CRRA

BOARD MEETING

MARCH 20, 2003

CONNECTICUT RESOURCES RECOVERY AUTHORITY

100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

March 14, 2003

TO: CRRA Board of Directors

FROM: Angelica Mattschei, Corporate Secretary

RE: Notice of Meeting

There will be a regular meeting of the Connecticut Resources Recovery Authority Board of Directors held on Thursday, March 20, 2003 at 9:00 a.m. at the Regional Recycling Center, 211 Murphy Road, Hartford.

Please notify this office of your attendance at (860) 757-7792 at your earliest convenience.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

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March 13, 2003

TO: CRRA Board of Directors

FROM: Angelica Mattschei, Corporate Secretary

RE: Filing Statements of Financial Interests

Pursuant to Section 1-83 of the Code of Ethics, certain State and Quasi-Public Agency officials and employees are required to file annual Statements of Financial Interests (SFIs). All members of the CRRA Board of Directors who served within calendar year 2002 must file under this provision.

Please visit the Website of the State Ethics Commission at www.ethics.state.ct.us to file your statement electronically beginning on February 3, 2003. If you have questions or concerns regarding this procedure, or to request a form to be mailed to you for manually filing purposes, you may contact Susan Read at (860) 566-4472 ext. 302 or Brenda Lou Mathieu at (860) 566-4472 ext. 307.

A copy of your statement must be forwarded to CRRA c/o my attention to the address below by April 1, 2003. If you are filing under a different state agency, a copy of your statement should still be mailed to CRRA for record keeping purposes.

CRRA
Attn: Angelica Mattschei
100 Constitution Plaza, 17th Floor
Hartford, Connecticut 06103

Please feel free to contact me with questions or concerns at (860) 757-7792.

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Connecticut Resources Recovery Authority
Board of Directors' Meeting
Agenda
March 20, 2003
9:00 AM

I. Pledge of Allegiance

II. Public Portion

A public portion from 9:00 to 9:30 will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for the approval of the February 27, 2003 Regular Board Meeting Minutes (Attachment 1).

IV. Finance

1. Staff will present the Revenue and Expenditure Report for the month of January 2003 (Attachment 2).

2. Board Action will be sought regarding the Disbursement of Authority Funds (Attachment 3).

3. Board Action will be sought regarding the Fiscal Year 2004 Capital Improvement Budget (Attachment 4).

V. Project Reports

A. Mid-Connecticut

1. Board Action will be sought regarding Standard Form Commercial Hauler Waste Delivery Agreements – Mid-Connecticut, Wallingford and Bridgeport Projects (Attachment 5).

2. Board Action will be sought regarding a Spot Waste Delivery Agreement with Bristol Resource Recovery Facility Operating Committee (Attachment 6).

3. Board Action will be sought regarding the Ellington Landfill Gas Collection/Control System (Attachment 7).

4. Staff will update Board with status of Rail Haul Feasibility Study.

B. Southeast

1. Board Action will be sought regarding the Curtailment of Electricity Sales Renewal (Attachment 8).

C. Wallingford

1. Staff will present the Wallingford RRF – Execution of Consent Order (Attachment 9).

VI. Recycling

1. Board Action will be sought regarding the Service Agreement for the Operation and Maintenance of the Container Recycling Facility which Serves the Mid-Connecticut Project Towns (Attachment 10).

VII. Legal

1. Board Action will be sought regarding the Recycling Agreement with Murphy Road Recycling, LLC Et Al (Attachment 11).

VIII. Insurance

1. Board Action will be sought regarding the Terrorism Insurance Act (TRIA) of 2002 (Attachment 12).

2. Board Action will be sought regarding CRRA's Property Insurance Renewal (Attachment 13).

IX. Chairman's and Committee Reports

1. The Organizational Synergy & Human Resource Committee will report on its March 20, 2003 meeting. (A separate folder of materials is enclosed for the Board's information).

2. The Policy & Procurement Committee will report on its March 6, 2003 meeting.

3. The Chairman will report on various items.

X. Executive Session

An Executive Session will be held to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff.

XI. Communication

1. Articles (Attachment 14).

XII. Summary of Project Activities

1. An update is provided on waste deliveries to all the projects for the period ending February 2003 (Attachment 15).

2. Information is on each project's monthly operations for the period ending February 2003 (Attachment 16).

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED FIFTY-FIFTH MEETING FEBRUARY 27, 2003

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, February 27, 2003 at 211 Murphy Road, Hartford. Those present were:

Chairman Michael A. Pace

Directors: Benson Cohn
Theodore Martland (left at 1:45 p.m.)
Howard Rifkin (delegate for Director Nappier)
Stephen Cassano (left at 2:00 p.m.)
James Francis (left at 12:15 p.m.)
Mark Cooper
John Mengacci (delegate for Director Ryan)
Mark Lauretti
Ray O'Brien
Andrew Sullivan (present by phone)
Alex Knopp
Catherine Boone (delegate for Director Nappier)(left at 12:50 p.m.)

Directors Blake, Ryan and Nappier did not attend.

Present from the CRRA staff:

James Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Michael Bzdyra, Senior Analyst
John Clark, Operations Division Head
Robert Constable, Senior Analyst
Peter Egan, Director of Environmental Services
Brian Flaherty, Communications Coordinator
Thomas Gaffey, Recycling & Environmental Education Division Head
Gary Gendron, Director of Administration
Thomas Kirk, President
Angelica Mattschei, Executive Assistant & Corporate Secretary
Virginia Raymond, Senior Analyst
Diane Spence, Secretary
Ann Stravalle-Schmidt, Director of Legal Services
Michael Tracey, Director of Civil & Construction Engineer

Others in attendance were: John Stafstrom, Jr. of P&C; David Arruda of MDC; Frank Marci of USA Hauling; Jerry Tyminski of SCRRRA; John Maulucci of BRRFOC; Lori Wachtelhausun from the City of Hartford; Ted Doolittle and Maureen Regula of the AG's Office; Larry Pomeranz and Jenny Adams of Marsh USA, Inc; John Lewis, Jane Korwek and Douglas Cohen of BR; Frank Robinson of SABW; Melvin Simon of CB&S; William Bright and Richard Rendiero of C&L; Barry Zitser of P&Z and Louis Pepe, Thomas Rechen and Richard Rausch of P&H.

Chairman Pace called the meeting to order at 9:10 a.m. and noted that a quorum was present. Chairman Pace requested that everyone stand up for the Pledge of Allegiance, whereupon, the Pledge of Allegiance was recited.

PUBLIC PORTION

Chairman Pace said that the next item on the agenda allowed for a public portion between 9:00 a.m. and 9:30 p.m. in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes. Chairman Pace asked whether any member of the public wished to speak.

Chairman Pace noted that there were no public comments and that the regular meeting would commence.

APPROVAL OF THE JANUARY 16, 2003 REGULAR BOARD MINUTES

Chairman Pace requested a motion to approve the minutes of the January 16, 2003 regular Board meeting. The motion made by Director O'Brien and seconded by Director Cooper was approved unanimously.

APPROVAL OF THE FEBRUARY 10, 2003 SPECIAL BOARD MINUTES

Chairman Pace requested a motion to approve the minutes of the February 10, 2003 special Board meeting. Director O'Brien made the motion which was seconded by Director Martland.

Director Martland said that he was outside of the United States at the time and was not able to connect to the telephone conference.

The motion previously made and seconded was approved. Director O'Brien abstained from the vote, as he was not present for the meeting.

FINANCE

FINANCIAL MITIGATION PLAN

Chairman Pace requested a motion on the referenced item. Director O'Brien made the following motion:

WHEREAS, the Connecticut Resource Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as the same has been amended and modified by Public Act No. 02-46 (the "Act" and, collectively with Sections 22a-260 et. seq. of the Connecticut General Statutes, the "Statute"); and

WHEREAS, the Authority has, from time to time, issued bonds, pursuant to certain powers and duties expressly provided for in the Statute, to finance its Mid-Connecticut System, a Waste Processing Facility and Power Block Facility, and operated by the Authority, pursuant to the powers vested in the Authority under the Statute (the "Mid-Connecticut Project"); and

WHEREAS, Section 3 of the Act provides that the Authority may, upon the approval of two-thirds of the appointed directors of the Authority and subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management ("OPM"), borrow from the State of Connecticut, in an amount not to exceed one hundred fifteen million dollars ($115,000,000.00), for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Act requires that any loan from the State to the Authority for such purpose as stated above shall be subordinate to all bonded indebtedness of the Authority; and

WHEREAS, the Authority desires to finance certain debt service payments of the Mid-Connecticut Project through a loan in an amount not to exceed $115,000,000.00, all in accordance with the terms and conditions of Section 3 of the Act; and

WHEREAS, the Board of Directors of the Authority (the "Board") wishes to authorize the application to the State Treasurer and the Secretary of OPM for such loan, and further wishes to authorize the negotiation and documentation of the financing to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Board wishes to give the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority (collectively, the "Officials") the authority to submit such application as well as to negotiate and document such financing;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Connecticut Resource Recovery Authority:

Section 1. That the action of the Officials of the Authority, in submitting an application to the State Treasurer and the Secretary of OPM, in the name of and on behalf of the Authority, in connection with the extension by the State of Connecticut of a loan to the Authority in an aggregate amount not to exceed $115,000,000.00 to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project (the "Financing"), be and the same is hereby authorized and approved.

Section 2. That the Authority, in connection with such application for the Financing, shall submit for approval, by the State Treasurer and the Secretary of OPM, those items required under the provisions of Section 3 of the Act including, but not limited to a Financial Mitigation Plan, the proposed budget for the Mid-Connecticut Project for fiscal year 2004, the Authority's three-year plan for fiscal years 2004, 2005 and 2006, a cash flow analysis showing the Authority's need for current and future borrowings through fiscal year 2012, a certified audit of the Authority for fiscal year ended June 30, 2002, all as previously reviewed and approved by the Board, as well as any other items reasonably requested by the State Treasurer and the Secretary of OPM in order to effectuate the Financing.

Section 3. That the Board of Directors of the Authority hereby authorizes the Officials to enter into negotiations with the State Treasurer and the Secretary of OPM, to establish the terms of such Financing, which terms shall include the maturity, interest rate, repayment terms and other terms of the Financing provided, however, that the repayment of such Financing shall be subordinate to the repayment of any bonds of the Authority, all in accordance with the terms and provisions of Section 3 of the Act and in substantially the form of the Term Sheet, attached hereto as Exhibit A (the "Term Sheet") and made a part hereof, all in such manner as the Officials shall determine to be in the best interests of the Authority.

Section 4. That the Board hereby authorizes the Officials, for and in the name of and on behalf of the Authority, to take such actions and to negotiate any and all such loan instruments, notes and documents including, but not limited to a Master Loan Agreement (the "Loan Documents"), substantially in accordance with the attached Term Sheet, and in such form as such Officials shall approve, subject to the advice of bond counsel to the Authority, as are deemed necessary, appropriate and advisable and in the Authority's best interests in order to effectuate such Financing.

Section 5. That the Board hereby authorizes the Chairman of the Board and the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of such Loan Documents by the Chairman of the Board and the President shall be conclusive evidence of the approval of the Authority.

Section 6. That any two of the Chairman of the Board of Directors, the Chairman of the Finance Committee, the President and the Chief Financial Officer, acting together, are further hereby authorized, for and in the name of and on behalf of the Authority, to approve, execute or submit, as appropriate, any and all of the Authority's requisition forms for the disbursement of loan funds as submitted to the State Treasurer and Secretary of OPM during the term of the Financing, in such form and substance satisfactory to the Authority and the State Treasurer and Secretary of OPM.

Section 7. The Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

Section 8. This resolution shall take effect immediately.

Director Martland seconded the motion.

There was a discussion regarding the Financial Mitigation Plan. Director Sullivan said that a working group had been established consisting of Directors Rifkin and Boone from the Office of the Treasurer and Director Mengacci from the Office of Policy and Management (OPM). Director Sullivan said that the effort was to work through a program that was pragmatic and feasible within the context of CRRA's lenders, the lenders essentially being Secretary Ryan at OPM and Treasurer Nappier.

Mr. Bolduc said that the legislature passed a bill in 2002 that authorized the process for CRRA to attain a $115 million loan. The process that had been executed was the mechanical stages of setting up a loan document under the provisions and terms described in the legislature. The process was bifurcated into a standard term sheet and the master loan agreement, Mr. Bolduc explained. He noted that the timetable was described in the Financial Mitigation Plan.

Director Lauretti asked why CRRA did not opt for a fixed rate opposed to a variable rate. Mr. Bolduc replied that he would prefer the predictability of a fixed rate, but noted that CRRA did not set the terms. The variable rate was taken at the advise of the Treasurer's Office, Mr. Bolduc said.

Director Rifkin expressed two fundamental issues: one, was a cash flow issue and whether the State was going to be forced into a position of borrowing in order to loan CRRA the money it needed. Director Rifkin said that the Treasurer's Office had not fully concluded that it would be a variable rate loan agreement but that this was a factor in considering a variable rate. Second, Director Rifkin said that he was concerned that the resolution, as constructed, did not give enough flexibility to negotiate unresolved issues and that the parties involved would ultimately be unable to enter into a loan agreement that reflected the term sheet. Director Rifkin stated for the record that the parties involved had not reached a consensus on how the loan was going to be constructed.

Director Francis said that there were three key variables that would make a difference: 1) the fixed versus variable interest rate; 2) the term of the loan; and 3) deferment of the principal payment. Director Francis said that, unless that information was known, the Board would not have a clear direction to take.

Director Rifkin suggested that, one, under the payment schedule, it should state that such principal payments be amortized over not more than a 20-year period to give the Board flexibility to amend the term sheet as reflected in their discussions. Second, Director Rifkin continued, was the crafting of a second resolution that would allow for the Authority to enter with the state an interim loan agreement for purposes of insuring debt service payments for the balance of fiscal year '03 with the proviso that, if CRRA were to enter into an interim loan agreement, the interim loan agreement could be rolled into a master loan agreement that would subsequently be executed.

Director Rifkin made a motion to table the item to construct language as amended by the Board of Directors. The motion was seconded by Director Martland and approved unanimously. Director O'Brien made a motion to add to the agenda consideration of a potential second resolution on the referenced item. Director Rifkin seconded the motion which was approved unanimously.

REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF NOVEMBER 2002

Ms. Bronisz presented the Revenue and Expenditure report for the month of December 2002 to the Board as reported in attachment four of the Board package.

AUTHORIZATION REGARDING THE MID-CONNECTICUT PROJECT FISCAL YEAR 2004 OPERATING BUDGET

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

> **RESOLVED:** That the fiscal year 2004 Mid-Connecticut Project Budget be adopted substantially in the form as discussed at this meeting and that a fiscal year 2004 member tipping fee of $63.75 per ton be adopted.

Director Sullivan seconded the motion.

