

**Second Amendment To The Amended And Restated Agreement For Operation And
Maintenance Of Power Block Facility Between Connecticut Resources Recovery
Authority and Resource Recovery Systems Of Connecticut, Inc.**

**For A Change In The Escalation Index Used For The PBF Operation And Maintenance
Fee**

This Second Amendment to the Amended And Restated Agreement For Operation Of Power Block Facility Between Connecticut Resources Recovery Authority And Resource Recovery Systems Of Connecticut, Inc., dated December 22, 2000 (the "Agreement"), by and between CRRA and Covanta Mid-Conn, Inc., formerly known as Resource Recovery Systems of Connecticut, Inc. (the "Contractor") (the "Second Amendment") is entered into this 19th day of ~~December~~, 2003 between CRRA and the Contractor.

April 6

BACKGROUND

WHEREAS, CRRA and the Contractor are parties to the Agreement; and

WHEREAS, the labor index utilized in Section 5.01 of the Agreement, the Average Hourly Earnings of Electric, Gas and Sanitary Workers (SIC 49) as published by the U.S. Department of Labor, Bureau of Labor Statistics discontinued being published in June 2003. .

NOW THEREFORE, in consideration of the foregoing and intending to be legally bound hereby, CRRA and the Contractor hereby agree as follows:

1. Since the Average Hourly Earnings of Electric, Gas and Sanitary Workers (SIC 49) labor index has been discontinued, CRRA and Contractor agree that the Employment Cost Index, Total Compensation Electric, Gas and Sanitary Workers, Series ID ECU12542I, published quarterly by the U.S. Department of Labor, Bureau of Labor Statistics shall be substituted in place of the Average Hourly Earnings of Electric, Gas and Sanitary Workers (SIC 49) in Section 5.01 of the Agreement.

2. The entire text of Section 5.01 of the Agreement is deleted in its entirety and the following is inserted in its place:

SECTION V. PAYMENT

5.01 Personnel. Commencing on the Effective Date, for providing the personnel required by the Contractor for the proper operation and maintenance of the Power Block Facility, beginning on the date hereof, CRRA shall pay to the Contractor the sum of \$4,477,828 per Contract year, adjusted as provided below. Unless required by an act or event of Force Majeure or Change in Law, or by CRRA, any personnel in addition to those listed on Exhibit B hereto required for the proper operation and maintenance of

the Power Block Facility shall be provided by the Contractor at no additional cost to CRRA. The Contractor agrees that such \$4,477,828 payment (adjusted as provided below) reflects all personnel-related costs associated with the operation and maintenance of transfer conveyors Nos. 511 and 513, the SNCR System and the Power Bock Facility's compliance with all current OSHA guidelines.

The figure of \$4,477,828 shall be adjusted to reflect the annual change in the Employment Cost Index, Total Compensation Electric, Gas and Sanitary Workers, Series ID ECU12542I, published quarterly by the U.S. Department of Labor, Bureau of Labor Statistics shall be substituted in place of the Average Hourly Earnings of Electric, Gas and Sanitary Workers (SIC 49) (the "Index") in accordance with Section 5.08 of the Agreement.

For the true-up calculations on a month-by-month basis as stated in Section 5.08 (d), the quarterly index numbers shall be evenly prorated over the three months in its corresponding quarter.

3. This Second Amendment shall be effective as of March 2003 and all provisions of the Agreement which are not in conflict with this Second Amendment shall apply to this Second Amendment.

4. Except as specifically amended hereby, the Agreement remains in full force and effect. All references in the Agreement to "this Agreement" and "this Full Service Agreement" shall be deemed to refer to the Agreement as amended hereby.

IN WITNESS WHEREOF, the parties thereto have caused this Second Amendment to be executed by their duly authorized representatives as of the date and year first written above.

CONNECTICUT RESOURCES RECOVERY
AUTHORITY

COVANTA MID-CONN, INC.

By: _____

Thomas D. Kirk
President

By: _____

C. Thomas Rantas
Regional Business Manager