles, equipment or materials that Contractor is permitted to use hereunder in performing the Services; and that Contractor has no right under this Agreement to, and Contractor shall not, depreciate the Facility, the South Meadow Station or any of such vehicles, equipment, materials or any part thereof for any purposes whatsoever.

Section 10.3 Contractor's Employees. All persons employed by Contractor shall be subject and responsible solely to the direction of Contractor and shall not be deemed to be employees of CRRA.

Section 10.4 Mechanic's Liens. Contractor shall claim no interest in the Facility, South Meadow Station or any structures, equipment, fixtures, materials or improvements located or to be located on such South Meadow Station, or any other vehicles, equipment, materials, parts and supplies made available to Contractor hereunder, and Contractor shall not file any mechanic's liens or other liens or security interests against CRRA or any of its properties whatsoever. Contractor shall defend, indemnify and hold harmless CRRA against all costs associated with the filing of such liens or security interests by Contractor or any of Contractor's subcontractors or

materialmen, unless such lien or security interest arises as a result of CRRA's failure to make any payment required by it to be made hereunder. Before any subcontractor or materialman of Contractor commences any Services hereunder, Contractor shall deliver to CRRA an original waiver of mechanic's liens properly executed by such subcontractor or materialman. If any mechanic's lien is filed against CRRA or any of its properties in connection with the Services hereunder, other than as a result of CRRA's failure to make any payment required by it to be made hereunder, Contractor shall cause the same to be canceled and discharged of record within fifteen (15) days after the filing of such lien and, if Contractor fails to do so, CRRA may, at its option and without any obligation to do so, make any payment necessary to obtain such cancellation or discharge and the cost thereof, at CRRA's election, shall be either deducted from any payment due to Contractor hereunder or reimbursed to CRRA promptly upon demand by CRRA to Contractor. This Section 10.4 shall survive termination of the Agreement.

Section 10.5 Withholding Taxes and Other Payments. No FICA (social security) payroll tax, state or federal income tax, federal unemployment tax or insurance payments, state disability tax or insurance payments or state unemployment tax or insurance payments shall be paid or deposited by CRRA with respect to Contractor, nor be withheld from payment to Contractor by CRRA. No workers' compensation insurance has been or will be obtained by CRRA on account of the Services to be performed hereunder by Contractor or Contractor's employees, agents, subcontractors or materialmen. Contractor shall be responsible for paying or providing for all of the taxes, insurance and other payments described in this Section 10.5, and Contractor hereby agrees to indemnify and hold CRRA harmless against any and all such taxes, insurance or related payments which CRRA may be required to pay in the event that Contractor's status hereunder is determined to be other than that of an independent contractor. This Section 10.5 shall survive termination of the Agreement.

Section 10.6 Forum Selection/Arbitration. All disputes, claims or controversies arising hereunder or relating hereto shall be settled and decided by an arbitrator in binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA"), as modified by the following provisions of this Section 10.6.

- (a) Either CRRA or Contractor may initiate arbitration proceedings by giving notice of a dispute and a request to arbitrate to the other party and to the Regional Director of the AAA having jurisdiction in Hartford, Connecticut.
- (b) Each of CRRA and Contractor shall meet to agree on an arbitrator from the list provided from the AAA. If the parties cannot agree on an arbitrator within five (5) days, the arbitrator shall be selected by the AAA.
- (c) The costs of arbitration shall be shared equally by the parties and each party shall bear its own costs, expenses and attorneys' fees unless the arbitrator determines that the action or defense of the losing party was frivolous, in which event the arbitrator may order that all or a portion of the costs of arbitration of the successful party, including but not limited to attorneys' fees (not to exceed a rate of \$250.00 dollars per hour) and other costs be paid by the losing party.

- (d) All arbitration proceedings shall be held in Hartford, Connecticut. The arbitrator may request any party to produce information deemed necessary by him or her for a fair determination of the issues. Each party so requested to produce information shall do so within fifteen (15) days of each such request or shall respond immediately to the request by explaining why compliance is not possible within fifteen (15) days. The arbitrator may then order compliance within a reasonable time, and failure to comply with the order shall be deemed to be a default hereunder on the part of the non-complying party.
- (e) The determination of the arbitrator shall be final and binding upon the parties. The determination shall be in the form of a written award, with written findings of fact, and may be entered in and specifically enforced by any court of appropriate jurisdiction. While the arbitrator shall select the remedy for all breaches of either party's obligations under this Agreement, the arbitrator shall not modify the remedies specifically set forth in this Agreement for CRRA and Contractor.
- (f) All legal issues arising in connection with a dispute to be determined by the arbitrator shall be governed by the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.
- (g) During any arbitration proceeding that may be initiated hereunder, CRRA and Contractor shall continue to perform their respective obligations under this Agreement.

Section 10.7 [RESERVED]

Section 10.8 Corporate Guaranty. Contractor shall furnish CRRA with and maintain in full force and effect during the term of this Agreement a corporate guaranty from the Guarantor or a Substitute Guarantor, which guaranty shall be substantially in the form set forth in Exhibit V (the "Guaranty"), provided, however, Contractor shall provide or cause to be provided written notice to CRRA 30 days prior to the substitution of a Substitute Guarantor for the Guarantor. In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Guaranty.

Section 10.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut as such laws are applied to contracts between Connecticut residents entered into and to be performed entirely in Connecticut.

Section 10.10 Non-Discrimination. Contractor agrees to the following: (1) Contractor agrees and warrants that in the performance of the Services for CRRA, Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the Services involved, in any manner

prohibited by the laws of the United States or of the State of Connecticut. Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, sexual orientation, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the Services involved; (2) Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Connecticut Commission on Human Rights and Opportunities (the "Commission"); (3) Contractor agrees to provide each labor union or representative of workers with which Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union, workers' representative and vendor of Contractor's commitments under Sections 4a-60 and 4a-60a of the Connecticut General Statutes and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) Contractor agrees to comply with each applicable provision of Sections 4a-60, 4a-60a, 46a-68e, and 46a-68f, inclusive, of the Connecticut General Statutes and with each regulation or relevant order issued by the Commission pursuant to Sections 46a-56, 46a-68e, and 46a-68f of the Connecticut General Statutes; and (5) Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of Contractor as relate to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the Connecticut General Statutes.

Section 10.11 Sales and Use Tax Exemption. Under Section 22a-270 of the Connecticut General Statutes, CRRA has an exemption from all Connecticut sales and use taxes and the payment thereof. In addition, pursuant to Section 12-412(92) of the Connecticut General Statutes, the sales of any services or tangible personal property to be incorporated into or used or otherwise consumed in the operation of any CRRA project are exempt from Connecticut sales and use tax. Accordingly, Contractor hereby represents that no such tax is included in the O & M Contract Price or in any of the fees set forth in Exhibit III hereof, and Contractor shall not charge or pass through any such tax to CRRA.

Section 10.12 Proprietary Information. To the extent permitted by Applicable Laws, each party shall hold the other party's Confidential Information in strict confidence and take all reasonable precautions to prevent disclosure to third parties. To the extent permitted by Applicable Laws, neither party shall use, publish, distribute, sell or divulge any Confidential Information obtained from the other party by virtue of this Agreement for its own purposes or for the benefit of any person, firm, corporation or other entity. Notwithstanding the foregoing, both parties are authorized to disclose Confidential Information to a third party to the extent necessary to perform or comply with their respective obligations hereunder or if required by law.