Mr. Constable said that the budget had been revised from the initial budget proposed to the Finance Committee to include the assumption that MDC would continue to operate the Ellington and Essex transfer stations and perform the transportation services associated with those two stations and the waste processing facility. Chairman Pace commented that it did not mean that CRRA had accepted MDC's budget proposal. Mr. Constable said that the other

revisions were to include an estimated repayment amount of borrowing from the State loan in FY03 and the mitigation of monthly cash flows.

Director O'Brien asked whether the proposed tip fee would keep the Mid-Connecticut project whole throughout FY04 and whether it could be adjusted. Director Sullivan replied that the tip fee reflected the ability to repay the debt service fee and could be lowered but not raised throughout the year. Chairman Pace added that CRRA was working towards mitigating its financial problems through several avenues including legal fees, discussions to be held during executive session, MDC contracts issue and the escheats and dioxin bills that were before the legislature.

Director Sullivan said that the tip fee at $63.75 was within market value. Director Francis said that regardless of whether it was below or above market value, the 12% increase in the tip fee was coming at a time when municipalities were facing $42 million cuts in state aid. Director Francis asked whether the increase from $8.9 million to $13.9 million for waste transport was all due to the MDC assumption. Mr. Constable replied that the primary driver included MDC, but that CRRA was also taking more waste than it could process. The Mid-Connecticut project was above capacity, he said. Chairman Pace added that he and Mr. Kirk were in the process of examining future options regarding the issue. Mr. Kirk continued that the $13.9 million was offset significantly by increased revenues and that there was not a substantial cost associated with exporting waste. It was more of a waste flow issue than a cost issue to the project, he said.

There was a long discussion concerning tip fee adjustments throughout the fiscal year. Director Rifkin said that the towns had to set their budgets and mill rates with the adopted tip fee and that the taxpayers may not necessarily receive the savings from a mid-year reduction in tip fees. Director Rifkin also expressed that given the situation with state employees, CRRA may have to make some difficult decisions with respect to the administrative costs of running its business. A discussion ensued regarding the MDC's role in mitigating the tip fee. Chairman Pace said that CRRA would continue to approach the MDC to reduce costs and provide better efficiency. Director Francis reiterated that the MDC cost must absolutely be reduced. Director Rifkin said that CRRA and the MDC needed to come to a full and fair resolution of their issues through a nonbinding mediation process. Chairman Pace responded that Mr. Kirk was in the process of setting that meeting up with the MDC.

Director Cohn stated that as of April, CRRA was going to run out of reserves. Director Cohn said that the Authority did not want to find itself in a situation where it could not pay its bills. Director Cohn added that if CRRA knowingly set a rate that did not cover its costs, the company may find itself in danger of being in default with its bond indenture.

The motion previously made and seconded was approved. Director Rifkin abstained from the vote and Director Francis voted "nay."

AUTHORIZATION REGARDING WALLINGFORD PROJECT FISCAL YEAR 2004 OPERATING BUDGET

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the fiscal year 2004 Wallingford Project Budget be adopted substantially in the form as discussed in this meeting and that a fiscal year 2004 member tipping fee of $55.00 per ton be adopted.

Director Cassano seconded the motion.

The motion previously made and seconded was approved unanimously.

FINANCIAL MITIGATION PLAN (CON'T)

Chairman Pace requested a motion to remove the table on the referenced topic. The motion to remove the table made by Director Cassano and seconded by Director O'Brien was approved unanimously.

An amended resolution was distributed to the Board members and read out loud by Director Cassano. Chairman Pace requested a motion on the motion as amended. Director O'Brien made the following resolution:

RESOLVED: WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has been duly established and constituted as a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut, to carry out the purposes of Chapter 446e of the Connecticut General Statutes, Sections 22a-260 et. seq., as the same has been amended and modified by Public Act No. 02-46 (the "Act" and, collectively with Sections 22a-260 et. seq. of the Connecticut General Statutes, the "Statute"); and

WHEREAS, the Authority has, from time to time, issued bonds, pursuant to certain powers and duties expressly provided for in the Statute, to finance its Mid-Connecticut System, a Waste Processing Facility and Power Block Facility, and operated by the Authority, pursuant to the powers vested in the Authority under the Statute (the "Mid-Connecticut Project"); and

WHEREAS, Section 3 of the Act provides that the Authority may, upon the approval of two-thirds of the appointed directors of the Authority and subsequent approval of the State Treasurer and the Secretary of the Office of Policy and Management ("OPM"), borrow from the State of Connecticut, in an amount not to exceed one hundred fifteen million dollars ($115,000,000.00), for the purposes of supporting the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Act requires that any loan from the State to the Authority for such purpose as stated above shall be subordinate to all bonded indebtedness of the Authority; and

WHEREAS, the Authority desires to finance certain debt service payments of the Mid-Connecticut Project through a loan in an amount not to exceed $115,000,000.00, all in accordance with the terms and conditions of Section 3 of the Act; and

WHEREAS, the Board of Directors of the Authority (the "Board") wishes to authorize the application to the State Treasurer and the Secretary of OPM for such loan, and further wishes to authorize the negotiation and documentation of the financing to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project; and

WHEREAS, the Board wishes to give the members of the Steering Committee of the Board, the President and the Chief Financial Officer of the Authority (collectively, the "Officials") the authority to submit such application as well as to negotiate and document such financing;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Connecticut Resource Recovery Authority:

Section 1. That the action of the Officials of the Authority, in submitting an application to the State Treasurer and the Secretary of OPM, in the name of and on behalf of the Authority, in connection with the extension by the State of Connecticut of a loan to the Authority in an aggregate amount not to exceed $115,000,000.00 to support the repayment of debt issued by the Authority on behalf of the Mid-Connecticut Project (the "Financing"), be and the same is hereby authorized and approved.

Section 2. That the Authority, in connection with such application for the Financing, shall submit for approval, by the State Treasurer and the Secretary of OPM, those items required under the provisions of Section 3 of the Act including, but not limited to a Financial Mitigation Plan, the proposed budget for the Mid-Connecticut Project for fiscal year 2004, the Authority's three-year plan for fiscal years 2004, 2005 and 2006, a cash flow analysis showing the Authority's need for current and future borrowings through fiscal year 2012, a certified audit of the Authority for fiscal year ended June 30, 2002, all as previously reviewed and approved by the Board, as well as any other items reasonably requested by the State Treasurer and the Secretary of OPM in order to effectuate the Financing.

Section 3. That the Board of Directors of the Authority hereby authorizes the Officials to enter into negotiations with the State Treasurer and the Secretary of OPM, to establish the terms of such Financing, which terms shall include the maturity, interest rate, repayment terms and other terms of the Financing provided, however, that the repayment of such Financing shall be subordinate to the repayment of any bonds of the Authority, all in accordance with the terms and provisions of Section 3 of the Act and in substantially the form of the Term Sheet, attached hereto as Exhibit A (the "Term Sheet")

and made a part hereof, all in such manner as the Officials shall determine to be in the best interests of the Authority.

Section 4. That the Board hereby authorizes the Officials, for and in the name of and on behalf of the Authority, to take such actions and to negotiate any and all such loan instruments, notes and documents including, but not limited to a Master Loan Agreement (the "Loan Documents"), substantially in accordance with the attached Term Sheet, and in such form as such Officials shall approve, subject to the advice of bond counsel to the Authority, as are deemed necessary, appropriate and advisable and in the Authority's best interests in order to effectuate such Financing.

Section 5. That prior to the finalization of the Financing, the Board of Directors of the Authority hereby authorizes the Officials to enter into an interim financing arrangement (the "Interim Financing") with the State to borrow funds to support the repayment of principal and interest during the remainder of the Authority's fiscal year 2003 on debt service issued by the Authority, such Interim Financing to be on such terms and conditions and embodied in such Interim Financing documents (the "Interim Loan Documents") as the Officials shall approve, subject to the advice of bond counsel to the Authority. All amounts advanced as part of the Interim Financing shall, upon the completion of the Loan Documents, be rolled over and made a part of the Financing subject to the same terms and conditions as the Financing.

Section 6. That the Board hereby authorizes the Chairman of the Board and the President, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents and the Interim Loan Documents, and the execution of such Loan Documents and the Interim Loan Documents, by the Chairman of the Board and the President shall be conclusive evidence of the approval of the Authority.

Section 7. That any two of the Chairman of the Board of Directors, the Chairman of the Finance Committee, the President and the Chief Financial Officer, acting together, are further hereby authorized, for and in the name of and on behalf of the Authority, to approve, execute or submit, as appropriate, any and all of the Authority's requisition forms for the disbursement of loan funds as submitted to the State Treasurer and Secretary of OPM during the term of the Financing and the Interim Financing, in such form and substance satisfactory to the Authority and the State Treasurer and Secretary of OPM.

Section 8. The Officials are authorized and directed to perform and take such other actions as may be desirable, necessary, proper or convenient to accomplish the intent and purposes expressed herein, and the performance thereof by such Officials shall be conclusive as to the approval by the Authority of the terms thereof.

Section 9. This resolution shall take effect immediately.

Director Rifkin seconded the motion.

Director Francis state that he was concerned with the recommendation of Option 3E as it may not be what he would recommend depending on the outcome of certain events. Director Sullivan replied that Option 3E was based on the analysis by the working group and what would most likely make its way through the lending authorities. Director Sullivan added that even though Option 3E was recommended, it may not be the ultimate choice.

Chairman Pace conducted a roll-call vote, stating that the resolution needed a 2/3-majority vote of the elected officials. Chairman Pace and Directors Cassano, O'Brien, Cohn, Francis, Martland, Knopp, Lauretti, Cooper and Sullivan voted "aye." Directors Mengacci (from OPM) and Rifkin and Boone (from the Treasurer's Office) abstained from the vote. Chairman Pace noted that the 2/3's majority vote of elected officials needed to pass the resolution was obtained. The motion previously made and seconded was approved.

EXECUTIVE SESSION

Chairman Pace requested a motion to convene an executive session to discuss litigation, pending litigation, contractual negotiations and personnel matters with appropriate staff. Director Cooper made the motion which was seconded by Director Knopp. Chairman Pace requested that Mr. Kirk, Ms. Schmidt, Mr. Bolduc, Mr. Doolittle, Ms. Regula, Mr. Cohen and Ms. Korwek remain during the executive session. The motion previously made and seconded was approved unanimously.

The Executive Session began at 11:07 a.m.

The Executive Session concluded at 1:35 p.m.

Chairman Pace reconvened the Board meeting at 1:36 p.m.

Chairman Pace noted that no votes were taken in Executive Session.

LEGAL

AUTHORIZATION TO ENTER INTO A SETTLEMENT AGREEMENT WITH ALLIED WASTE

Chairman Pace requested a motion on the referenced topic. Director Martland made the following motion:

RESOLVED: That the President is hereby authorized to enter into a settlement of agreement with Allied Waste Industries, Inc., et al, as substantially presented at this meeting with such nonsubstantive changes as the President deems necessary or appropriate. And it is further

RESOLVED: That the President be authorized to enter into a new recycling agreement with Murphy Road Recycling, LLC, and Murphy Road Realty, LLC, as substantially presented at this meeting with such nonsubstantive changes as the President deems necessary or appropriate. It is further

RESOLVED: That the authorization to enter into the settlement agreement with Allied Waste Industries, Inc., et al, is contingent on entering into a new agreement with Murphy Road Recycling, LLC, and Murphy Road Realty, LLC, and until there is a new agreement, there is no authorization to enter into the said settlement agreement."

Director Knopp seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING ACCEPTANCE OF PAYMENT BY CL&P

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to execute such documents as are necessary in order to accept the payment by CL&P of the funds for electricity delivered to CL&P over the period commencing in December 2001 through December 2002, which CL&P has retained pending the issuance of a bankruptcy court ruling confirming CRRA's entitlement to such funds together with interest thereon at a rate deemed reasonable by the President under the circumstances and providing the right of CRRA to defend itself against third-party claims against CL&P based on the return of any such portions of such funds to CL&P in the event that such claims are successful.

Director Knopp seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING PAYMENT TO THE TOWN OF WALLINGFORD WATER AND SEWER DIVISION

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the President is hereby authorized to pay up to $150,000 of water and sewer use charges to the Town of Wallingford Water Sewer Division on behalf of Covanta Energy Group.

Director Knopp seconded the motion which was passed unanimously.

AUTHORIZATION REGARDING THE PAYMENT OF LEGAL FEES RELATIVE TO ENRON

Chairman Pace requested a motion on the referenced topic. Director Cassano made the following motion:

RESOLVED: That the President is authorized to establish an ad hoc committee to report to the Steering Committee and Finance Committee on March 13, 2003 with recommendations regarding legal fees and payment of legal fees relative to the Enron case.

Director Knopp seconded the motion.

Chairman Pace said that the ad hoc committee would consist of Directors O'Brien, Francis and Cohn.

The motion previously made and seconded was approved unanimously.

PROJECT REPORTS

MID-CONNECTICUT

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH BOTTICELLO, INC.

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: The President is authorized to enter into agreement with Botticello, Inc. for MSW and RDF compaction dozer services for the Mid-Connecticut Project, substantially in the form as discussed at this meeting.

Director Cooper seconded the motion.

Mr. Clark said that CRRA intended to use Botticello, Inc. for an on-call service for a two-month trial period. Once the two months were over, staff would again seek Board approval for an increase if their final decision was to go with the 40-hour week. Chairman Pace asked whether the monies were budgeted for the item. Ms. Raymond replied that it was.

The motion previously made and seconded was approved unanimously.

RECYCLING

APPROVAL OF AN AGREEMENT FOR ELECTRONIC RECYCLING COLLECTION SERVICES

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: That the President is authorized to enter into an agreement with Envirocycle, Inc. for electronics recycling collection services, substantially as presented at this meeting.

Director Rifkin seconded the motion.

Director O'Brien asked whether the contract stated that CRRA was not the generator of the materials and at no time owned it. Mr. Gaffey replied that it did.

The motion previously made and seconded was approved unanimously.

LEGAL (CON'T)

AUTHORIZATION REGARDING THE LEASE BETWEEN CRRA AND UTLIMATE FAMILY GOLF CENTERS LLC

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: The President is authorized to enter into a Letter Agreement with the Tenant on the terms as substantially presented at this meeting.

Director Cooper seconded the motion.

Ms. Schmidt summarized the memo in Tab 9 of the Board package. Director Rifkin asked whether CRRA was liable for the CRRA outings in the batting cages. Ms. Schmidt replied that the liability would extend to the town.

Director Lauretti expressed his appreciation of the work done by the Chairman and said that it was going to go a long way in terms of public relations in that area.

The motion previously made and seconded was approved unanimously.

INSURANCE

PUBLIC OFFICIALS AND EMPLOYEES LIABILITY RENEWAL

Chairman Pace requested a motion on the referenced topic. Director Rifkin made the following motion:

RESOLVED: That the President is authorized to procure $3,000,000 of Public Officials and Employees Liability insurance from American International Specialty Lines Company (AISLIC) for the period of 3/22/03 – 3/22/04 with terms and conditions as presented and discussed at this meeting for a premium of $233,433.

Director Cooper seconded the motion which was approved unanimously.

AUTHORIZATION REGARDING ISSUES RELATING TO PAST PAYMENT FROM THE BRIDGEPORT PROJECT'S MUNICIPAL SHARE FUND

Chairman Pace requested a motion on the referenced topic. Director O'Brien made the following motion:

RESOLVED: that in order to bring resolution to any issue relating to past payments from the Bridgeport Project's Municipal Share Fund to the municipalities of Bethany, East Haven and Woodbridge, the President of CRRA is hereby authorized to enter into letter agreements, substantially in the form attached hereto as Attachment 1, with the municipalities of Bridgeport, Darien, Easton, Fairfield, Greenwich, Milford, Monroe, Norwalk, Orange, Shelton, Stratford, Trumbull, Weston, Westport and Wilton.

RESOLVED: that the President is further authorized to enter into letter agreements, substantially in the form attached hereto as Attachment 2, with municipalities of Bethany, East Haven and Woodbridge.

Director Rifkin seconded the motion which was approved unanimously.

PERSONNEL ISSUES

AUTHORIZATION WITH RESPECT TO FILLING THE VACANCY OF OPERATIONS DIVISION HEAD

Chairman Pace requested a motion on the referenced topic. Director Cooper made the following motion:

RESOLVED: That the President of the Authority is hereby authorized, pursuant to Conn. Gen. Stat. Sec. 22a-268a, to fill the vacancy of Division Head of Operations.

Director O'Brien seconded the motion which was approved unanimously.

AJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director Cooper and seconded by Director Rifkin was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 2:15 p.m.

Respectfully submitted,

Angelica Mattschei
Corporate Secretary to the Board

CONNECTICUT RESOURCES RECOVERY AUTHORITY

EXECUTIVE SESSION

FEBRUARY 27, 2003

An Executive Session called for the purposes of discussing legal, real estate and personnel matters was convened at 11:07 a.m.

DIRECTORS

Chairman Pace
Director Cohn
Director Martland
Director Rifkin
Director Cassano
Director Francis
Director Sullivan
Director Cooper
Director Mengacci
Director Lauretti
Director O'Brien
Director Knopp
Director Boone

STAFF

Tom Kirk
Jim Bolduc
Ann Stravalle-Schmidt

BR

Dough Cohen
Jane Korwek

A.G.

Maureen Regula
Theodore Doolittle

No votes were taken in Executive Session.

The Executive Session adjourned at 1:35 p.m.

TAB 2

Revenue And Expenditure Reports

& Major Variance Analysis

January 2003

MID-CONNECTICUT PROJECT - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	$35,987,917	$20,992,952	$21,857,842	$864,890	60.74%
Service Charges Solid Waste - Contracts	$14,277,083	$8,328,298	$8,129,253	($199,045)	56.94%
Service Charges Solid Waste - Spot	$434,000	$253,167	$473,965	$220,798	109.21%
Bulky Waste - Municipal	$1,258,000	$733,833	$678,296	($55,537)	53.92%
Bulky Waste - Commercial	$102,000	$59,500	$42,078	($17,422)	41.25%
DEP Certified Materials	$19,000	$11,083	$81,854	$70,771	430.81%
Recycling Sales	$1,362,825	$794,981	$861,888	$66,907	63.24%
Metals Service Charge	$5,000	$2,917	$6,090	$3,173	121.80%
Electricity	$14,332,500	$8,360,625	$7,849,161	($511,464)	54.76%
Miscellaneous Income	$703,480	$410,363	$179,914	($230,449)	25.57%
Interest Income	$1,373,500	$801,208	$539,681	($261,527)	39.29%
Use of Reserves	$18,852,133	$10,997,078	$10,997,077	($1)	58.33%
TOTAL REVENUES	$88,707,438	$51,746,006	$51,697,099	($48,907)	58.28%
EXPENDITURES					
General Administration	$5,059,005	$2,951,086	$3,177,974	($226,888)	62.82%
Debt Service/Administration	$26,090,244	$15,219,309	$15,226,822	($7,513)	58.36%
Waste Transport	$8,610,401	$5,022,734	$7,755,548	($2,732,814)	90.07%
Regional Recycling	$3,359,688	$1,959,818	$1,611,022	$348,796	47.95%
Waste Processing Facility	$21,935,289	$12,795,585	$11,606,192	$1,189,393	52.91%
Power Block Facility	$15,813,431	$9,224,501	$9,141,445	$83,056	57.81%
Energy Generating Facility	$2,123,579	$1,238,754	$831,728	$407,026	39.17%
Landfill - Hartford	$3,809,319	$2,222,103	$2,093,396	$128,707	54.95%
Landfill - Ellington	$279,250	$162,896	$97,848	$65,048	35.04%
Transfer Station - Ellington	$379,366	$221,297	$305,739	($84,442)	80.59%
Transfer Station - Essex	$508,622	$296,696	$421,534	($124,838)	82.88%
Transfer Station - Torrington	$467,753	$272,856	$272,067	$789	58.16%
Transfer Station - Watertown	$491,254	$286,565	$293,823	($7,258)	59.81%
171 Murphy Road	$39,811	$23,223	$27,332	($4,109)	68.65%
TOTAL EXPENDITURES	$88,967,012	$51,897,424	$52,862,470	($965,046)	59.42%
SURPLUS/(DEFICIT)	($259,574)	($151,418)	($1,165,371)		
TONNAGE					
Deliveries Tons (CRRA)	870,000	507,500	527,560	20,060	60.6%
Diverted / Exported Tons	37,000	21,583	45,481	23,898	122.9%
Processed Tons	840,000	490,000	470,981	(19,019)	56.1%

MID-CONNECTICUT PROJECT – VARIANCE ANALYSIS

January 2003

REVENUES:

- Service Charges Solid Waste – Spot: increase reflects solid waste diversions from the Wallingford project.

- Bulky Waste – Commercial: Reduced commercial deliveries have resulted in less than budgeted revenues.

- DEP Certified Materials: increase due to new contracts that pay the Authority to accept cover soil at the Hartford Landfill.

- Miscellaneous Income: under-budget due to timing factors (i.e. permit fees and recycling fees for Stratford facility).

- Interest Income: is below budget due to market factors.

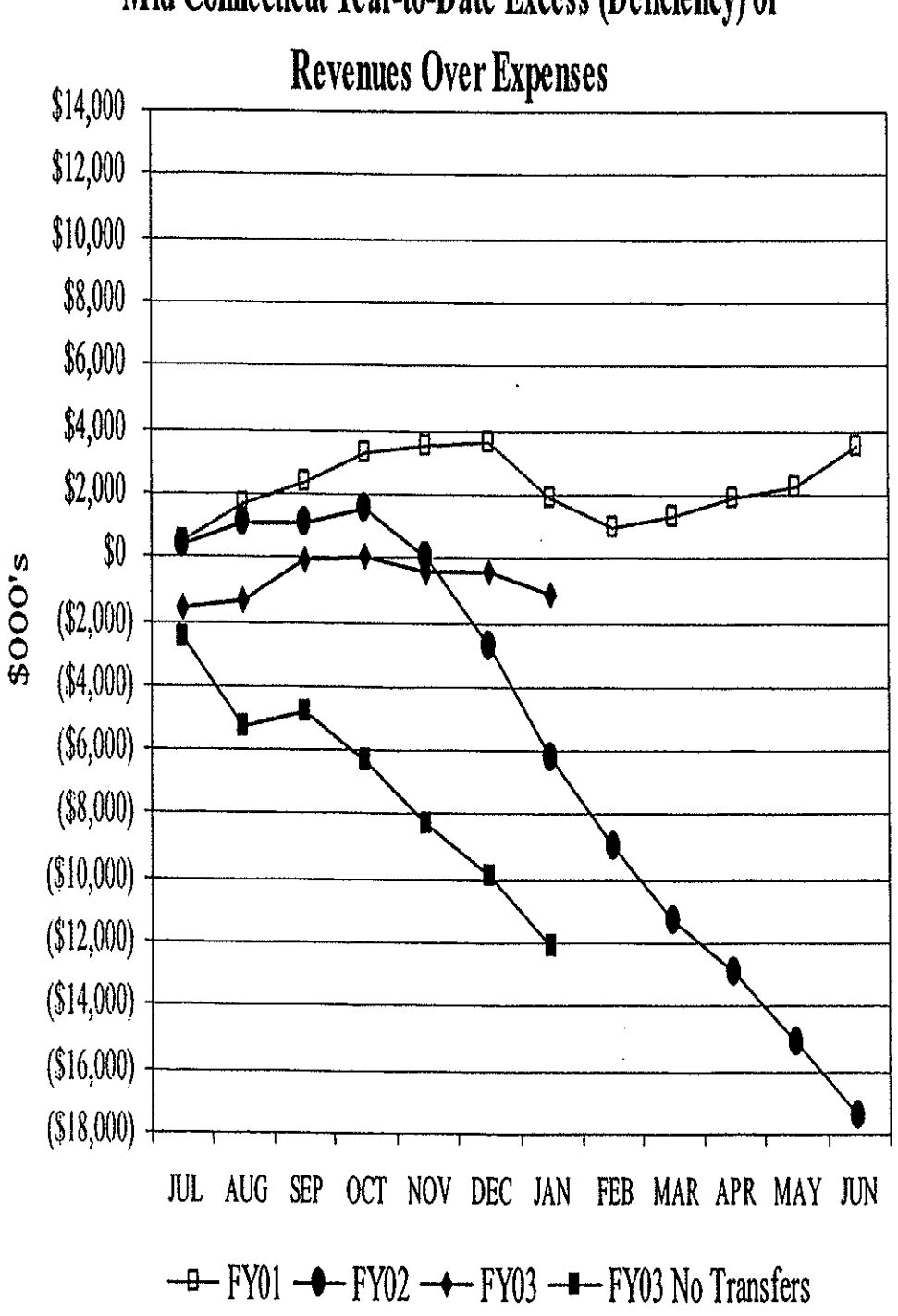
EXPENDITURES:

- Waste Transport Expenses: over-budget due to higher-than-expected deliveries and lower-than-budgeted processing. Also, the budget anticipated a private contractor to perform transportation services instead of MDC at a reduction in cost of $1 per ton.

- Transfer Station – Ellington: Hopper and Scale repairs and paving costs were not in operating budget. Also, the budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.

- Transfer Station – Essex: over-budget due to booking local administration cost at the beginning of the fiscal year. Also, the budget assumed a private contractor would operate the facility instead of MDC, at a lower cost.

Mid-Connecticut Year-to-Date Excess (Deficiency) of Revenues Over Expenses



BRIDGEPORT PROJECT - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	$25,565,837	$14,913,405	$15,933,732	$1,020,327	62.32%
Service Charges Solid Waste - Contracts	$15,727,258	$9,174,234	$8,825,568	($348,666)	56.12%
Ash Disposal Fees	$3,839,698	$2,239,824	$2,396,424	$156,600	62.41%
Recycling Sales	$1,000,467	$583,606	$1,246,572	$662,966	124.60%
Rental Income	$1,103,512	$643,715	$630,473	($13,242)	57.13%
Miscellaneous Income	$25,000	$14,583	$29,863	$15,280	119.45%
Interest Income	$255,000	$148,750	$34,937	($113,813)	13.70%
Use of Reserve (Shelton LF Postclosure)	$650,000	$379,167	$351,236	($27,931)	54.04%
TOTAL REVENUES	$48,166,772	$28,097,284	$29,448,805	$1,351,521	61.14%
EXPENDITURES					
General Administration	$1,193,845	$696,410	$464,461	$231,949	38.90%
Debt Service/Administration	$2,222,305	$1,296,345	$1,274,385	$21,960	57.35%
Resources Recovery Facility	$32,070,311	$18,707,681	$19,807,332	($1,099,651)	61.76%
Ash Disposal	$7,396,471	$4,314,608	$4,642,732	($328,124)	62.77%
Waste Transport	$519,974	$303,318	$286,345	$16,973	55.07%
Regional Recycling	$2,618,623	$1,527,530	$1,443,385	$84,145	55.12%
Landfill - Shelton	$1,822,650	$1,063,213	$995,540	$67,673	54.62%
Landfill - Waterbury	$13,800	$8,050	$2,288	$5,762	16.58%
Transfer Station - Darien	$22,850	$13,329	$12,359	$970	54.09%
Transfer Station - Fairfield	$25,850	$15,079	$5,334	$9,745	20.63%
Transfer Station - Greenwich	$17,625	$10,281	$5,334	$4,947	30.26%
Transfer Station - Milford	$33,275	$19,410	$4,735	$14,675	14.23%
Transfer Station - Norwalk	$42,747	$24,936	($6,161)	$31,097	(14.41%)
Transfer Station - Shelton	$13,400	$7,817	$394	$7,423	2.94%
Transfer Station - Trumbull	$24,000	$14,000	$5,746	$8,254	23.94%
Transfer Station - Westport	$32,500	$18,958	$5,334	$13,624	16.41%
TOTAL EXPENDITURES	$48,070,226	$28,040,965	$28,949,543	($908,578)	60.22%
SURPLUS/(DEFICIT)	$96,546	$56,318	$499,262		
TONNAGE					
Deliveries Tons (CRRA)	600,000	350,000	354,945	4,945	59.2%
Delivered Tons (Company)	120,000	70,000	71,324	1,324	59.4%
Total Deliveries	720,000	420,000	426,270	6,270	
Processed Tons	720,000	420,000	438,300	18,300	60.9%

BRIDGEPORT PROJECT – VARIANCE ANALYSIS

January 2003

REVENUES:

- Recycling Sales: reflects above-budget market sales.