Section 10.13 Subcontractors. Other than for manpower associated with Schedule C-I maintenance, Contractor shall not hire any subcontractor to perform any of the Services if annual payment to such subcontractor exceeds \$100,000 without the prior written consent of CRRA

(which consent will not be unreasonably withheld or delayed). Contractor shall require, in a manner satisfactory to CRRA, all of its subcontractors for the Services to abide by the terms and conditions of this Agreement. Moreover, Contractor's subcontracts with such subcontractors shall specifically provide that, in the Event of a Default by Contractor under this Agreement, CRRA may directly enforce such subcontracts and make payments thereunder. Upon an Event of Default by Contractor, Contractor shall provide CRRA with all contracts, amendments, books, records, accounts, correspondence and other materials necessary to enforce such subcontracts. Also, Contractor's subcontracts with its subcontractors shall specifically include CRRA as a third party beneficiary and shall provide that such subcontractors shall not be excused from any of their obligations under such subcontracts by reason of any claims, setoffs, or other rights whatsoever that they may have with or against Contractor by any reason other than through such subcontracts.

Section 10.14 Entire Agreement. This Agreement, including the Exhibits attached hereto, constitutes the entire Agreement and understanding between the parties hereto and concerning the subject matter hereof and supersedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.

Section 10.15 Modification. This Agreement may not be amended, modified or supplemented except by a writing signed by the parties hereto that specifically refers to this Agreement.

Section 10.16 Benefit and Burden. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

Section 10.17 Severability. CRRA and Contractor hereby understand and agree that if any part, term or provision of this Agreement is held by any court to be invalid, illegal, unenforceable or in conflict with any applicable law, the parties hereto shall negotiate in good faith and agree as to such amendments, modifications or supplements of or to this Agreement that, to the maximum extent practicable in light of such determination, implement and give effect to the intentions of the parties as reflected herein. The validity of the remaining portions of this Agreement shall not be affected, and shall remain in full force and effect.

Section 10.18 No Waiver. Failure to enforce any provision of this Agreement or to require at any time performance of any provision hereof shall not be construed to be a waiver of such provision, or to affect the validity of this Agreement or the right of any party to enforce each and every provision in accordance with the terms hereof. No waiver of any provision of this Agreement shall affect the right of CRRA or Contractor thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default involving such provision or any other provision. Making payment or performing pursuant to this Agreement during the existence of a dispute shall not be deemed to be and shall not constitute a waiver of any claims or defenses of the party so paying or performing.

Section 10.19 Assignment. This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party; provided, however, that Contractor may assign this Agreement to an Affiliate of Contractor and CRRA may assign this Agreement

as security to a bond trustee or other lender. Any transfer (including a series of transfers over any period of time) of fifty percent (50%) or more of the shares, or all or substantially all, of the assets of Contractor to any third party other than an Affiliate, by sale, assignment, bequest, inheritance, operation of law or other disposition, including but not limited to such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency, or other proceedings, shall be deemed an assignment of this Agreement. Contractor shall provide CRRA with written notice of any such proposed event which would constitute an assignment hereunder at least thirty (30) days prior to the date of such proposed event. The assignor under any assignment of this Agreement shall remain responsible for the performance of its obligations hereunder as though no assignment shall have occurred.

Section 10.20 Compliance with Law. Contractor shall comply with all Applicable Laws in performing the Services hereunder. The Contractor shall not be deemed to have breached its obligations under the preceding sentence if the Contractor is contesting the Applicable Law in good faith by appropriate proceedings conducted with due diligence before the appropriate governmental or quasi-governmental agency or entity having jurisdiction, and the Applicable Law permits the continued operation of the Facility pending resolution of the contest.

Section 10.21 Obligation To Deliver Project Waste. If Contractor or any of its Affiliates or other agents is engaged in the business of waste collection and disposal, Contractor shall, and Contractor shall cause all such Affiliates or other agents to, deliver to CRRA's resources recovery facilities, transfer stations, recycling facilities, disposal sites and any alternative site or sites chosen by CRRA for processing or disposing of waste (the "CRRA System") all waste that can be accepted and processed by the CRRA system that is generated within the corporate boundaries of any municipalities that are either members of any of CRRA's resources recovery projects or have an agreement to deliver waste to any of these projects that Contractor or any such Affiliate or agent collects pursuant to an agreement or otherwise, or that comes into Contractor's or such Affiliate's or agent's possession through other means. In the event that Contractor fails to comply with any of its obligations under this Section 10.21 after having received at least 30 days written notice of such failure from CRRA, then CRRA shall have the right to terminate this Agreement for convenience pursuant to Section 4.1.

Section 10.22 Adverse Parties. To the extent permitted by law, CRRA and Contractor desire that no Person or other entity with which CRRA has had an adverse business relationship and no corporation or other business entity directly or indirectly controlling or controlled by or under direct or indirect common control with such adverse Person or entity (any of the foregoing Persons, entities or corporations is hereinafter referred to as an "Adverse Party"), have any direct or indirect financial or ownership interest in the Contractor or on Contractor's performance under this Agreement. If any Person or entity seeks to participate as an owner or in the performance of Contractor's obligations under this Agreement or to participate in any way in any future project or venture with Contractor or any of its Affiliates with CRRA, Contractor shall notify CRRA of Contractor's or such Affiliate's intent to enter into such relationship. To the extent permitted by law, Contractor shall not enter, and shall cause such Affiliate not to enter, into such relationship if CRRA disapproves of such relationship because the proposed Person or entity is an Adverse Party. CRRA shall notify Contractor of its disapproval, if at all, no later than fifteen (15) days

after CRRA's receipt of notice from Contractor of its or its Affiliate's intent to enter into such relationship.

Section 10.23 Counterparts. This Agreement may be executed in any number of counterparts by the parties hereto. Each such counterpart so executed shall be deemed to be an original and all such executed counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first written above.

CONTRACTOR

By:

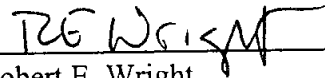


Its *EVP*
Duly Authorized

5/11

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By:



Robert E. Wright
Its President
Duly Authorized

EXHIBIT I
SCOPE OF SERVICES
AND ELECTRICITY RATES

The Contractor's responsibilities hereunder include the operation and maintenance of the turbine generators and all equipment necessary in order to accept steam provided by CRRA and produce electricity from said turbine generators in an amount at least equal to the guarantees set forth in Exhibit II. This equipment, including the turbine generators, shall be referred to collectively hereinafter as the "EGF Equipment" and is identified on Schedule A of this Exhibit I, Paragraphs A through M. The Contractor's operation and maintenance obligations under this Agreement also extend to the facilities and areas identified in Schedule A, Paragraphs N through Q. The Contractor's operation and maintenance obligations under this Agreement shall not extend to any portion of the Power Block Facility.

The Contractor shall provide these services in accordance with the terms of the Agreement, all existing conditions, and all Applicable Laws, including without limit, the Connecticut Department of Environmental Protection (CTDEP) Permits, and all applicable federal, state and local statutes, rules regulations, permits and guidelines. The Contractor shall perform all work and services in cooperation with parties and all other contractors who may be responsible for transportation of waste materials and operators of other CRRA waste management or disposal facilities, including the Mid-Connecticut Project waste processing facility, power block facility and regional recycling facilities as may be applicable. Such cooperation shall include, at a

minimum, routine reporting, communications with CRRA and other parties, attendance at coordination meetings, and similar activities.

The Contractor shall operate and maintain, as hereinafter provided, and in accordance with the Performance Standards described in Section 2.3 of this Agreement, all EGF Facilities described on Schedule A of this Exhibit I, in accordance with the service obligations described in Schedules C-1 and C-2 of this Exhibit I. CRRA shall have full operation and maintenance responsibility for the facilities, equipment and areas described in Schedule D, attached hereto, except that the Contractor will provide janitorial services, as described in Item K of Schedule C-1, for the stairway in the Mercury Building described in Item 10 of Schedule D and areas in the Administration Building as described in Item 11 of Schedule D.

The Contractor and CRRA will collaborate to establish a long term maintenance plan for the EGF Equipment. To the maximum extent consistent with such plan, EGF Equipment outages shall be scheduled to be coincident with scheduled Power Block Facility outages. In addition, the Contractor shall, to the extent reasonably feasible, utilize periods of outages of the Power Block Facility for maintenance of the EGF Equipment.

EXHIBIT I,
SCHEDULE A
EGF FACILITIES

The EGF Facilities include the following areas, facilities, structures and equipment, those described in Paragraphs A through M being referred to as the EGF Equipment and being more particularly described in the Mid-Connecticut Project Manual, Scoping Document, Volume II, dated April, 1985:

A. Turbine Generators

The existing turbine generating units 5 and 6, the turbine hydraulic stop valves, interconnecting piping to the turbines, and the associated subsystems, including turbine controls, directly needed to maintain turbine generator operation.

B. Circulating Water System

A circulating water system for each turbine generator, including but not limited to the following major components: circulating water pumps, trash racks, traveling screens, circulating water system piping and valves, main condensers including condenser structure, air ejector, air ejector condensers, all interconnecting piping and valves, and condenser over-pressure relief protection.

C. Service Water Supply and Return System

The service water system including but not limited to the following major components: service water pumps, traveling screens, duplex stainer, and piping and valves to land from other EGF Equipment; and the service water supply header for the PBF up to the connection interface located in the vicinity of the Generating Building column line 29.

D. Instrument Air System

The instrument air system, including but not limited to the following major components: air compressor, filters, dryers, receiver tank, piping and valves to and from the EGF Equipment instrumentation and controls; and the instrument air header for the PBF up to the connection interface located in the vicinity of the Generating Building column line 29.

E. Service Air System

The service air system, including but not limited to the following major components: air compressors, water traps, receiver tanks, piping, valves and connections for the EGF Facilities; and piping to the service air header supply for the PBF up to the connection interface located in the vicinity of the Generating Building column line 29.

F. Fire Protection and Detection System

The fire protection water supply system, including the following major components: (a) the fire detection system for the EGF Facilities; (b) fire booster pump, hoses, hydrants, piping, sprinklers and nozzles, portable fire extinguishers; (c) piping to the fire protection system for the PBF up to the connection interface located in the vicinity of the transfer tower; (d) supply piping and hydrants from Reserve Road and all associated underground distribution piping; and (e) fire detection and protection systems for the main transformers.

G. Electrical Systems and Equipment

1. Two main auxiliary electric supply systems, including the following major components:
 - (a) Auxiliary power supply breakers, Nos. 52-25S-1, 52-25S-2, 52-26S-1, and 52-26S-2.
 - (b) Power cable from the Power Block Facility screenhouse substation to the turbine generators screenhouse motor control center.
 - (c) Motor control centers for the turbine generators.
 - (d) Switching and metering for the turbine generators (reference: NUSCO Drawing No. 16426-30002, Sheet 1, dated 7/31/86).
 - (e) Step up transformer disconnects Nos. 1X1-4 and 2X1-4.
 - (f) Unit 5 and 6 generator breakers, Nos. 52-5U-2 and 52-6U-2.

2. A DC Electric system for the instrumentation, control and monitoring, and emergency equipment, including the following major components:

- (a) Batteries.
- (b) Battery chargers.
- (c) Inverters.
- (d) Power source equipment.
- (e) Cable and switchgear for the turbine generator.

H. Heating System

The heating system for the Generating Building and screenhouse Nos. 1 and 3, including the following major components; auxiliary boiler No. 9; deaerator; boiler feed pumps, boiler feed and steam piping and valves, the fuel day storage tank with associated piping and valves, main stack and breeching and steam supply and condensate piping to and from the turbine generator extraction point and return to the PBF main steam and condensate system.

I. Circulating Cooling Water Discharge Equipment

Circulating water discharge system, piping and valves from the main condenser to the river and the discharge monitoring equipment, including temperature detectors.

J. Flood Control System

The portable flood control system, including portable sump pumps and associated hoses, dike stop logs and screenhouse flood doors.

K. Potable Water Supply System

The potable water supply system, including the following major components: piping and valves to and from EGF Facilities and CRRA's potable water supply header in the vicinity of column line 29.

L. Heating Ventilation and Air Conditioning (HVAC) System

The HVAC system and equipment for the EGF Facilities, including the following major components: air handling unit, chiller condensers, vent fan No. 14, ductwork, and dampers.

M. Instrumentation and Controls

Instrumentation and controls for all EGF Equipment, components and systems identified in the preceding paragraphs (A through L) of this schedule. This includes all local instrumentation controls as well as control boards, local control panels, alarms and annunciators.

N. Facilities and Structures

1. The Generating Building, including:

- a. Employee Building, defined more specifically in SCHEDULE E,
- b. Warehouse, defined more specifically in SCHEDULE E,
- c. Machine Shop, defined more specifically in SCHEDULE E,
- d. Electrical and Instrumentation and Controls Shop, defined more specifically in SCHEDULE E,
- e. All outside lighting attached to the Generating Building. All other outside lighting at South Meadow Station is not the Contractor's responsibility under this Agreement, and
- f. Turbine Bay Crane;

but excluding:

- x. The areas within the Generating Building designated as Power Block Facility areas on Attachment A to this Schedule A, but excluding from this exception all equipment owned by CRRA within such areas and comprising a part of the EGF Equipment; all exterior walls adjoining designated areas shall be considered part of such areas, and each designated area shall be deemed to extend to the center of each interior wall separating it from any other designated area.
- y. The areas, structures, facilities and equipment described in Schedule D, but excluding from this exception, the areas and facilities as to which entry by the Contractor is specifically permitted by the provisions of Schedule D or this Agreement.

2. Screenhouses Nos. 1 and 3

3. The main site access road Electric Gate and TV Surveillance System

4. Barge haul and docking facilities, excluding oil and jet fuel unloading equipment (which is the sole responsibility of CRRA or its designee) and coal unloading and handling equipment (which is not the Contractor's responsibility under this Agreement).

O. Roadways, Parking Areas, Fences and Gates

All sidewalks, walkways, roadways and parking areas at South Meadow Station not located within the Leased Parcel, as shown on the Use Map, plus those portions of roadways located within such Leased Parcel as are cross-hatched on the Use Map; and all perimeter fences and gates, excluding the fence around such Leased Parcel, the gates in the fence along the north side of the portion of South Meadow Station containing CRRA's waste processing facility, and all fences referred to on Schedule D, items 1, 2, 3 and 7.