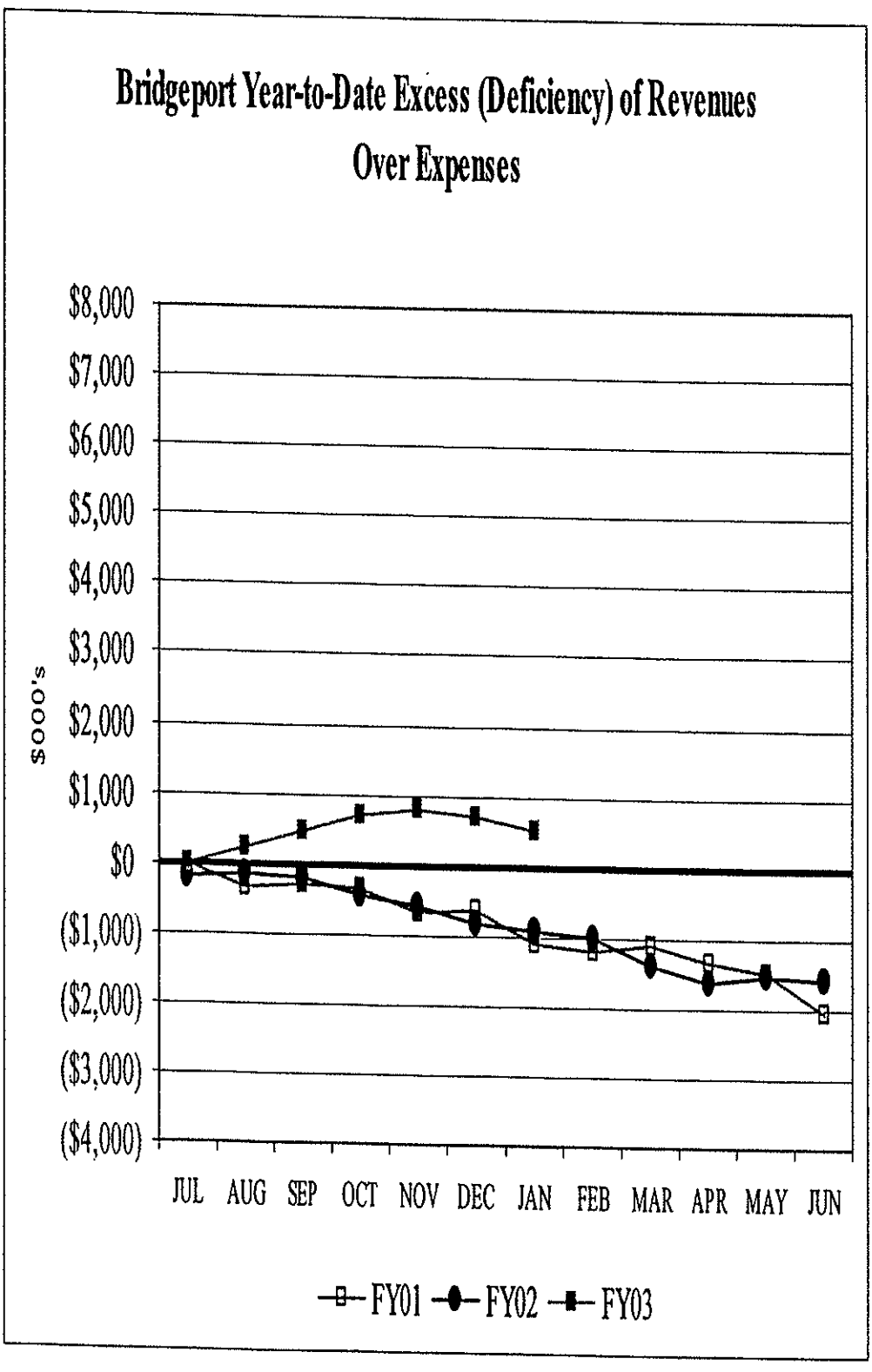
- Miscellaneous Income: increase is due to a non-budgeted one-time sale of equipment (flare) at the Shelton Landfill.

- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: decrease reflects cost reductions and lower direct time and overhead charged to the project.

- Transfer Stations: variances due to timing of capital expenditures.



WALLINGFORD PROJECT - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	$8,360,000	$4,876,667	$4,853,488	($23,179)	58.06%
Service Charges Solid Waste - Spot	$330,000	$192,500	$47,855	($144,645)	14.50%
Electricity	$12,030,850	$7,017,996	$7,724,461	$706,465	64.21%
Miscellaneous Income	$17,500	$10,208	$1,825	($8,383)	10.43%
Interest Income	$680,000	$396,667	$226,606	($170,061)	33.32%
TOTAL REVENUES	$21,418,350	$12,494,038	$12,854,235	$360,198	60.02%
EXPENDITURES					
General Administration	$773,584	$451,257	$368,163	$83,094	47.59%
Debt Service/Administration	$6,290,753	$3,669,606	$3,856,693	($187,087)	61.31%
Resources Recovery Facility	$8,070,636	$4,707,871	$4,961,102	($253,231)	61.47%
Ash Disposal	$2,833,365	$1,652,796	$1,687,596	($34,800)	59.56%
Waste Transport	$1,824,612	$1,064,357	$229,230	$835,127	12.56%
Recycling	$40,000	$23,333	$0	$23,333	0.00%
Landfill - Wallingford	$1,585,400	$924,817	$846,712	$78,105	53.41%
TOTAL EXPENDITURES	$21,418,350	$12,494,038	$11,949,496	$544,542	55.79%
SURPLUS/(DEFICIT)	$0	$0	$904,739		
TONNAGE					
Deliveries Tons (CRRA)	158,000	92,167	86,819	(5,348)	54.9%
Diverted / Exported Tons	20,000	11,667	6,065	(5,602)	30.3%
Processed Tons	138,000	80,500	86,126	5,626	62.4%

WALLINGFORD PROJECT – VARIANCE ANALYSIS

January 2003

REVENUES:

- Service Charges Solid Waste – Spot: revenues are down due to increased supply available from member towns.

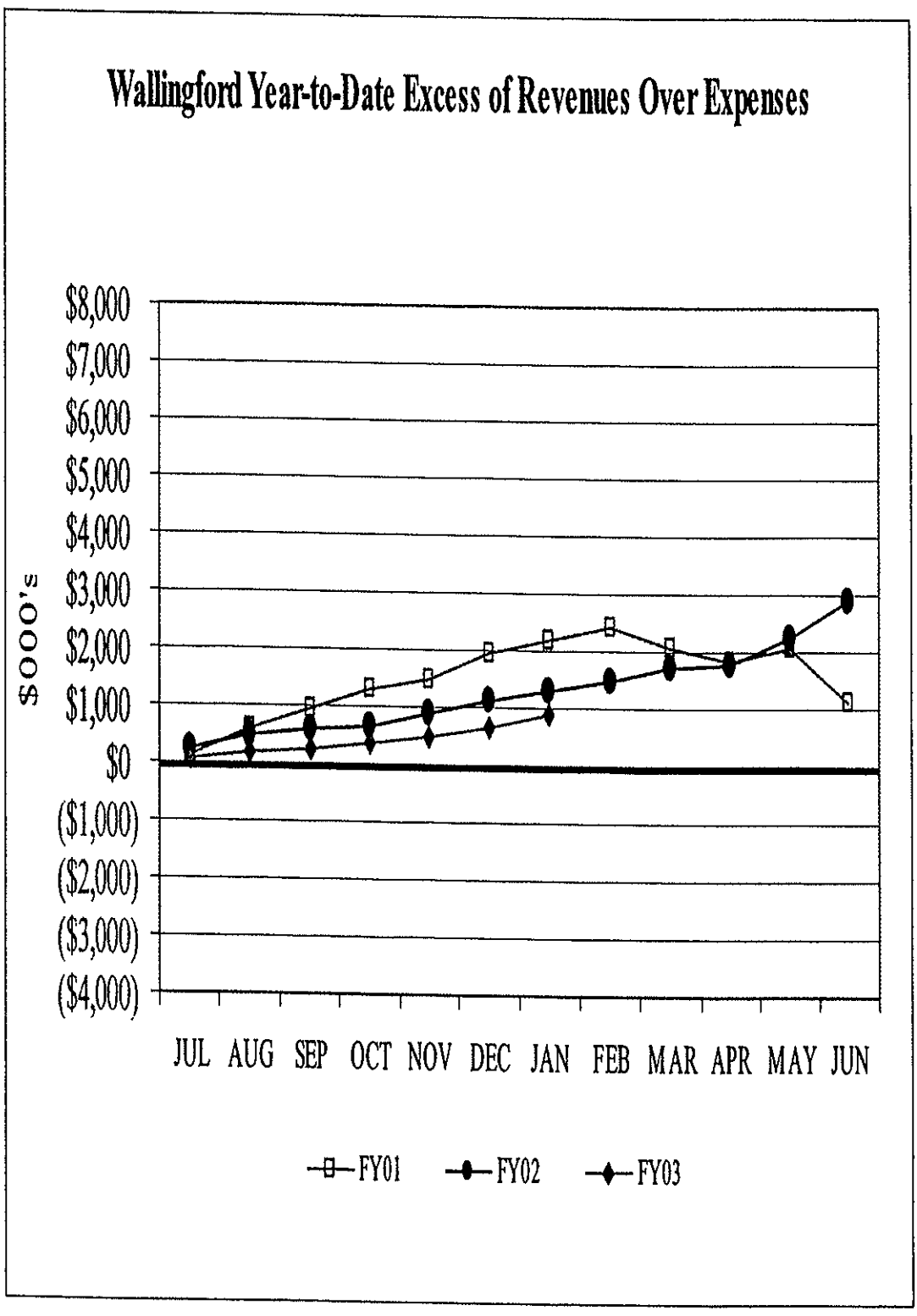
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs are down reflecting a reduction in the direct charges for costs and salaries of this project.

- Waste Transport: expenses are down as a result of the Mid-Connecticut project acceptance of diverted waste.

- Recycling: currently scheduling electronic recycling events for the spring.



SOUTHEAST PROJECT - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Service Charges Solid Waste - Members	$9,080,100	$5,296,725	$5,803,626	$506,901	63.92%
Service Charges Solid Waste - Contracts	$861,750	$502,688	$441,797	($60,891)	51.27%
Service Charges Solid Waste - Spot	$253,700	$147,992	$265,869	$117,877	104.80%
Interest Income	$220,000	$128,333	$40,057	($88,276)	18.21%
Use of Prior Year(s) Net Assets	$1,382,262	$806,320	$0	($806,320)	0.00%
Use of Reserve (Montvill LF Postclosure)	$142,000	$82,833	$58,408	($24,425)	41.13%
TOTAL REVENUES	$11,939,812	$6,964,890	$6,609,757	($355,133)	55.36%
EXPENDITURES					
General Administration	$903,889	$527,269	$457,267	$70,002	50.59%
Debt Service/Administration	$1,286,012	$750,174	$750,562	($388)	58.36%
Resources Recovery Facility	$6,788,164	$3,959,762	$3,418,035	$541,727	50.35%
Ash Disposal	$2,445,822	$1,426,730	$1,563,038	($136,309)	63.91%
Recycling	$283,925	$165,623	$213,938	($48,315)	75.35%
Landfill - Montville	$232,000	$135,333	$120,158	$15,175	51.79%
TOTAL EXPENDITURES	$11,939,812	$6,964,890	$6,522,998	$441,892	54.63%
SURPLUS/(DEFICIT)	$0	$0	$86,759		
TONNAGE					
Deliveries Tons (CRRA)	178,000	103,833	112,725	8,891	63.33%
Delivered Tons (Company)	69,000	40,250	37,659	(2,591)	54.58%
Total Deliveries	247,000	144,083	150,384	6,301	
Processed Tons	247,000	144,083	147,836	3,753	59.85%

SOUTHEAST PROJECT – VARIANCE ANALYSIS

January 2003

REVENUES:

- Service Charges Solid Waste – Member: deliveries are up as a result of the expansion of the Mohegan Sun casino. In general, all towns are above budget.

- Service Charges Solid Waste – Spot: above budget due to increased diversions from the Mid-Connecticut project.

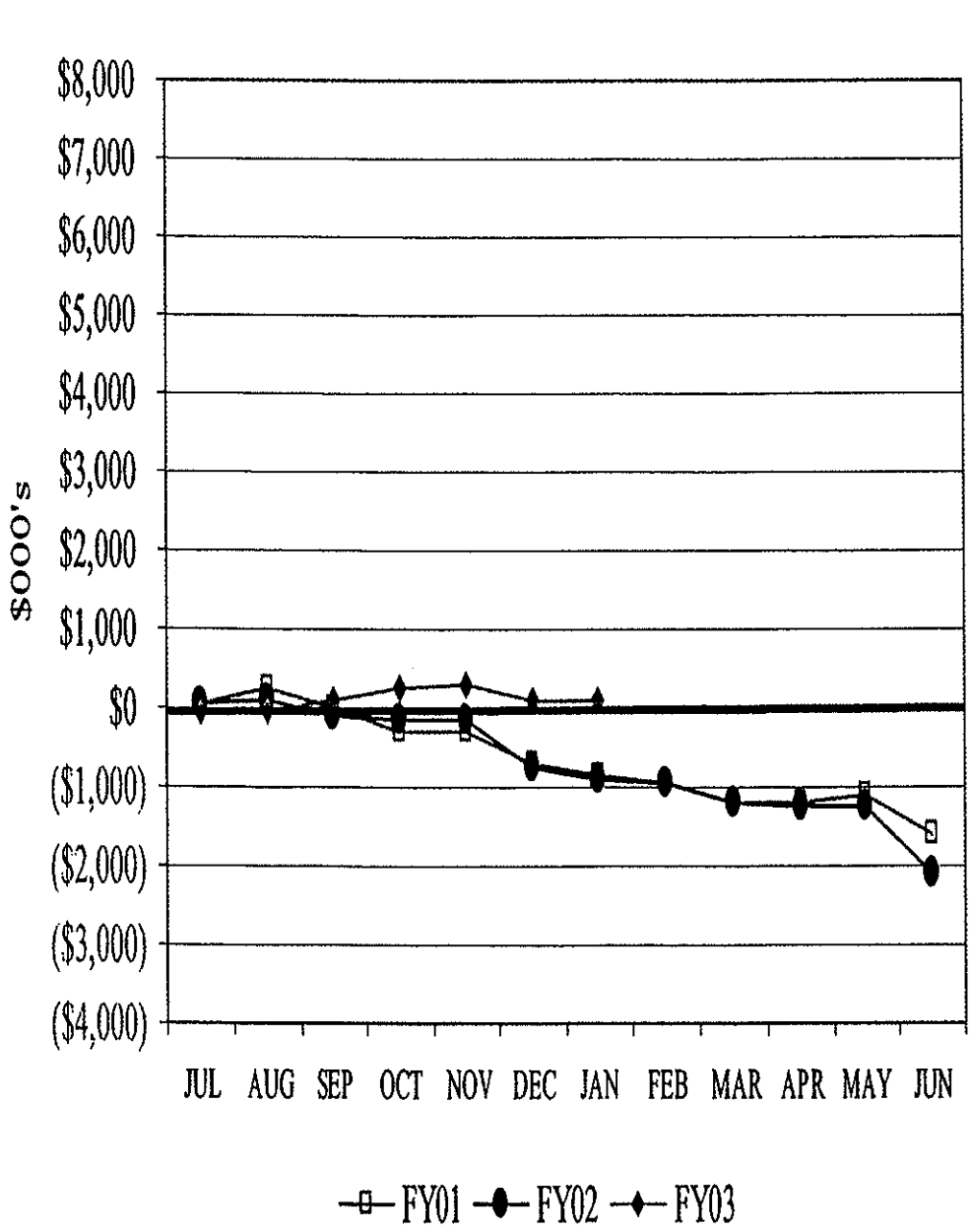
- Interest Income: is below budget due to market factors.