P. Sanitary Water Discharge

The sanitary water discharge system, including (a) piping and associated equipment within the Generating Building and (b) all underground piping, including the line from the Generating Building to the Metropolitan District Commission's (MDC) sewer main located on Reserve Road.

Q. Storm Water Drainage

Site storm water drainage channels and associated above and below ground piping associated with the Facility and the Power Block facility.

ATTACHMENT A
GENERATING BUILDING AREAS

(All areas are described by elevation and bounding column lines)

| <u>Nominal Elevation</u> | <u>Electric Generating Facility</u> | <u>Power Block Facility</u> | <u>Common Areas</u> | <u>Non-Project Areas</u> | <u>Notes</u> |
|--------------------------|-------------------------------------|-----------------------------|---------------------|--------------------------|---|
| 12' | A-D, 1-29 | - | A-D, 29-46 | - | - |
| 12' | D-F, 1-46 | - | - | - | - |
| 22' | - | - | - | A-B, 1-20 | Administration Bldg. |
| 22' | - | - | - | A-B, 20-29 | Electrical Bays |
| 26' | A-D, 1-46 | - | - | - | - |
| 31' | C-F, 1-29 | D-G2, 29-47 | - | - | - |
| 31' | F-H, 11-22 | - | - | - | - |
| 31' | - | - | F-H1, 22-29 | - | Machine Shop |
| 31' | H-K, 16A-22 | - | - | - | - |
| 31' | - | - | - | H-K3, 11A-21 | Hazardous Waste Storage Facility |
| 33' | - | - | A28-D, 46-52 | - | Warehouse |
| 37' | - | - | B-D2, 46-48 | - | Electrical and I & C Shop |
| 37' | A-C, 1-46 | - | - | - | - |
| 37' | - | C-D, 28-46 | - | - | - |
| 37' | - | - | Employee Bldg. | - | Entire Building - All Elevations and Roof |
| 37' | - | - | - | A-B, 1-20 | Administration Bldg. |

| <u>Nominal Elevation</u> | <u>Electric Generating Facility</u> | <u>Power Block Facility</u> | <u>Common Areas</u> | <u>Non-Project Areas</u> | <u>Notes</u> |
|--------------------------|-------------------------------------|-----------------------------|---------------------|--------------------------|---|
| 37' | - | - | A-B, 29-40 | - | Cable Spreading Area |
| 45' | - | C-G2, 29-47 | - | - | - |
| 47' | - | - | F-H1, 22-29 | - | Cable Spreading Room |
| 48' | - | - | A-B, 29-40 | - | Switchgear Room |
| 48' | - | - | - | A-B, 1-20 | Administration Bldg. |
| 55' | - | C-G2, 29-46 | - | - | - |
| 58' | - | - | F-H1, 22-29 | - | Control Room |
| 58' | C-F, 1-29 | - | - | - | - |
| 58' | - | - | - | F-K, 11-22 | Mercury Bldg. |
| 65' | - | C-G2, 28-46 | - | - | Included Roof of Demineralizer Building @ Elev. 67'9" |
| 68' | - | - | - | A-B, 1-20 | Administration Bldg. |
| 68' | A-B, 20-40 | - | - | - | - |
| 70' | - | - | F-H1, 22-29 | - | Control Room Roof |
| 78' | - | C-G2, 28-46 | - | - | - |
| 80' | C-F, 1-28 | - | - | - | - |
| 80' | - | - | - | F-K, 11-22 | Mercury Bldg. |
| 84' | - | - | - | A-B, 1-40 | Administration Bldg. Including Roof |
| 89' | - | C1-G2, 28-46 | - | - | - |
| 100' | B-C1, 1-46 | - | - | - | Turbine Building Roof |

| <u>Nominal Elevation</u> | <u>Electric Generating Facility</u> | <u>Power Block Facility</u> | <u>Common Areas</u> | <u>Non-Project Areas</u> | <u>Notes</u> |
|--------------------------|-------------------------------------|-----------------------------|---------------------|--------------------------|--------------------------------------|
| 100'- 156' | - | C1-G2, 28-46 | - | - | Including Roof Area |
| 103' & Above | C-F, 1-29 | - | - | - | Including Roof Area |
| 103' & Above | - | - | - | F-K, 11-22 | Mercury Bldg. Including Roof Area |

Unless noted above, all other areas are within the Electric Generating Facility.

WFTL-11/vap

SCHEDULE B
ELECTRICITY RATES

| <u>Calendar</u> <u>Year</u> | <u>Rates</u> <u>(¢/kWh)</u> |
|--------------------------------|--------------------------------|
| 2000 | 2.90 |
| 2001 | 3.00 |
| 2002 | 3.10 |
| 2003 | 3.20 |
| 2004 | 3.30 |
| 2005 | 3.30 |
| 2006 | 3.30 |
| 2007 | 3.30 |
| 2008 | 3.30 |
| 2009 | 3.30 |
| 2010 | 3.30 |
| 2011 | 3.30 |
| 2012* | 3.30 |

*through May 31, 2012

**EXHIBIT I,
SCHEDULE C-1**

SERVICES COVERED BY THE LABOR AND MATERIAL FEE

For the Labor and Materials Fee, the Contractor will provide the personnel, materials and supplies, and spare parts required for routine operation and maintenance of the facilities listed below unless otherwise indicated. The materials and supplies include, but are not limited to, consumables such as miscellaneous spare parts, office supplies, lubrication oils and greases, valve packing and gasket materials and facility cleaning supplies. For purposes of this Schedule C-1 and Schedule C-2, routine replacement, repair, overhaul or maintenance are those replacements, repairs, overhauls, or maintenance activities that can be expected to occur at least one time in every 12-month period.

A. Turbine Generators

- (1) Routine operation and maintenance of the system defined in Paragraph A of Schedule A.
- (2) A minor inspection of each turbine generator will be performed between scheduled major overhauls unless more frequent minor inspections are required in accordance with Good Electric Utility Practices during the entire term of this Agreement. The Contractor will be responsible for all labor costs, including subcontract labor,

associated with the routine portions of the minor inspections. If additional minor inspection work is required beyond the agreed upon one minor inspection between scheduled major overhauls, Contractor will complete the work in accordance with Good Electric Utility Practices and pay only the initial \$10,000 of costs; the CRRA will pay the balance of all costs associated with the work as a Reimbursable Cost to the Contractor.

- (3) Five major overhauls of the turbine generators during the entire term of this Agreement or as mutually agreed upon by the Contractor and the CRRA, exclusive of replacement parts and non routine repairs (to include parts and labor), provided, however, if the Commencement Date has not occurred by December 31, 2001, Contractor shall only be responsible for four major overhauls. Frequency intervals of the major overhauls will be at five years per turbine generator unless otherwise agreed upon by both parties. The Contractor will be responsible for all labor costs, including subcontract labor, associated with the routine portions of the five major overhauls. If additional major overhaul work is required beyond the agreed upon maximum of five (or four if the Commencement Date has not occurred by December 31, 2001) during the entire Term of the Agreement, Contractor will complete the work in accordance with Good Electric Utility Practices and pay only the initial \$50,000 of costs; the CRRA will pay the balance of all costs associated with the work as a Reimbursable Cost to the Contractor.

- B. Routine operation and maintenance of the Circulating Water System defined in Paragraph B of Schedule A.
- C. Routine operation and maintenance of the Service Water Supply and Return System defined in Paragraph C of Schedule A.
- D. Routine operation and maintenance of the Instrument Air System defined in Paragraph D of Schedule A.
- E. Routine operation and maintenance of the Service Air System defined in Paragraph E of Schedule A.
- F. Routine operation and maintenance of the Fire Protection and Detection System defined in Paragraph F of Schedule A, excluding the underground distribution piping.
- G. Electrical Systems and Equipment

The Contractor will provide routine operation and maintenance of the two main auxiliary electric power systems defined in Paragraph G, Item 1(a) of Schedule A; the two main output step up transformer disconnects as defined in Paragraph G, Item 1 (e) of Schedule A; and the unit 5 and 6 generator breakers identified in Paragraph G, Item 1(f) of Schedule A.

The Contractor will provide operation and routine maintenance of the remaining items 1(a), 1(b), 1(c), 1(d) and Item 2 of Paragraph G of Schedule A.

H. Heating System

Routine operation and maintenance only of the back up heating system defined in Paragraph H of Schedule A.

I. Routine operation and maintenance of the Circulating Cooling Water Discharge Equipment defined in Paragraph I of Schedule A.

J. Routine operation and maintenance of the Instrumentation and Controls defined in Paragraph M of Schedule A.

K. Facilities & Structures

The Contractor will provide janitorial services for all the facilities listed in Paragraph N, Items 1 and 2 of Schedule A. In addition, the Contractor will provide janitorial services for the one office, conference room and lavatory and adjoining hallways in the Administration Building that will be occupied by the CRRA Technical Representatives.

L. Yard and Roadways

The Contractor will provide routine lawn and general upkeep of all of the yard areas maintained at the South Meadows Station as of the Commencement Date, exclusive of that property associated with the Waste Processing Facility, and will shovel sidewalks and walkways as necessary. The Contractor will snow plow the roadways and parking areas described in Paragraph O of Schedule A and also the truck entrances and roadways.

M. Routine operation and maintenance of the Turbine Bay Crane

N. Safeguard of CRRA Parts and Supplies

The Contractor shall take reasonable steps to safeguard, and from time to time upon reasonable request of CRRA shall account for, the parts and supplies related to the EGF and such additions thereto and replacements thereof as may be made from time to time at the expense of CRRA. Such parts and supplies shall remain the property of CRRA.

O. Maintenance and Replacement of Fire Extinguishers

Inspection, testing and replacement of fire extinguishers as required under the applicable provisions of the National Fire Protection Code.

P. Water Discharge, Monitoring, Reporting, and Associated Waste Material Disposal.

The Contractor shall provide all sampling and complete all reports required by all Applicable law, including the National Pollutant Discharge Elimination Systems permit. (NPDES)

Q. Routine maintenance of the Telephone/Paging System

R. Operations and Maintenance Records and Reports

The Contractor shall maintain, in such form and with such content as the parties may mutually agree, the operation and maintenance records for the EGF Facilities described herein, and such other records as may be required by the practices described in Section 2.3 of the Agreement, and shall provide CRRA copies thereof at the frequencies set forth herein. The parties agree that the records provided to The Connecticut Light and Power Company by Contractor prior to the date of this Agreement are adequate for purposes of this obligation and shall be similar in format to such records provided to CRRA in connection with the Contractor's operation of the Power Block Facility and as may reasonably be changed by the written agreement of the parties. The Contractor shall comply with the following:

1. Reporting of unusual events.

The Contractor shall provide to CRRA prompt reports of any unusual or significant operating event in order to call CRRA's attention to any condition of the EGF Facilities requiring immediate remedial action that was not anticipated in applicable budgets or which otherwise in the exercise of reasonably prudent

judgment the Contractor determines should be reported to CRRA. Whenever the Contractor gives any notification required by law, regulation or ordinance to a federal, state or local governmental agency or body of any event or condition at the EGF Facilities (excepting notices concerning the Contractor proprietary information, personnel or cost records), and whenever the Contractor gives notice to any third party of any event or condition that could reasonably be expected to affect CRRA or the Contractor's obligations under this Agreement, the Contractor shall, in the case of a written notification, deliver to CRRA's Technical Representative a copy of such notice at the time it sends the notice to the governmental agency or body, or, in the case of oral notification, orally notify CRRA's Technical Representative, if available, or to such other person(s) as may have been designated by him/her in writing to the Contractor's Plant General Manager, immediately after providing such notice to the governmental agency or body. Within twenty four hours after the event, the Contractor shall use all reasonable efforts to give CRRA oral notice, to be followed promptly by written notice, of each hour in which neither of the turbine generators is capable of accepting the least of (i) all Quality Steam the Power Block Facility is then capable of producing, (ii) 460,000 pounds of Quality Steam, and (iii) its most recent Demonstrated Capability.

2. Operating records and information.

- (a) The Contractor shall provide CRRA's Technical Representative with the following data and information by the time indicated.

- Hourly net positive generation by unit, (by 8:30 a.m. of the subsequent working day).
- Net daily generation by unit, monthly (by end of third working day of subsequent month).
- Monthly gross, station service and net generation by unit (by end of third working day of subsequent month).
- Turbine generator monthly running hours.*
- Fuel burned and received for No. 9 boiler, monthly (by end of first working day of subsequent month).
- Fuel tank level reading for No. 9 boiler, monthly (by end of first working day of subsequent month).
- Time turbine generators on/off line, daily (by 8:30 a.m. of subsequent working day).
- Limitation report on MW production, regardless of size. Includes starting time of limitation, duration, MW limitation, and cause (within one working day of incident).
- Steam flow and capability reports, monthly.*
- Quarterly C-2 budget forecasts.*
- Incident reports regarding serious personnel injury, fire, theft, security, or major equipment failure and/or damage (verbally as soon as possible and in writing no later than seven calendar days after incident).

*By the end of the fifteenth calendar day of the month following the period being reported.

(b) Demonstrated Capability of Turbine Generators.

The Demonstrated Capability of each of the turbine generators shall mean its maximum capability per hour to accept Quality Steam and to generate electricity therefrom. At any time following the date first written above, but in no event more than once a month, either party may, at its cost and expense, conduct tests on each turbine generator in order to redetermine its Demonstrated Capability. CRRA's Technical Representative and the Contractor's Plant General Manager shall mutually agree upon the precise timing of these tests and as to whether CRRA or the Contractor will conduct them. Following completion of these tests, the party conducting them shall provide the other with test completion documentation for each turbine. Any dispute as to the tests, test conduct or test results shall be submitted to arbitration for resolution.

3. Maintenance records and information.

- Report on Preventive Maintenance program, with maintenance history, monthly.*

- Overhaul reports for turbine generators (within ten calendar days of receipt or completion by the Contractor).
- Turbine steam flow meters calibration reports, if any, semi-annually, but if CRRA reasonably believes calibration reports are required more frequently, then at more frequent intervals upon CRRA's written directive.*
- Turbine room crane OSHA inspection report, annually (within ten calendar days of submittal to OSHA).

*By the end of the fifteenth calendar day of the month following the period being reported.

S. Preparation of Budgets.

(a) Annual Budgets.