EXPENDITURES:

- General Administration: costs are down reflecting a reduction in the direct charges for legal costs and salaries of this project.

- Resources Recovery Facility: Net resource recovery facility expenses are below budget due to above budget *electricity revenues* from increased energy sales and higher average unit rates.

Southeast Year-to-Date Excess (Deficiency) of Revenues Over Expenses



NON-PROJECT VENTURES - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Electricity	$5,735,717	$3,345,835	$4,429,755	$1,083,920	77.23%
Miscellaneous Income	23,805	13,886	10,800	($3,086)	45.37%
Interest Income	0	0	257,789	$257,789	0.00%
TOTAL REVENUES	$5,759,522	$3,359,721	$4,698,344	$1,338,623	81.58%
EXPENDITURES					
General Administration	$486,865	$284,005	$41,606	$242,399	8.55%
JETS	1,253,854	731,415	869,291	($137,876)	69.33%
Energy Generating Facility	3,759,231	2,192,885	2,010,592	$182,293	53.48%
TOTAL EXPENDITURES	$5,499,950	$3,208,304	$2,921,489	$286,815	53.12%
SURPLUS/(DEFICIT)	$259,572	$151,417	$1,776,855		

Variance Analysis:

- Budget reflected zero interest income. Actual reflects interest being retained in investment account.
- Electricity budget reflected use of the Jets primarily during the summer months.

ADMINISTRATION - FINANCIAL RESULTS

For the Seven Months Ending January 31, 2003

	FY 03 Budget	Budget YTD	Actual YTD	YTD Variance	% Utilization of Budget
REVENUES					
Mid-Connecticut Reimbursement	$4,811,573	$2,806,751	$2,130,286	($676,465)	44.27%
Bridgeport Reimbursement	$1,048,925	$611,873	$457,899	($153,974)	43.65%
Wallingford Reimbursement	$496,523	$289,638	$260,807	($28,831)	52.53%
Southeast Reimbursement	$235,428	$137,333	$100,794	($36,539)	42.81%
CRRA Energy Reimbursement	$49,443	$28,842	$46,558	$17,716	94.16%
Miscellaneous Income	$125,000	$72,917	$134,923	$62,006	107.94%
Interest Income	$30,000	$17,500	$15,535	($1,965)	51.78%
TOTAL REVENUES	$6,796,892	$3,964,854	$3,146,802	($818,052)	46.30%
EXPENDITURES					
Personal Services	$4,505,999	$2,628,499	$2,258,529	$369,970	50.12%
Non-Personal Services	$2,134,402	$1,245,068	$816,324	$428,744	38.25%
Capital Expenditures	$44,000	$25,667	$5,307	$20,360	12.06%
Debt Service/Administration	$112,491	$65,620	$51,108	$14,512	45.43%
TOTAL EXPENDITURES	$6,796,892	$3,964,854	$3,131,268	$833,586	46.07%
SURPLUS/(DEFICIT)	$0	$0	$15,534		

Variance Analysis:

- No major variances to report.

TAB 3

Memorandum

To: Andrew Sullivan, Chairman – Finance Committee

From: Jim Bolduc, Chief Financial Officer

Date: March 7, 2003

Re: Authorization Regarding Disbursement of Authority Funds

Attached please find a Resolution for the Authorization Regarding Disbursement of Authority Funds. This Resolution adds the name of Robert Constable as an authorized signatory to our banking accounts and deletes John Clark.

AUTHORIZATION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

RESOLVED: That the funds of the Authority deposited in Fleet Bank or otherwise invested (except Trustee-held funds and funds in the CRRA/MDC Arbitration Escrow bank account) be subject to withdrawal or charge at any time and from time to time upon checks, notes, drafts, bills of exchange, acceptance, or other instruments for the payment of money or upon directions for the wire transfer of money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any two of the following: Tom Kirk, Jim Bolduc, Bettina Bronisz, Nhan Vo-Le, Michael A. Pace or Robert Constable provided, however, wire transfers between Authority bank accounts or otherwise invested Authority funds (including to and from Trustee-held funds and the CRRA/MDC Arbitration Escrow bank account) shall require instructions from one of the foregoing.

FURTHER RESOLVED: That Trustee-held funds and the CRRA/MDC Arbitration Escrow bank account be subject to withdrawal or charge at any time and from time to time upon requisitions/instructions, checks, notes, drafts, bills of exchange, acceptance or other instruments for payment of money or upon directions for the wire of transfer money, when made, signed, drawn, accepted, or endorsed on behalf of the Authority, by any one of the above individuals.

TAB 4

Fiscal Year 2004
Capital Improvement Budget

March 14, 2003

Attached are the proposed fiscal year 2004 Capital Improvement Budget and an assumption memo as submitted to the Finance Committee.

As discussed at prior Board meetings any Capital items, which cost more than $50k, will be brought back to the Board for their approval prior to the initiation of the work.

The Finance Committee discussed at length the proposed Capital Improvement Budget and voted to recommend that this budget be presented to the Board of Directors for adoption at the March meeting.

Fiscal Year 2004
Capital Improvement Budget

March 10, 2003

Attached is the proposed fiscal year 2004-2008 Capital Improvement Budget. As part of the annual capital review process CRRA evaluates its five-year capital plan to identify new initiatives and to reassess previously planned projects.

The following summarizes the major FY2004 objectives included in this capital improvement budget:

- Install non-ferrous and ferrous recovery systems at the Mid-Connecticut Project to reduce costs and enhance revenues.
- Upgrade Mid-Connecticut container recycling facility to allow for paper trans-loading operations.
- Upgrade the odor control system at the Mid-Connecticut Project waste processing facility to reduce operating costs (fuel).
- Resurface Refuse Derived Fuel (RDF) floor area.
- Potential environmental land acquisitions of adjoining properties at CRRA sites.
- Install liner extension at the Hartford Landfill.
- Address obligations pertaining to the future use plan, DEP consent order and the plume study at the Shelton Landfill.
- Install a metals recovery system (ash) and fly ash conditioning system at the Wallingford facility.

The following summarizes the major capital improvement objectives beyond FY2004:

- Plan for the closure of the Hartford Landfill/Waterbury Landfill.
- Anticipates major equipment replacement and upgrades at the Mid-Connecticut Project container facility.
- Potential construction of an ash load-out building at the Wallingford Project.
- Possible installation of SNCR at the Wallingford Project.
- Perform major capital projects (turbine overhauls) at the Energy Generating Facility (EGF) to maintain performance.

Under this plan, capital expenditures for FY04-08 are estimated at $25.9 million. The plan is funded through a combination of existing capital reserves and current and future operating budgets.

Proposed FY04 Capital Improvement Budget

March 20, 2003

Connecticut Resources Recovery Authority Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
General Fund	$79	$67	$69	$175	$25	$10	$10	$289
Bridgeport	$880	$175	$1,161	$444	$29	$24	$14	$1,672
Mid-Connecticut	$4,596	$1,990	$5,684	$5,329	$8,677	$1,441	$1,384	$22,515
Southeast	$120	$118	$0	$0	$0	$0	$0	$0
Wallingford	$680	$80	$762	$650	$50	$50	$0	$1,512
Total Expenditures	$6,355	$2,430	$7,676	$6,598	$8,781	$1,525	$1,408	$25,988

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$4,144	$2,080	$2,529	$2,514	$1,059	$1,021	$328	$7,451
Unrestricted Asset	$360	$0	$507	$0	$0	$0	$0	$507
Capital Reserve	$65	$0	$1,624	$73	$1,850	$57	$57	$3,661
Rolling Stock Reserve	$280	$350	$886	$1,021	$1,072	$447	$1,023	$4,449
Landfill Reserve	$0	$0	$630	$1,490	$3,300	$0	$0	$5,420
Risk Reserve	$1,625	$0	$1,500	$1,500	$1,500	$0	$0	$4,500
Existing Bonds	$81	$0	$0	$0	$0	$0	$0	$0
Total Sources	$6,555	$2,430	$7,676	$6,598	$8,781	$1,525	$1,408	$25,988

Connecticut Resources Recovery Authority Summary ($000's)

		Beginning Fund Balance (1)	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Ending Fund Balance
General Fund	Expenditures		$67	$69	$175	$25	$10	$10	
	Source (2)		$67	$69	$175	$25	$10	$10	
Bridgeport Project	Expenditures		$175	$1,161	$444	$29	$24	$14	
	Source								
	Operating Budget		$175	$531	$444	$29	$24	$14	
	Shelton LF Future Use Reserve (3)	$0	$0	$630	$0	$0	$0	$0	$0
	Subtotal	$0	$175	$1,161	$444	$29	$24	$14	$0
Mid-Connecticut Project	Expenditures		$1,990	$5,684	$5,329	$8,677	$1,441	$1,384	
	Source								
	Operating Budget		$1,640	$1,674	$1,665	$955	$937	$304	
	Capital Reserve - Operations	$4,127	$0	$1,087	$0	$0	$0	$0	$3,040
	Capital Reserve - Recycling	$2,282	$0	$537	$0	$0	$0	$0	$1,745
	Rolling Stock Reserve (4)	$2,117	$280	$886	$1,021	$1,072	$447	$1,023	$1,888
	Landfill Reserves	$7,996	$0	$0	$1,070	$3,300	$0	$0	$3,626
	Risk Reserve	$4,703	$0	$1,500	$1,500	$1,500	$0	$0	$203
	Subtotal	$21,225	$1,920	$5,684	$5,256	$6,827	$1,384	$1,327	$10,502
Southeast Project	Expenditures		$118	$0	$0	$0	$0	$0	
	Source (2)		$118	$0	$0	$0	$0	$0	
Wallingford Project	Expenditures		$80	$762	$650	$50	$50	$0	
	Source								
	Operating Budget		$80	$285	$650	$50	$50	$0	
	Unrestricted Asset	$12,620	$0	$477	$0	$0	$0	$0	$12,143
Total	Expenditures		$2,430	$7,676	$6,598	$8,781	$1,525	$1,408	$25,988

(1) Reserve balances as of January 31, 2003.
(2) Expenditures are paid for from the operating budget.
(3) Board Approved reserve.
(4) Assumes $750k contributed to reserve per year.

General Fund Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Computer Hardware	$35	$30	$34	$150	$20	$5	$5	$214
Computer Software	$44	$37	$35	$25	$5	$5	$5	$75
Total Expenditures	$79	$67	$69	$175	$25	$10	$10	$289

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$79	$67	$69	$175	$25	$10	$10	$289
Total Sources	$79	$67	$69	$175	$25	$10	$10	$289

Major Projects - FY03

Computer Hardware	Purchased new print server ($10k) and upgraded PC's.
Computer Software	Upgraded datawarehouse package, email software, and Windows 2000.

Major Projects - FY04 and Beyond

Computer Hardware	Continue to perform routine upgrades. Assumes upgrade of PC's in FY05 ($100k).
Computer Software	Continue standard upgrades of software.

Bridgeport Project Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Resource Recovery Facility	$0	$0	$0	$0	$0	$0	$0	$0
Shelton Landfill	$670	$110	$1,010	$0	$0	$0	$0	$1,010
Waterbury Landfill	$0	$0	$0	$420	$0	$0	$0	$420
Recycling Facility	$5	$5	$0	$0	$0	$0	$0	$0
Transfer Stations	$205	$60	$151	$24	$29	$24	$14	$242
Total Expenditures	$880	$175	$1,161	$444	$29	$24	$14	$1,672

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$755	$175	$501	$24	$29	$24	$14	$592
Unrestricted Asset	$0	$0	$30	$0	$0	$0	$0	$30
Landfill Reserve	$0	$0	$630	$420	$0	$0	$0	$1,050
Risk Reserve	$125	$0	$0	$0	$0	$0	$0	$0
Total Sources	$880	$175	$1,161	$444	$29	$24	$14	$1,672

Major Projects - FY03

Shelton Landfill — Portion of work completed on subsurface leachate plume zone-of-influence investigation and some swale improvements.
Transfer Stations — Capital projects included overhead door repairs/replacement, paving, and roof repairs.

Major Projects - FY04

Shelton Landfill — Includes $530k for future use plan, $330k for DEP consent order, and $150k for plume investigation.
Transfer Stations — Capital projects include overhead door repairs/replacement, paving, and roof repairs. (Fairfield, Norwalk, Milford)

Major Projects - Future

Waterbury Landfill — Assumes closure work will be done in FY05.
Transfer Stations — Assumes routine capital projects.

Mid-Connecticut Project Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Waste Processing Facility	$1,940	$945	$1,550	$1,050	$765	$305	$150	$3,820
Power Block Facility	$60	$0	$338	$0	$0	$0	$0	$338
Energy Generating Facility	$284	$284	$270	$554	$154	$549	$154	$1,681
Hartford Landfill	$300	$290	$500	$1,070	$3,300	$0	$0	$4,870
Landfill Contingency	$1,525	$25	$1,500	$1,500	$1,500	$0	$0	$4,500
Recycling Facility	$96	$0	$537	$73	$1,850	$57	$57	$2,574
Rolling Stock	$280	$350	$886	$1,021	$1,072	$447	$1,023	$4,449
Transfer Stations	$111	$96	$103	$61	$36	$83	$0	$283
Total Expenditures	$4,596	$1,990	$5,684	$5,329	$8,677	$1,441	$1,384	$22,515

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$2,640	$1,640	$1,674	$1,665	$955	$937	$304	$5,535
Unrestricted Asset	$30	$0	$0	$0	$0	$0	$0	$0
Capital Reserve	$65	$0	$1,624	$73	$1,850	$57	$57	$3,661
Rolling Stock Reserve	$280	$350	$886	$1,021	$1,072	$447	$1,023	$4,449
Landfill Reserve	$0	$0	$0	$1,070	$3,300	$0	$0	$4,370
Risk Reserve	$1,500	$0	$1,500	$1,500	$1,500	$0	$0	$4,500
Existing Bonds	$81	$0	$0	$0	$0	$0	$0	$0
Total Sources	$4,596	$1,990	$5,684	$5,329	$8,677	$1,441	$1,384	$22,515

Mid-Connecticut Project

FY03 Major Projects

Waste Processing Facility	Resurface Municipal Solid Waste (MSW) Floors ($515k), replace 131/231 starters, feeders and motors ($115k), MSW transition plates ($115k) and 203 conveyor modifications ($55k).
Hartford Landfill	Install 10 gas wells ($130k), a temporary liner in ash cell 3 ($120k) and extend the liner over MSW slope ($40k).
Energy Generating Facility	Performed miscellaneous overhauls (Circ Pumps $17k, Dewatering Pump $29k, Turbine Generator $75k). Includes the installation of paperless multi-point recorders ($49k).
Rolling Stock	Two 966 loader rebuilds.
Ellington Landfill	Demolish two buildings ($25k).
Ellington Transfer Station	Performed hopper and scale repairs and other routine capital totaling $38k.
Torrington Transfer Station	Basic capital projects including paving, upgrade lighting, and installation of a guardrail for $22k.
Watertown Transfer Station	Preformed paving and pushwall repairs for $28k.