The Contractor will prepare and submit for CRRA's review by not later than December 1 of each year both an operation and maintenance budget and a capital replacement budget for the following Operating Year, which budgets shall cover the services described in Schedule C-2, and such other services as CRRA and the Contractor shall mutually agree upon (hereafter collectively called the "Budgets"). The Budgets shall be prepared in the same manner as similar budgets prepared by the Contractor for its internal use, except as the parties hereto shall otherwise mutually agree. Such Budgets shall include the Contractor's best estimate of the Contractor's cost of providing Schedule C-2 services, and also shall include the

Contractor's best estimate of the Contractor's cost of recommended capital replacements and equipment, system and building repairs. CRRA shall have sixty (60) calendar days following receipt of the proposed Budgets to review and comment upon the same and shall, in writing, either (i) approve them or (ii) disapprove them on a line item basis, specifying its objections. Failure by CRRA to provide written disapproval of any line items in proposed Budgets within such 60 day period shall constitute CRRA's approval of such line items for purposes of this Agreement.

(b) Four Year Forecast.

Simultaneously with its submission of the annual Budgets, the Contractor will prepare and submit to CRRA a forecast giving its best estimate of the projected Budgets for the four (4) years next following the Contract Year for which the Budgets are submitted. The Contractor and CRRA agree that the forecasts are mere estimates of the anticipated Budgets for the period covered.

T. Switchyards

Routine maintenance of those portions of the 115kV Transmission Substation related to the operation of the Facility, but only to the extent that Contractor has access to such substations.

U. Insurance

Insurance required by this Agreement, the cost of which shall be paid in full by Contractor and not be included in Reimbursable Costs.

EXHIBIT I,
SCHEDULE C-2
BUDGETED ITEMS

On a budgeted basis, The Contractor will provide the following services and supplies:

A. Turbine Generators

Non-routine replacement parts and non-routine service in connection with overhauls and minor inspections of the turbine generators.

B. Major Equipment Replacement

Equipment replacement other than routine replacement for all of the systems identified in Paragraphs A-M of Schedule A.

C. Major Repair and Overhaul

All contract services for the repair, replacement and overhaul of the systems or components identified in Paragraphs B-M of Schedule A other than routine repairs, replacements, or overhauls.

- D. All Utilities
- E. Fuel for Boiler No. 9
- F. Repairs to the Generating Building
- G. Maintenance of the Administration Building
Excluding janitorial services as defined in Schedule C-1, Paragraph K.
- H. [Reserved]
- I. Maintenance and Repair of Roadways, Yard, Fencing and Exterior Lighting,
Underground Water Distribution System and Sewer System - other than as set forth on
Schedule C-1.
- J. Operation, Maintenance and Repair of the Flood Control System Defined in Paragraph J
of Schedule A.
- K. Any Permit Fees or Taxes (excluding taxes on income)
- L. [Reserved.]
- M. Operation and Maintenance of the Barge Haul and Docking Facilities

N. Security and Surveillance

As used in this paragraph N, "unauthorized persons" means persons who are not employees, subcontractors or invitees of, or vendors to, the Contractor or CRRA.

"Unauthorized vehicles" means vehicles operated by unauthorized persons and vehicles whose presence is not reasonably necessary in connection with the performance by the Contractor or CRRA of their rights or obligations under this Agreement or the performance by CRRA of any of its corporate activities or other contractual obligations.

1. Access restrictions.

Beginning on the Commencement Date, the Contractor shall implement and maintain reasonable measures to prevent (a) access by unauthorized persons and unauthorized vehicles through the Contractor's access gates and (b) the presence of unauthorized persons on or in the EGF Facilities. The Contractor shall request any persons on or in those EGF Facilities who are or appear to be unauthorized persons to leave South Meadow Station and/or shall seek the assistance of CRRA or law enforcement authorities, as the Contractor shall deem appropriate. If it appears to the Contractor that any unauthorized person has taken property of CRRA into his/her possession or has damaged any property of CRRA, the Contractor shall promptly notify appropriate law enforcement authorities and CRRA.

2. Surveillance.

Beginning on the Commencement Date, the Contractor shall provide general surveillance of South Meadow Station. The Contractor shall take such actions with respect to apparently unauthorized persons and vehicles as it reasonably deems appropriate under the circumstances, which actions may include, without limitation, a request for removal of such persons or vehicles from South Meadow Station, notification of the CRRA Technical Representative or his/her designee and/or notification of law enforcement authorities. The Contractor shall also conduct, at least weekly, a walking inspection of South Meadow Station, including observation of the security fences surrounding South Meadow Station, and the facilities described in Schedule D to the extent reasonably possible without entrance into those facilities. The Contractor shall immediately report any observed abnormalities (e.g., damage to fences, leaking tanks, evidence of entrance by unauthorized persons) to CRRA's Technical Representative, if available, or to such other person(s) as may have been designated by him/her in writing to the Contractor's Facility Manager.

EXHIBIT I,
SCHEDULE D
EXCLUDED FACILITIES, EQUIPMENT AND AREAS

The following areas and the following CL&P or CRRA owned facilities located at South Meadow Station and shown on the Use Map are excluded areas:

1. Jet Turbine Generators and Associated Equipment, the surrounding fence and the area within the fence.
2. The 115kV Transmission Substation, the fence surrounding this Substation and the area within the fence except as set forth in Schedule C-1, Paragraph T.
3. The 23kV Distribution Substation, the fence surrounding this Substation and the area within the fence.
4. All other overhead electric lines and facilities and their supporting structures, including lighting facilities and fixtures not attached to the Generating Building.
5. Oil Storage and Jet Fuel Storage Tanks and Associated Equipment.
6. Oil and Jet Fuel Barge Unloading Equipment and Piping. The area in which such Equipment and Piping is located may be used for ingress and egress to and from the barge dock.
7. The District Storage Facility, including the exterior fence bounding the same generally on the north and west.
8. PCB Storage Facility
9. Hazardous Waste Storage Facility

A one-story area within the Generating Building at Elevation 31' contained between column lines 11A and 16A and between column lines H and K₃.

10. Mercury Building

A 5-story area within the Generating Building contained between column lines 11A and 16B and between column lines F and K₃, excluding the ground floor of this building at Elevation 31'.

The stairway in this building from Elevation 58', up may be used solely for emergency access to No. 9 Forced Draft Fans and for emergency egress from adjoining areas.

11. Administration Building

A section of the Generating Building consisting of a basement and four floors located and bounded as follows:

The basement area (excluding locker room) and floors one through three are bounded on the north by column line 1, on the east by column line B, on the south by column line 20, and on the west by column line A.

Floor four is bounded on the north by column line 1, on the east by column line B, on the south by column line 29, and on the west by column line A.

Notwithstanding the foregoing, for the purpose of providing the janitorial services described in Paragraph K of Schedule C-1, the Contractor personnel may use the elevator and shall have access to the office, lavatory and adjoining hallways on the second floor and to the conference room and adjoining hallways on the fourth floor.

12. No. 2 (1920) Screen House

13. Retired Equipment In Place (not shown on Use Map)

Any equipment not required for the operation of the EGF Facilities but retired in place.

EXHIBIT I,
SCHEDULE E
SUPPORT AREAS

Contractor shall have the exclusive use of the following areas, provided, however, CRRA may request the use of such areas and Contractor shall not unreasonably deny such request:

1. Warehouse

A one-story building located at elevation 33' at the south end of the Generating Building and bounded on the north by column line 46, on the east by column line D, on the south by column line 52, and on the west by column line A28.