FY04 Major Projects

Waste Processing Facility	Primary expense if for the installation of a Non-Ferrous System ($465k) and trommel modifications ($110k). Cost benefit analysis to be provided prior to commencement of project. Resurface the Refuse Derived Fuel (RDF) floor ($230k), upgrade Programmable Logic Controls (PLC) $100k, purchase new 131/231 1250hp motor ($85k), and modify 103 conveyor ($75k). Other expenditures include an upgrade to the Regenerative Thermal Oxider (RTO) ($100k) and filter house modifications ($100k) of the Mid-Connecticut Project Air Processing System (MCAPS) for odor control.
Processing Block Facility	Includes costs for the installation of a Ferrous system (ash) for $200k.
Energy Generating Facility	Continued miscellaneous overhauls ($75k) and replacement of pins and screens ($80k).
Ellington Landfill	Environmental land purchases.
Hartford Landfill	Completion of the liner extension over the MSW slope ($500k).
Recycling Facility	Upgrade facility to accept paper at the container facility ($205k) and repair/replace container equipment and/or facility ($321k).
Rolling Stock	Purchase new 966 loader (recycling) ($325k), rebuild two loaders ($315k) and replace two tractors ($146k) and rebuild 8 trailers and 10 containers ($100k).
Transfer Stations	Perform routine capital projects at transfer stations. In addition, paint recycling building at Watertown transfer station ($40k)

Future Major Projects

Waste Processing Facility	Complete installation of Non-Ferrous system and continue plant conveyor improvements.
Energy Generating Facility	Ongoing routine overhauls plus LP Blade replacements ($220k each turbine).
Hartford Landfill	West slope closure complete in FY06 (24 acres closed FY05, and 32 acres closed FY06). These closure cost estimates are based on a cost of $75,000 per acre, as specified under the existing permit. DEP has recently suggested to CRRA that they may require the permit to be modified to specify closure with a synthetic cap, at an estimated cost of approximately $110,000 per acre.
Recycling Facility	Anticipate major equipment replacement and upgrades at the Container Facility.
Rolling Stock	Continue planned replacement / rebuild of fleet.

This budget does not include capital improvements to existing CRRA facilities for the potential relocation of CRRA administrative offices.

Southeast Project Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Resource Recovery Facility	$0	$0	$0	$0	$0	$0	$0	$0
Regional Recycling Facility	$120	$118	$0	$0	$0	$0	$0	$0
Total Expenditures	$120	$118	$0	$0	$0	$0	$0	$0

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$120	$118	$0	$0	$0	$0	$0	$0
Total Sources	$120	$118	$0	$0	$0	$0	$0	$0

Major Projects - FY03

Regional Recycling Facility — The Groton recycling facility capital projects of roof repairs, baler repairs, and other miscellaneous repairs are complete.

Major Projects - FY04 and Beyond

Resource Recovery Facility — Assumes emission reduction credits are available through FY08 precluding the necessity to install a Selective Non-Catalytic Reduction (SNCR) system.

Recycling Facility — No capital projects projected at this time.

Wallingford Project Summary ($000's)

Expenditure Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Resource Recovery Facility	$450	$0	$600	$650	$50	$50	$0	$1,350
Wallingford Landfill	$230	$80	$162	$0	$0	$0	$0	$162
Total Expenditures	$680	$80	$762	$650	$50	$50	$0	$1,512

Source Summary	Adopted FY03	Projected FY03	Proposed FY04	Projected FY05	Projected FY06	Projected FY07	Projected FY08	Total
Operating Budget	$550	$80	$285	$650	$50	$50	$0	$1,035
Unrestricted Asset	$330	$0	$477	$0	$0	$0	$0	$477
Total Sources	$880	$80	$762	$650	$50	$50	$0	$1,512

Major Projects - FY03

Wallingford Landfill — Complete closure work, building demolition, and some landscaping work.

Major Projects - FY04

Resource Recovery Facility — Includes $450k for the installation of a fly ash conditioning system, $100k for metals recovery (ash) and $50k for general plant improvements.

Wallingford Landfill — Assumes $150k for stormwater improvements and land surface amendments plus $12k for installation of 4 gas monitoring probes.

Major Projects - Future

Resource Recovery Facility — Future projects include the construction of an ash loadout building ($200k).
Other potential capital projects include the installation of a Selective Non-Catalytic Reduction (SNCR) system ($400k).

Wallingford Landfill — No capital projects projected at this time. (Landfill closed)

RESOLUTION REGARDING THE ADOPTION OF THE FISCAL YEAR 2004 CAPITAL IMPROVEMENT BUDGET

RESOLVED: That the fiscal year 2004 Capital Improvement Budget be adopted substantially in the form as discussed at this meeting.

TAB 5

Memorandum

To: John Clark, Operations Division Head

From: Virginia Raymond, Project Analyst

Date: January 30, 2003

Re: Standard Form Commercial Hauler Waste Delivery Agreements – Mid-Connecticut, Wallingford and Bridgeport Projects

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For the past several years, commercial haulers who wish to deliver waste to the Mid-Connecticut, Wallingford and Bridgeport projects have been required to enter into "standard form" agreements in order to obtain a specified tip fee. These agreements do not apply to municipalities since they already have long-term individual project participation agreements. The key features of these agreements are:

1. The term is for one year from the commencement of services (July 1, 2003). During such term, haulers shall deliver all Acceptable Waste under their control generated within the corporate boundaries of any of the CRRA Project Municipalities to the CRRA system.
2. During the term of the agreements and if authorized by the Authority, haulers may deliver an agreed upon maximum amount of Acceptable Waste generated within the corporate boundaries of any Non-Member Municipalities.
3. The haulers shall pay the following tip fees for FY04:
    - Mid-Connecticut Project haulers, $63.75
    - Bridgeport Project haulers, $69.00
    - Wallingford Project, $55.00

Attached are copies of the three standard form agreements. These agreements are identical to the agreements used last year except for the change in term (to June 30, 2004) and the tip fees as shown above.

It is recommended the Board of Directors provide authorization to enter into these agreements as presented at the March meeting.

MID-CONNECTICUT SOLID WASTE DELIVERY AGREEMENT

THIS MID-CONNECTICUT SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made and entered into as of this 1st day of July, 2003, 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, having its principal offices at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103-1722 (hereinafter "CRRA") and _____, a _____, having its principal offices at _____, _____, _____, (hereinafter "Hauler", the term "Hauler" also includes any affiliates, subsidiaries, related entities and agents).

Preliminary Statement

Pursuant to the terms and conditions set forth below, CRRA is willing to accept "Acceptable Waste," as defined in CRRA's Mid-Connecticut Permitting, Disposal & Billing Procedures ("Procedures"), generated within the corporate boundaries of Member Municipalities and delivered by Hauler to the Mid-Connecticut project facility or facilities designated by CRRA (the "Designated Facility").

NOW, THEREFORE, in consideration of CRRA issuing to Hauler a permit to dispose of Acceptable Waste at the Designated Facility, the mutual covenants, promises and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Hauler hereby agree as follows.

Terms and Conditions

1. All terms that are not defined in this Agreement shall have the same respective meanings assigned to such terms in the Procedures, which Procedures are hereby incorporated by reference and made a part hereof as if such Procedures had been attached in their entirety to this Agreement. For purposes of this Agreement, the term "Member Municipalities" shall mean those municipalities that either are members of CRRA's Mid-Connecticut resources recovery project or have an agreement to deliver solid waste to such project.

2. Prior to delivering any "Acceptable Waste" to the "Designated Facility", Hauler shall obtain all permits that are required by the Procedures and shall comply with all other pre-delivery requirements set forth therein and in the applications (including instructions) for such permits. Hauler shall also, at all times, comply with the Procedures, including any amendments thereto that are made by CRRA from time to time.

3. Prior to delivering any "Acceptable Waste" to the "Designated Facilities", the Hauler shall submit, along with its permit application, a guaranty of payment satisfactory to CRRA in all respects and in the form of a letter of credit, a surety bond or a cashier's check in an amount sufficient to cover two (2) months' of waste disposal charges as estimated by CRRA. CRRA shall reassess the amount of the guarantee from time to time.

4. Hauler shall amend its Letter of Credit or surety bond or provide any additional cashier's checks to CRRA if requested to do so by CRRA for any additional amounts. Further, if Hauler submits to CRRA either a letter of credit or surety bond, Hauler shall, within sixty (60) days before the expiration of the same, renew the letter of credit or surety bond and furnish the renewed letter of credit or surety bond to CRRA. If Hauler's letter of credit or surety bond is canceled or terminated, Hauler shall immediately submit to CRRA a new letter of credit or surety bond that complies with the requirements of this paragraph 4. If Hauler fails to comply with any of the requirements of this paragraph 4, then CRRA, at its sole discretion, may immediately deny Hauler any further access to the Facilities and/or revoke its permit for the same.

5. During the term of this Agreement, Hauler shall deliver to the "Designated Facility" all "Acceptable Waste" generated within the corporate boundaries of any of the "Member Municipalities" that Hauler, any entity affiliated with Hauler or any agent of Hauler collects pursuant to an agreement or otherwise, or that comes into Hauler's possession through other means.

6. Hauler shall pay to CRRA a service fee of sixty-three and 75/100 (**$63.75**) dollars for each ton of Acceptable Waste generated within the corporate boundaries of any of the Member Municipalities and delivered to the Designated Facility by Hauler pursuant to this Agreement. Hauler shall pay this fee as established by the CRRA Board of Directors as may be modified from time to time.

7. Hauler shall at all times defend, indemnify and hold harmless CRRA, any Operator and their respective directors, officers, employees and agents on account of and from and against any and all liabilities, actions, claims, damages, losses, judgments, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees and court costs) arising out of injuries to the person (including death), damage to property or any other damages alleged to have been sustained by:(a) CRRA, any operator, or any of their respective directors, officers, employees, agents or subcontractors, or (b) Hauler or any of its directors, officers, employees, agents or subcontractors, or (c) any other person, to the extent any such injuries, damage or damages are caused or alleged to have been caused, in whole or in part, by the acts, omissions or negligence of Hauler, any of its affiliates, directors, officers, employees, agents or subcontractors.

8. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler, any its affiliates any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Hauler's obligations under this paragraph shall survive the termination or expiration of this Agreement.

9. Hauler shall pay any invoice rendered by CRRA for any charges and costs incurred in connection with this Agreement, including but not limited to disposal charges, penalties, fines, interest charges, attorneys fees and adjustments, within twenty (20) days from the date of such invoice. If Hauler fails to do so, CRRA, at its sole discretion, may immediately deny Hauler any further access to the Facilities and/or revoke its permit for the same.

10. Any "Acceptable Waste" delivered by Hauler must comply with the requirements for "Acceptable Waste" set forth in the Procedures and in **Exhibit A** attached hereto and made a part hereof. If Hauler does not comply with these requirements set forth in this paragraph 10, CRRA, at its sole discretion, may deny Hauler any further access to the Facilities and/or revoke its permit for the same.

11. Hauler shall deliver to the "CRRA System" all CRRA Project Waste generated within the corporate boundaries of any of the "CRRA Project Municipalities" that Hauler or any such entity or agent collects pursuant to an agreement or otherwise, or that comes into Hauler's or such entity's or agent's possession through other means. For purposes of this paragraph 11: (i) the term "CRRA System" shall mean CRRA's resources recovery facilities, transfer stations, recycling facilities, disposal sites and any alternatives site or sites chosen by CRRA for processing or disposing of waste; (ii) the term "CRRA Project Municipalities" shall mean those 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; and (iii) the term "CRRA Project Waste" shall mean waste that can be accepted at and processed by the CRRA System.

12. In the event that Hauler fails to comply with any of its obligations under this Agreement, such failure shall constitute an event of default on the part of Hauler hereunder, and CRRA shall have the right to terminate this Agreement.

13. This Agreement may not be assigned in whole or in part by the Hauler and shall be void if so assigned, except upon express written consent of CRRA, which consent will not be unreasonably withheld. In the event of a dissolution of or merger involving Hauler, Hauler shall promptly provide CRRA with written notice of such event, including the effective date thereof.

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

15. 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.

16. The term of this Agreement shall commence on July 1, 2003 (the "Commencement Date") and shall continue until June 30, 2004. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA' s Board of Directors.

17. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supercedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.

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

	CONNECTICUT RESOURCES RECOVERY AUTHORITY
[NAME OF HAULER]	
By: _____	By: _____
Its _____	Thomas D. Kirk
Duly Authorized	Its President
	Duly Authorized

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EXHIBIT A

Requirements Regarding Acceptable Waste.

Municipality agrees that the Acceptable Waste to be delivered to the System shall meet each of the following requirements:

(a) Must be Acceptable Waste emanating from within the corporate boundaries of the Municipality;

(b) Must not be of such a quality or other nature as to materially impair the operation or capacity of the System or any portion thereof, normal and reasonable wear and usage excepted;

(c) Must not be of such a quality or other nature as to materially impair the strength or the durability of the structures, equipment, or works, which are a part of the System or any portion thereof;

(d) Must not be of such a quality or other nature as to create flammable or explosive conditions in the System or any portion thereof;

(e) Must not contain chemical or other properties which are deleterious, as determined by CRRA, to any part of the System or capable of causing material damage to any part of the System or to personnel; and

(f) Must not include any hazardous or toxic substance as defined by applicable federal or state law, regulation or other promulgation, except to the extent permitted by CRRA, from time to time, in writing at such points and under such conditions as CRRA shall prescribe.

The System is not intended to be used for the transportation, storage or disposal of hazardous waste, and Municipality agrees to use its best efforts to take all necessary or appropriate actions to ensure that hazardous waste is not delivered to the System and that no part of the System becomes classified as a hazardous or toxic materials storage or processing facility.

Compliance with Requirements.

Municipality shall cause all Acceptable Waste at any time delivered directly to the System by or on behalf of the Municipality to comply with all requirements of CRRA. In all cases where such requirements involve technical or scientific analyses or determinations, CRRA shall have final authority as to methods, standards, criteria, significance, evaluation and interpretation of such analyses and determinations. Municipality shall permit no new deliveries and shall discontinue existing deliveries of Acceptable Waste by or on behalf of the Municipality, which include any Acceptable Waste that does not comply with such requirements of CRRA. CRRA may, from time to time, make a determination of the respects in which Acceptable Waste delivered to the System by or on behalf of the Municipality is not in compliance with such requirements then in effect. CRRA shall provide the Municipality with notice of any such determination. Any such determination shall be considered final and binding sixty (60) days after such notice.

WALLINGFORD SOLID WASTE DELIVERY AGREEMENT

THIS WALLINGFORD SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made and entered into as of this 1st day of July, 2004, 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, having its principal offices at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103 (hereinafter "CRRA") and _____, a_____, having its principal offices at _____, _____, _____(hereinafter "Hauler", the term "Hauler" also includes any affiliates, subsidiaries, related entities and agents).