2. Electrical and Instrumentation and Controls Shop

The area located at elevation 37' at the south end of the Generating Building and bounded on the north by column line 46, on the east by column line D, on the south by column line 48, and on the west by column line B.

3. Machine Shop

The area located at elevation 32' at the north end of the Generating Building and bounded on the north by column line 22, on the east by column line H, on the south by column line 29, and on the west by column line F.

4. Employee Building

A three-story brick structure (53' by 48'), with a two-story wing (34' by 25'), located northerly of the Generating Building and connected to the Generating Building by an enclosed one story corridor, including the adjacent clean room.

Contractor shall have the non-exclusive use of the following areas:

1. Locker Room

The locker room in the basement of the former Connecticut Light and Power Administration Building.

2. Weld Shop

Weld shop at elevation 0'.

EXHIBIT II
GUARANTEES

A. Obligations to Accept Quality Steam.

The Contractor shall operate and maintain the EGF Equipment so as to accept Quality Steam from the PBF and to generate electricity as follows:

1. General Obligation. Subject to compliance with the Standards in the Agreement, at all times during periods, and to the extent that, the Contractor has operational responsibility for either or both of the turbine generators, the turbine generator(s) shall accept delivery of all Quality Steam that the PBF is capable of producing and that the turbine generator(s) is (are) capable of accepting for the generation of electricity. The amount of Quality Steam that the turbine generators are respectively capable of accepting for the generation of electricity shall be their most recent Demonstrated Capability (as defined in Exhibit I, Schedule C-1, Paragraph R(2)(b)).
2. Hourly Obligation. Commencing with the Commencement Date, in each hour at least one turbine generator shall be capable of accepting Quality Steam for the generation of electricity in an amount that is not less than the least of (a) 460,000 pounds of Quality Steam, (b) the most recent Demonstrated Capability of that turbine generator, and (c) the amount of Quality Steam that the PBF is capable of producing in that hour; and
3. Twelve Months Obligation; Minimum Amount of Quality Steam. During each twelve (12) rolling calendar month period (calculated by including the most recent calendar month and deleting the same calendar month of the preceding year), commencing with the date first written above, the turbine generators shall jointly be capable of accepting Quality Steam for the generation of electricity in an amount that is not less than the lesser of (a) the minimum amount of Quality Steam, determined as set forth below in this Subsection 3 and adjusted as set forth in Subsection 4 below, and (b) the amount of Quality Steam the PBF was capable of producing during that rolling twelve calendar month period.

The minimum amount of Quality Steam shall be 4.524×10^9 lb. steam, reduced by the number of pounds of Quality Steam the turbine generators are unable to accept during the twelve calendar month period under consideration solely because the Demonstrated Capability of one or both turbine generators is less than 460,000 lb./hour.
4. Adjustment of Obligations. If, at any time, subsequent to the Commencement Date, the performance characteristics of the EGF Equipment are such that, notwithstanding compliance with the Standards, the EGF Equipment is not capable of achieving the foregoing objectives, the minimum amount of Quality Steam shall be appropriately adjusted until such time as those objectives can be achieved on a sustained basis.

Any disputes as to the ability of the EGF Equipment to achieve the foregoing objectives on a sustained basis and/or appropriate adjustments to the Contractor's obligations under Subsections 2 and 3 above shall be submitted to arbitration for resolution.

EXHIBIT III

SCHEDULE OF FEES AND ESCALATORS

A. Labor and Materials Fee

1. For the services described in Schedule C-1 CRRA shall pay the Contractor, in the manner provided in this Agreement, a fee at the annual rate of \$2.75 million per Contract Year adjusted as provided in Subsection 2 hereof.
2. The annual fee set forth in Subsection 1 shall be adjusted annually to reflect one hundred percent of the annual change in the Average Hourly Earnings for Electrical /Gas/ Sanitary Service Industry (SIC Code 49) (Series ID Number EEU42490006) as published monthly by the U.S. Department of Labor, Bureau of Labor Statistics from those in effect July 2000.

EXHIBIT V

GUARANTY

This Guaranty made and dated as of _____, 2000 (the "Guaranty") from _____, a _____ duly organized and existing under the laws of the State of _____ (the "Guarantor"), to the **CONNECTICUT RESOURCES RECOVERY AUTHORITY** (the "Authority"), a public instrumentality and political subdivision of the State of Connecticut (the "State").

WITNESSETH:

WHEREAS, the Authority intends to enter into an Agreement For Electric Generation Facility Operation, Management and Maintenance Services with _____ ("Company") dated as of _____, 2000 (the "Agreement");

WHEREAS, the Guarantor will receive a material and direct benefit from the execution of said Agreement;

NOW THEREFORE, in consideration of the execution and delivery of the Agreement, and intending to be legally bound hereby, the Guarantor does hereby agree as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.1. Guarantor Representations and Warranties. _____, as Guarantor, hereby represents and warrants that:

(1) The Guarantor has been duly incorporated and validly exists as a corporation in good standing under the laws of the State of _____ and is not in violation of any provision of its certificate of incorporation or its by-laws, has power to enter into this Guaranty and, by proper corporate action, has duly authorized the execution and delivery of this Guaranty.

(2) Neither the execution and delivery of this Guaranty, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Guaranty is prevented or limited by or conflicts with or results in a breach of or violates the terms, conditions or provisions of any contractual or other restriction on the Guarantor, or constitutes a breach under any of the terms of its Certificate of Incorporation or by-laws, or violates any agreement or instrument of whatever nature to which the Guarantor is now a party or by which the Guarantor or its property is bound, or constitutes a default under any of the

foregoing or violates any federal, state or local law, rule or regulation applicable to the Guarantor.

(3) This Guaranty constitutes a valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms.

(4) There is no action or proceeding pending or to the best of its knowledge threatened against the Guarantor before any court or administrative agency that would adversely affect the ability of the Guarantor to perform its obligations under this Guaranty and all authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery of this Guaranty or in connection with the performance of the Guarantor's obligations hereunder have been obtained as required hereunder or by law.

(5) Neither the nature of the Guarantor or any subsidiary of the Guarantor or of any of their respective businesses or property, nor any relationship between the Guarantor or any subsidiary and any other person, nor any circumstance in connection with the execution or delivery of the Agreement, is such as to require the consent, approval, or authorization of or filing, registration, or qualification with any governmental authority on the part of the Guarantor or any subsidiary, as a condition of the execution and delivery of the Agreement or any agreement or document contemplated thereby or the performance thereof.

(6) The Guarantor is familiar with the terms of the Agreement and consents to the terms thereof.

ARTICLE II GUARANTY

Section 2.1 Agreement to Perform and Observe Obligations of Company under the Agreement. The Guarantor hereby unconditionally and irrevocably guarantees to the Authority the full and prompt performance by the Company of all of the Company's obligations under the Agreement in accordance with its terms and conditions, including any obligation to pay damages, under the Agreement, including all amendments and supplements thereto.