Preliminary Statement

Pursuant to the terms and conditions set forth below, CRRA is willing to accept "Acceptable Waste" as defined in CRRA's Wallingford Permitting, Disposal & Billing Procedures ("Procedures") generated within the corporate boundaries of Cheshire, Hamden, Meriden, North Haven or Wallingford, Connecticut (the "Listed Municipalities") and delivered by Hauler to the Wallingford resources recovery facility located at 530 South Cherry Street in Wallingford, Connecticut (the "Facility").

NOW, THEREFORE, in consideration of CRRA issuing to Hauler a permit to dispose of Acceptable Waste at the Facility, the mutual covenants, promises and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CRRA and Hauler hereby agree as follows.

Terms and Conditions

1. All terms that are not defined in this Agreement shall have the same respective meanings assigned to such terms in the Procedures, which Procedures are hereby incorporated by reference herein and made a part hereof as if such Procedures had been attached in their entirety to this Agreement.

2. Prior to delivering any "Acceptable Waste" to the Facility, Hauler shall obtain all permits that are required by the Procedures, and shall comply with all other pre-delivery requirements set forth therein and in the applications (including instructions) for such permits. Hauler shall also, at all times, comply with the Procedures, including any amendments thereto that are made by CRRA from time to time.

3. Prior to the delivery any "Acceptable Waste" to the Facility, Hauler shall submit, along with its permit application, a guaranty of payment satisfactory to the CRRA in all respects and in the form of Letter of Credit, surety bond or cashier's check in an amount sufficient to cover three (3) months of waste disposal charges as estimated by the CRRA. CRRA shall reassess the amount of the guarantee from time to time.

4. Hauler shall amend its Letter of Credit or surety bond or provide additional cashier's check to the CRRA if requested to do so by the CRRA for any additional amounts as provided for in the Procedures. Further, if Hauler submits to CRRA either a letter of credit or surety bond, Hauler shall, within sixty (60) days before the expiration of same, renew the letter of credit or surety bond and furnish the renewed letter of credit or surety bond to CRRA. If Hauler's letter of credit or surety bond is canceled or terminated, Hauler shall immediately resubmit to CRRA a new letter of credit or surety bond that complies with the requirements of this Section 4. If Hauler fails to comply with any of these requirements of this Section 4, then CRRA, at its sole discretion, may deny Hauler any further access to the facilities and/or revoke its permit for the same.

5. During the term of this Agreement, Hauler shall deliver to the Facility all "Acceptable Waste" generated within the corporate boundaries of any of the Listed Municipalities that Hauler, any entity affiliated with Hauler or any agent of Hauler, collects pursuant to an agreement or otherwise, or that comes into Hauler's possession through other means.

6. Hauler shall pay to CRRA a service fee of fifty-five and 00/100 ($55.00) dollars for each ton of "Acceptable Waste" which was delivered to the Facility by Hauler pursuant to this Agreement. The CRRA Board of Directors may modify this fee from time to time.

7. Hauler shall at all times defend, indemnify, and hold harmless CRRA, any operator and their respective directors, officers, employees, agents on the count of and from and against any and all liabilities, actions, claims, damages, losses, judgments, worker's compensation payments, cost and expenses (including but not limited to, attorneys' fees and court costs), arising out of injuries to the person (including death), damage to the property or any other damages alleged to have been sustained by: (a) CRRA, any operator, or any of their respective directors, officers, employees, agents or sub-contractors, or (b) Hauler or any of it's directors, officers, employees, agents or sub-contractors, or (c) Any other person, to the extent any such injuries, damage or damages are caused by or alleged to have been caused, in whole or in part, by the acts or omissions or negligence of the Hauler or any of its affiliates, directors, officers, employees, agents or subcontractors.

8. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler, any of its affiliates, or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Hauler's obligations under this section shall survive the termination or expiration of this Agreement.

9. Hauler shall pay any invoices rendered by the CRRA for any charges in cost incurred with any connection with this agreement, including but not limited to disposal charges, penalties, fines, interest charges, attorney fees and adjustments, within twenty (20) days from the day of such invoice. If Hauler fails to do so, CRRA, at is sole discretion, may deny Hauler further access to the facilities and/or revoke its permit for same.

10. Any "Acceptable Waste" delivered by Hauler must comply with the requirements for Acceptable Waste set forth in the Procedures and in **Exhibit A** attached hereto and made a part hereof. If Hauler does not comply with these requirements set forth in this paragraph 10, CRRA at its sole discretion may deny Hauler any further access to a Facility and/or revoke its permit for the same.

11. Hauler shall deliver to the "CRRA System" all "CRRA Project Waste" generated within the corporate boundaries of any of the "CRRA Project Municipalities" that Hauler or any such entity or agent collects pursuant to an agreement or otherwise, or that comes into Hauler's or such entity's or agent's possession through other means. For purposes of this paragraph 11: (i) the term "CRRA System" shall mean CRRA's resources recovery facilities, transfer stations, recycling facilities, disposal sites and any alternatives site or sites chosen by CRRA for processing or disposing of waste; (ii) the term "CRRA Project Municipalities" shall mean those 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; and (iii) the term "CRRA Project Waste" shall mean waste that can be accepted at and processed by the CRRA System.

12. During the term of this Agreement, CRRA shall have the right, but not the obligation, exercisable by CRRA in its sole discretion and from time to time, to direct hauler to deliver Acceptable Waste to CRRA's Mid-Connecticut waste processing facility located at 300 Maxim Road in Hartford, Connecticut (the "Mid-Connecticut Facility") or to CRRA's Bridgeport Project waste processing facility located at 8 Howard Avenue in Bridgeport, Connecticut (the "Bridgeport Facility"). Upon CRRA exercising such right and notifying Hauler of such action, Hauler shall deliver Acceptable Waste to the Mid-Connecticut Facility or the Bridgeport Facility in accordance with terms and conditions of this Agreement. In the event of any such direction and for the entire period thereof, the term "Facility," as used in this Agreement, shall be deemed to include the Mid-Connecticut Facility or the Bridgeport Facility.

13. Hauler shall pay CRRA s service fee of fifty-one and 00/100 ($51.00) dollars for each ton of "Acceptable Waste" delivered to and accepted at the Mid-Connecticut Facility or at the Bridgeport Facility.

14. In the event that Hauler fails to comply with any of its obligations under this Agreement, then such failure shall constitute an event of default on the part of Hauler hereunder, and CRRA shall have the right to terminate this Agreement.

15. This Agreement may not be assigned in whole or in part by the Hauler and shall be void if so assigned except upon the expressed written consent of CRRA, which consent will not be unreasonably withheld. In the event of a dissolution of or merger involving Hauler, Hauler shall promptly provide CRRA with written notice of such event, including the effective date thereof.

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

17. 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.

18. The term of this Agreement shall commence on July 1, 2003 (the "Commencement Date") and shall continue until June 30, 2004. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA's Board of Directors.

19. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supercedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.

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

[NAME OF HAULER]

By:_____

Its_____
Duly Authorized

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By:_____
Thomas D. Kirk
Its President
Duly Authorized

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EXHIBIT A

Requirements Regarding Acceptable Waste.

Hauler agrees that the Acceptable Waste to be delivered to the Facility shall meet each of the following requirements:

(a) Must be Acceptable Waste emanating from within the corporate boundaries of any of the Listed Municipalities;

(b) Must not be of such a quality or other nature as to materially impair the operation or capacity of the Facility or any portion thereof, normal and reasonable wear and usage accepted;

(c) Must not be of such a quality or other nature as to materially impair the strength or the durability of the structures, equipment, or works, which are a part of the Facility or any portion thereof;

(d) Must not be of such a quality or other nature as to create flammable or explosive conditions in the Facility or any portion thereof;

(e) Must not contain chemical or other properties which are deleterious, as determined by CRRA, to any part of the Facility or capable of causing material damage to any part of the Facility or to personnel; and

(f) Must not include any hazardous or toxic substance as defined by applicable Federal or State law, regulation or other promulgation, except to the extent permitted by CRRA, from time to time, in writing at such points and under such conditions as CRRA shall prescribe.

The Facility is not intended to be used for the transportation, storage or disposal of hazardous waste, and Hauler agrees to use its best efforts to take all necessary or appropriate actions to ensure that hazardous waste is not delivered to the Facility and that no part of the Facility becomes classified as a hazardous or toxic materials storage or processing facility.

Compliance with Requirements.

Hauler shall cause all Acceptable Waste at any time delivered directly to the Facility by it to comply with all requirements of CRRA. In all cases where such requirements involve technical or scientific analyses or determinations, CRRA shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations. Hauler shall permit no new deliveries and shall discontinue existing deliveries of Acceptable Waste by Hauler, which include any Acceptable Waste that does not comply with such requirements of CRRA. CRRA may, from time to time, make a determination of the respects in which Acceptable Waste delivered to the Facility by Hauler is not in compliance with such requirements then in effect. CRRA shall provide Hauler with notice of any such determination. Any such determination shall be considered final and binding sixty (60) days after such notice.

BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT

THIS BRIDGEPORT SOLID WASTE DELIVERY AGREEMENT (the "Agreement") is made and entered into as of this 1st day of July, 2003, 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, having its principal offices at 100 Constitution Plaza, 17th Floor, Hartford, Connecticut 06103-1722 (hereinafter "CRRA") and _____, having its offices at _____, _____, _____ (hereinafter "Hauler", the term "Hauler" also includes any affiliates, subsidiaries, related entities and agents).

Preliminary Statement

Pursuant to the terms and conditions set forth below, CRRA is willing to accept Acceptable Waste generated within the corporate boundaries of Member Municipalities, and delivered by Hauler to CRRA's Bridgeport resources recovery facility located at 8 Howard Avenue in Bridgeport, Connecticut (the "Facility").

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

Terms and Conditions

1. For purposes of this Agreement, (i) the term "Wesi Projects" shall mean the resources recovery projects operated by Wheelabrator Environmental Systems, Inc., or Riley Energy Systems of Lisbon Corporation and located in Lisbon, Connecticut, Peekskill, New York, Millbury, Massachusetts and North Andover, Massachusetts; (ii) the term "Member Municipalities" shall mean those municipalities that either are members of CRRA's Bridgeport resources recovery project or have an agreement to deliver solid waste to such project; (iii) the term "Non-Member Municipalities" shall mean those municipalities that are not members of any CRRA resources recovery project or do not have any agreement with CRRA to deliver Acceptable Waste to any such CRRA project, but excluding those municipalities that are either members of the Bristol resources recovery project in Bristol, Connecticut (the "Bristol Project") or have a written agreement to deliver solid waste to the Bristol Project or any of the Wesi Projects; (iv) the term "Solid Waste" shall mean unwanted and discarded solid material consistent with the meaning of that term pursuant to Section 22a-260(7) of the Connecticut General Statutes, excluding semi-solid, liquid material collected and treated in a municipal sewerage system; (v) the term "Procedures" shall mean the rules and procedures established by CRRA and Bridgeport Resco Company, L.P. ("Resco") for the Facility, which Procedures are hereby incorporated by reference and made a part hereof as if such Procedures had been attached in their entirety to this Agreement; and

(vi) the term "Acceptable Waste" shall mean Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Member Municipality, and deemed acceptable by CRRA and Resco in accordance with all applicable federal, state and local laws as well as the Procedures for processing by and disposal at the Facility, but excluding any Solid Waste that is or may in the future be required by law or regulation to be recycled.

2. Prior to delivering any "Acceptable Waste" to the Facility, Hauler shall obtain all permits that are required by the Procedures, and shall comply with all other pre-delivery requirements set forth therein and in the applications (including instructions) for such permits. Hauler shall also, at all times, comply with the Procedures, including any amendments thereto that are made by CRRA from time-to-time.

3. Prior to delivery of any "Acceptable Waste" to the Facility, Hauler shall submit, along with its permit application, a guaranty of payment satisfactory to the CRRA in all respects and in the form of Letter of Credit, surety bond or cashier's check in an amount sufficient to cover two (2) months of waste disposal charges as estimated by the CRRA. CRRA shall reassess the amount of the guarantee from time to time.

4. Hauler shall amend its Letter of Credit or surety bond or provide additional cashier's check to the CRRA if requested to do so by the CRRA for any additional amounts of Acceptable Waste delivered pursuant to this Agreement. Additionally, if Hauler submits to CRRA either a letter of credit or surety bond, Hauler shall, within sixty (60) days before the expiration of same, renew the letter of credit or surety bond and furnish the renewed letter of credit or surety bond to CRRA. If Hauler's letter of credit or surety bond is canceled or terminated, Hauler shall immediately resubmit to CRRA a new letter of credit or surety bond that complies with the requirements of this paragraph 4. If Hauler fails to comply with any of these requirements of this paragraph 4, then CRRA may deny Hauler any further access to the facilities and/or revoke its permit for same.

5. During the term of this Agreement, Hauler shall deliver to the Facility all Acceptable Waste generated within the corporate boundaries of any of the Member Municipalities that Hauler or any entity affiliated with Hauler or any agent of Hauler collects pursuant to an agreement or otherwise, or that comes into Hauler's or such affiliate's or agent's possession through other means. In addition, during the term of this Agreement, Hauler shall deliver to the Facility, up to a maximum monthly limit of_____ tons, all Acceptable Waste generated within the corporate boundaries of any of the Non-Member Municipalities that Hauler, or any entity affiliated with Hauler or any agent of Hauler, collects pursuant to an agreement or otherwise, or that comes into Hauler's or such affiliate's or agent's possession through other means.

6. For the term of this Agreement, Hauler shall pay to CRRA a service fee of sixty-nine and 00/100 ($69.00) dollars for each ton of Acceptable Waste which is delivered to the Facility by Hauler pursuant to paragraph 5 of this Agreement.

7. Hauler and CRRA represent that this agreement is valid, binding and lawful. Hauler shall at all times defend, indemnify, and hold harmless CRRA, any operator and their respective directors, officers, employees, agents on the count of and from and against any and all liabilities, actions, claims, damages, losses, judgments, worker's compensation payments, cost and expenses including but not limited to, attorneys' fees and court costs, arising out of injuries to the person including death, damage to the property, or any other damages alleged to have been sustained by: (a) CRRA, any operator, or any of their respective directors, officers, employees, agents or sub-contractors, or (b) Hauler or any of it's directors, officers, employees, agents or sub-contractors, or (c) Any other person, to the extent any such injuries, damage or damages are caused by or alleged to have been caused, in whole or in part, by the acts or omissions or negligence of the Hauler or any of its affiliates, directors, officers, employees, agents or subcontractors.

8. Hauler further undertakes to reimburse CRRA for damage to property of CRRA caused by Hauler, any of its affiliates, or any of its directors, officers, employees, agents or subcontractor. The existence of insurance shall in no way limit the scope of this indemnification. Hauler's obligations under this section shall survive the termination of this Agreement.