Section 2.2 Guaranty Absolute and Unconditional. The obligations of the Guarantor hereunder are absolute and unconditional and shall remain in full force and effect until the Company shall have fully and satisfactorily discharged all of its obligations under the Agreement, and irrespective of any assignment of the Agreement or of any termination of the Agreement except in accordance with the express provisions thereof (and payment of all amounts due thereunder), and shall not be affected by (a) any set-off, counterclaim, recoupment, defense (other than payment itself) or other right that the Guarantor may have against the Authority, (b) the failure of the Authority to retain or preserve any rights against any person (including the Company) or in any property, (c) the invalidity of any such rights which the Authority may attempt to obtain, (d) the lack of prior enforcement by the Authority of any rights against any person (including the Company) or in any property, (e) the dissolution of the Company, or (f) any other circumstance which might otherwise constitute a legal or equitable discharge of a

guarantor or limit the recourse of the Authority to the Guarantor; nor shall the obligations of the Guarantor hereunder be affected in any way by any modification, limitation or discharge arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceedings for relief of debtors under federal or state law hereinafter initiated by or against the Company or the Guarantor. The Guarantor hereby waives any right to require, and the benefit of all laws now or hereafter in effect giving the Guarantor the right to require, any such prior enforcement as referred to in (d) above, and the Guarantor agrees that any delay in enforcing or failure to enforce any such rights shall not in any way affect the liability of the Guarantor hereunder, even if any such rights are lost; and the Guarantor hereby waives all rights and benefits which might accrue to it by reason of any of the aforesaid bankruptcy, arrangement, reorganization, or similar proceedings and agree that its liability hereunder for the obligations of the Company under the Agreement shall not be affected by any modification, limitation or discharge of the obligations of the Company or the Guarantor that may result from any such proceeding. This Section 2.2 shall not constitute a waiver of any rights of the Company under the Agreement.

Section 2.3 Waivers by the Guarantor. The Guarantor hereby waives all notices whatsoever with respect to this Guaranty, including, but not limited to, notice of the acceptance of this Guaranty by the Authority and intention to act in reliance hereon, of its reliance hereon, and of any defaults by the Company under the Agreement except as provided therein. The Guarantor hereby consents to the taking of, or the failure to take from time to time, without notice to the Guarantor, any action of any nature whatsoever with respect to the obligations of the Company under the Agreement and with respect to any rights against any person (including the Company) or in any property, including, but not limited to, any renewals, extensions, modifications, postponements, compromises, indulgences, waivers, surrenders, exchanges and releases. To the extent permitted by law, the Guarantor hereby waives the benefit of all laws now or hereafter in effect in any way limiting or restricting the liability of the Guarantor hereunder.

Section 2.4 Agreement to Pay Attorney's Fees and Expenses. The Guarantor agrees to pay to the Authority on demand all reasonable costs and expenses, legal or otherwise (including counsel fees), which may be incurred in the successful enforcement of any liability of the Guarantor under this Guaranty. No delay in making demand on the Guarantor for performance of the obligations of the Guarantor under this Guaranty shall prejudice the right of the Authority to enforce such performance.

Section 2.5 Consent to Assignment. It is understood and agreed that all or any part of the right, title and interest for the Authority in and to this Guaranty may be assigned by the Authority to a trustee or other lender. The Guarantor consents to any such assignment and the Guarantor further agrees that the trustee or other lender, acting under the aforesaid assignment and in accordance with this Guaranty, shall be entitled to proceed first and directly against the Guarantor under this Guaranty without first proceeding against any other party.

ARTICLE III SPECIAL COVENANTS

Section 3.1 Maintenance of Corporate Existence; Consolidation, Merger, Sale or Transfer. The Guarantor covenants that it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with. or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than the Guarantor) assumes in writing all the obligations of the Guarantor hereunder and, if such successor entity is other than an affiliate of the Guarantor, has a net worth immediately after such consolidation, merger, sale or transfer at least equal to that of the Guarantor immediately prior to such event, and, if required, is duly qualified to do business in the State of Connecticut.

If a consolidation, merger or sale or other transfer is made as permitted by this Section 3.1, the provisions of this Section 3.1 shall continue in full force and effect and no further consolidation merger or sale or other transfer shall be made except in compliance with the provisions of this Section 3.1.

Section 3.2 Assignment. Without the prior written consent of the Authority, this Guaranty may not be assigned by the Guarantor, except pursuant to Section 3.1 hereof.

Section 3.3 Agent for Service. The Guarantor irrevocably: (a) agrees that any suit, action or other legal proceeding arising out of this Guaranty may be brought in the courts of the State of Connecticut or the courts of the United States located within the State of Connecticut; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; and (c) waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any such courts. During the term of this Guaranty the Guarantor irrevocably designates the Secretary of the State of the State of Connecticut, whose address is Hartford, Connecticut, as its agent to accept and acknowledge on its behalf service of any and all process in any suit, action or proceeding brought in any such court and agrees and consents that any such service of process upon such agent shall be taken and held to be valid personal service upon the Guarantor whether or not the Guarantor shall then be doing, or at any time shall have done, business within the State of Connecticut, and that any such service of process shall be of the same force and validity as if service were made upon the Guarantor according to the laws governing the validity and requirements of such service in such state, and waives all claims of error by reason of any such service, provided, however, that the foregoing consent to service of process shall be deemed revoked if such consent alone would cause the Guarantor and the Company to be part of a unitary business that is subject to the Connecticut corporation business tax under Chapter 208, Title 12 of the Connecticut General Statutes. Such agent shall not have any power or authority to enter any appearance or to file any pleadings in connection with any suit, action or other legal proceeding against the Guarantor or to conduct the defense of any such suit, action or any other legal proceeding.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Binding Effect. This Guaranty shall inure to the benefit of the Authority and its successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

Section 4.2 Amendments, Changes and Modifications. This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the Authority and of the Guarantor.

Section 4.3 Execution in Counterparts. This Guaranty may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Guaranty.

Section 4.4 Severability. If any clause, provision or Section of this Guaranty shall be held illegal or invalid by a court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Guaranty shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Guaranty is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligations of the Guarantor to the fullest extent permitted by law.

Section 4.5 Captions. The captions or headings in this Guaranty are for convenience only and in no way define, limit or describe the scope or intent of any sections of this Guaranty.

Section 4.6 Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

**ARTICLE V
TERM OF GUARANTY**

Section 5.1 Term. This Guaranty shall remain in full force and effect from the date hereof until all obligations of the Company under the Agreement have been fully performed.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and in its behalf by its duly authorized officers as of the ____ day of _____, 2000.

SEAL _____

Attest: _____

By: _____

Name: _____

Title: _____

Accepted and agreed this ____ day of _____, 2000.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____

Name: _____

Title: _____

EXHIBIT VI

ADDITIONAL PERFORMANCE STANDARDS GOVERNING OPERATION AND MAINTENANCE

The performance by the Contractor of its obligations to operate and maintain the Facility shall be in accordance with the standards set forth in this Exhibit:

- A. The Contractor shall comply with Good Electric Utility Practices, as defined below.
- B. Subject to the requirements of Subsection A, above, which requirements shall control in the event of a conflict, the Contractor shall operate and maintain the Facility in accordance with vendor manuals and written instructions.
- C. "Good Electric Utility Practices" means any of the practices, methods and acts that in the exercise of reasonable judgment in light of the facts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Electric Utility Practices is not intended to be limited to the optimum practice methods or acts to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts that could have been expected to accomplish the desired result at reasonable cost consistent with reliability, safety and expedition. Good Electric Utility Practices includes due regard for manufacturers' warranties and for the interpretations, statements, policies, principles, recommendations and orders of the Connecticut Department of Public Utility Control, the U.S. Environmental Protection Agency, and the Connecticut Department of Environmental Protection, and for all applicable state and federal laws and regulations.