9. Hauler shall pay any invoices rendered by the CRRA for any charges in cost incurred with any connection with this agreement, including but not limited to disposal charges, penalties, fines, interest charges, attorney fees and adjustments, within twenty (20) days from the day of such invoice. If Hauler fails to do so, CRRA, at is sole discretion, may deny Hauler further access to the facilities and/or revoke its permit for same.

10. Any Acceptable Waste delivered by Hauler must comply with the requirements for Acceptable Waste set forth in the Procedures and in **Exhibit A** attached hereto and made a part hereof. If Hauler does not comply with these requirements set forth in paragraph 10, CRRA at is sole discretion, may deny Hauler any further access to the Facility.

11. Hauler shall deliver to the "CRRA System" all CRRA Project Waste generated within the corporate boundaries of any of the "CRRA Project Municipalities" that Hauler or any such entity or agent collects pursuant to an agreement or otherwise, or that comes into Hauler's or such entity's or agent's possession through other means. For the purposes of this paragraph 11: (i) the term "CRRA System" shall mean 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; (ii) the term "CRRA Project Municipalities" shall mean those 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; and (iii) the term "CRRA Project Waste" shall mean waste that is generated within the corporate boundaries of any of the CRRA Project Municipalities, and can be accepted at and processed by the CRRA System. Hauler shall cause all of its affiliate entities or other agents to deliver to the CRRA System all CRRA Project Waste that Hauler or any such entity or agent collects pursuant to an agreement or otherwise, or that comes into Hauler's or such entity's or agent's possession through other means.

12. In the event that Hauler fails to comply with any of its obligations under this Agreement, such failure shall constitute an event of default on the part of Hauler hereunder and CRRA shall have the right to terminate this Agreement.

13. This Agreement may not be assigned in whole or in part by Hauler and shall be void if so assigned, except upon express written consent of CRRA, which consent will not be unreasonably withheld. In the event of a dissolution of or merger involving Hauler, Hauler shall promptly provide CRRA with written notice of such event, including the effective date thereof. To the extent permitted by law, CRRA and Hauler desire that neither KTI, Inc. ("KTI") nor any officer, director, affiliate or subsidiary of KTI have any direct or indirect financial or ownership interest in or managerial influence over Hauler or its affiliates or on Hauler's performance under this Agreement. If KTI or any officer, director, affiliate or subsidiary thereof seeks to participate as an owner or in the performance of Hauler's obligations under this Agreement or to participate in any way in any future project or venture with Hauler or any of its affiliates, Hauler shall notify CRRA of Hauler's or such affiliate's intent to enter into such relationship. To the extent permitted by law, Hauler shall not enter into, or shall cause its affiliate not to enter into, such relationship if CRRA disapproves of the same. CRRA shall notify Hauler of its disapproval, if at all, no later than fifteen (15) days after CRRA's receipt of notice from Hauler of its or its affiliate's intent to enter into such relationship. Any failure by Hauler to comply with the terms of this paragraph 13 shall constitute a default under this Agreement. Nothing in this paragraph 13 shall prohibit Hauler from purchasing an asset of KTI.

14. For purposes of this paragraph 14 the term "operational problems" shall mean those times when the Facility cannot accept Acceptable Waste delivered by Hauler pursuant to paragraph 5 above, and Hauler is either turned away from the Facility or directed in writing by CRRA to not deliver such Acceptable Waste to the Facility. If CRRA cannot accept any Acceptable Waste delivered by Hauler pursuant to paragraph 5 above due to operational problems at the Facility, CRRA shall have the right to elect, in its sole and absolute discretion, to accept all or any part of such Acceptable Waste at another CRRA resources recovery facility. In the event of such an election, Hauler shall deliver to such other facility the amount of such Acceptable Waste that CRRA has elected to accept at such facility. Hauler shall pay to CRRA a service fee equal to the then current municipal solid waste disposal service fee payable by member municipalities of such facility for each ton of Acceptable Waste delivered by Hauler to such facility pursuant to this paragraph 14. If CRRA does not exercise its above election, Hauler shall have the right to deliver any Acceptable Waste that CRRA could not accept under paragraph 5 above because of operational problems at the Facility to a disposal facility that is permitted and licensed to lawfully accept and dispose of such Acceptable Waste.

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

16. This Agreement shall be governed by, and construed, interpreted and enforced 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.

17. The term of this Agreement shall commence on July 1, 2003 (the "Commencement Date") and shall continue until June 30, 2004. This Agreement shall become effective on the Commencement Date, subject to the approval of CRRA's Board of Directors.

18. This Agreement constitutes the entire agreement and understanding between the parties hereto and concerning the subject matter hereof and supercedes any and all previous agreements, written or oral, between the parties hereto and concerning the subject matter hereof.

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

«Hauler»

By:_____

Its _____
Duly Authorized

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By:_____
Thomas D. Kirk
Its President
Duly Authorized

N:legal dept. forms/solid waste agreements-01/BridgeportMSW/FY04/BdptMasterSWDFormMar2003

EXHIBIT A

Requirements Regarding Acceptable Waste.

Hauler agrees that the Acceptable Waste to be delivered to the Facility by Hauler shall meet each of the following requirements:

(a) Must be Acceptable Waste emanating from within the corporate boundaries of any of the Member Municipalities;

(b) Must not be of such a quality or other nature as to materially impair the operation or capacity of the Facility or any portion thereof, normal and reasonable wear and usage excepted;

(c) Must not be of such a quality or other nature as to materially impair the strength or the durability of the structures, equipment, or works which are a part of the Facility or any portion thereof;

(d) Must not be of such a quality or other nature as to create flammable or explosive conditions in the Facility or any portion thereof;

(e) Must not contain chemical or other properties which are deleterious, as determined by CRRA, to any part of the Facility or capable of causing material damage to any part of the Facility or to personnel; and

(f) Must not include any hazardous or toxic substance as defined by applicable federal or state law, regulation or other promulgation, except to the extent permitted by CRRA, from time to time, in writing at such points and under such conditions as CRRA shall prescribe.

The Facility is not intended to be used for the transportation, storage or disposal of hazardous waste, and Hauler shall use its best efforts to take all necessary or appropriate actions to ensure that hazardous waste is not delivered to the Facility and that no part of the Facility becomes classified as a hazardous or toxic materials storage or processing facility.

Compliance with Requirements.

Hauler shall cause all Acceptable Waste at any time delivered directly to the Facility by it to comply with all requirements of CRRA. In all cases where such requirements involve technical or scientific analyses or determinations, CRRA shall have final authority as to methods, standards, criteria, significance, evaluation, and interpretation of such analyses and determinations. Hauler shall permit no new deliveries and shall discontinue existing deliveries of Acceptable Waste by Hauler which include any Acceptable Waste that does not comply with such requirements of CRRA. CRRA may, from time to time, make a determination of the respects in which Acceptable Waste delivered to the Facility by Hauler is not in compliance with such requirements then in effect. CRRA shall provide Hauler with notice of any such determination. Any such determination shall be considered final and binding sixty (60) days after such notice.

Resolution Regarding Standard Commercial Hauler Agreements For The Bridgeport, Wallingford and Mid-Connecticut Projects

RESOLVED: The President is authorized to enter into agreements with commercial haulers for the delivery of project member and contract town Acceptable Waste to the Bridgeport, Wallingford, and Mid-Connecticut Projects substantially in accordance with the terms and conditions discussed at this meeting.

TAB 6

Memorandum

To: John Clark, Operations Division Head

From: Virginia Raymond, Project Analyst

Date: March 6, 2003

Re: Bristol Resource Recovery Facility Operating Committee (BRRFOC) Spot Waste Delivery Agreement

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Discussion

As discussed at prior Board meetings, during times of high waste deliveries or plant outages the Authority diverts and/or exports waste from the Wallingford and Mid-Connecticut Projects to other in-state and out-of-state disposal facilities.

The Authority has had in place a spot waste letter agreement with the BRRFOC for the delivery of spot waste to the Bristol Plant. The previous agreement expired December 31, 2002 and I would like to have the Board of Directors approve a new agreement. The benefits to the Authority in executing a new agreement are:

- It provides an additional in-state waste diversion option,
- It provides a lower disposal fee of $50.00 per ton compared to $67.50 per ton (the lowest waste export price) to export waste to an out-of-state disposal facility,
- Provides per ton transportation savings of approximately $3.00 ($8.86 compared to $11.60 per ton for transportation); the difference between hauling waste to Bristol instead of the Mid-Connecticut plant in Hartford.

It is recommended the Board of Directors approve this agreement as presented at the March meeting.

Financial Summary

Money for diverting and exporting waste is included in both the FY03 and FY04 budgets.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

February 24, 2003

Mr. Jonathan Bilmes
Executive Director
Bristol Resource Recovery Facility Operating Committee
43 Enterprise Drive
Bristol, CT 06010

Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103

RE: Spot Waste Delivery Agreement

Gentlemen:

The Bristol Resource Recovery Facility Operating Committee ("BRRFOC") and Connecticut Resources Recovery Authority ("CRRA") desire to enter into this letter agreement (the "Agreement") to memorialize the terms under which CRRA currently delivers Spot Waste to BRRFOC.

1. BRRFOC has entered into an agreement with Covanta Bristol, Inc. for the operation of a municipal solid waste facility located at 170 Enterprise Drive in the City of Bristol (the "Bristol Facility"). The Bristol Facility accepts Acceptable Waste, as defined in the service agreement, on a spot basis (the "Spot Waste").

2. By mutual agreement, CRRA has sent and desires to continue to send Spot Waste from its Mid-Connecticut Project to the Bristol Facility. BRRFOC reserves the right to refuse Spot Waste. CRRA's haulers agree to abide by the Bristol Facility's Hauler Rules and Regulations.

3. BRRFOC has agreed to accept Spot Waste from CRRA for the per ton price of FIFTY AND 00/100 ($50.00) DOLLARS (the "Tip Fee").

4. This Agreement is effective as of January 1, 2003, and shall terminate on December 31, 2003.

5. This Agreement shall be contingent upon CRRA obtaining approval from its Board of Directors.

Please indicate your acceptance of the above terms and conditions by signing below.

Very truly yours,

Paul R. Doyle
Its Counsel

Agreed to and accepted by:

BRISTOL RESOURCE RECOVERY FACILITY OPERATING COMMITTEE

By: _____
Jonathan Bilmes
Its Executive Director
Duly Authorized

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____
Thomas D. Kirk
Its President
Duly Authorized

Resolution Regarding A Spot Waste Delivery Agreement With The Bristol Resources Recovery Facility Operating Committee

RESOLVED: The President is authorized to enter into an agreement with the Bristol Resources Recovery Facility Operating Committee substantially in accordance with the terms and conditions discussed at this meeting.

TAB 7

Memorandum

To: Thomas D. Kirk, President

From: Peter Egan, Director of Environmental Services

Date: March 7, 2003

Re: Ellington Landfill Gas Collection/Control System - Contract Amendment

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Executive Summary

CRRA employs Handex of Connecticut, Inc. ("Handex") to operate and maintain the landfill gas collection and control system at the Ellington Landfill pursuant to a service agreement that was approved by the CRRA Board of Directors in April 2000, and which expires on March 31, 2003. I would like to extend the contract for an additional 15 months, through the end of fiscal year 2004.

Discussion

Extension of Term of Service Agreement

Following the initial three year term of the service agreement, which expires on March 31, 2003, the service agreement contemplated two three year renewal options for the routine services prescribed in the scope of work.

At this time, I wish to extend the agreement only through June 2004, rather than exercise the first renewal option for an additional three year period. I intend to re-bid the activity during spring 2004 for a three year term, effective July 1, 2004.

CRRA's Procurement Policies & Procedures, which became effective November 21, 2002, require that proposals for certain professional and technical services be solicited at least once every three years. I discussed extension of this agreement with the Policy and Procurement Committee. The Committee agreed that, based on the particular services included under this agreement, extension of this service agreement beyond the original three year term is in accordance with CRRA's Procurement Policies and Procedures.

Handex has agreed to extend the contract for an additional 15 months (April 2003 through June 2004), and has also agreed to hold its lump sum price for routine services at the base contract rate of $30,281.00 per year. (The first renewal option provided for an

increase in annual routine service charges to $34,281.00, an increase of 12.5%.) Therefore, the pro-rated 15 month lump sum price for April 2003 through June 2004 will be $37,851.25.

An amendment to the Agreement to extend the term is attached herewith.

Non-Routine Services

The scope of work in the service agreement also includes a task associated with non-routine and emergency operation and maintenance services. Each bidder provided a unit price schedule for conducting this task (e.g.; hourly rate for personnel; daily rate for equipment, etc.), and these rates are prescribed in the Handex Agreement.

Handex periodically conducts non-routine and emergency services which result in additional costs. Examples of non-routine services include the following:

- Non-Routine responses due to flare outages.
- Thermo-Imaging and ultrasonic thickness testing of the enclosed flare.
- Insulation repairs to the enclosed flare.
- Installation of new gas monitoring probes.
- Repairs to the gas system header.
- Repairs/upgrades to the gas condensate collection system.

Non-Routine services are estimated each year and incorporated into the Ellington Landfill budget. Handex has also agreed to hold their time and material rates for non-routine services at the current level.

Summary

At this time, I seek approval for the following:

1. Executing an abbreviated 15 month renewal option of the service agreement for a not to exceed lump sum price of $37,851.25 for *routine* services.
2. Approval of an additional $4,000.00 for *non-routine* services for the remainder of fiscal year 2003 (April through June 2003).
3. Approval to expend $15,000.00 for *non-routine* services for fiscal year 2004.

The fiscal year 2003 Ellington Landfill budget has sufficient funds remaining to cover both the routine ($7,570.25) and non-routine costs ($4,000.00 estimate) for the three remaining months of the fiscal year.

The fiscal year 2004 Ellington Landfill budget includes $30,281.00 for routine services and $25,000.00 for non-routine services.

THIRD AMENDMENT TO AGREEMENT FOR OPERATION AND MAINTENANCE OF A LANDFILL GAS COLLECTION AND FLARE SYSTEM AT ELLINGTON LANDFILL

This Third Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Ellington Landfill ("Third Amendment") is made and entered into as of the 31st of March, 2003, by and among 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, 17th Floor, Hartford, Connecticut 06103 (the "CRRA") and **HANDEX OF CONNECTICUT, INC.**, a Connecticut corporation, having a principal place of business at 569 Main Street, Monroe, Connecticut 06468 (the "Contractor").

PRELIMINARY STATEMENT

CRRA and Contractor entered into an Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Ellington Landfill, dated as of May 1, 2000, (the "Initial Agreement"), in order to have Contractor provide for CRRA operation and maintenance services for the System at the Landfill. The Initial Agreement was subsequently amended by a First Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Ellington Landfill dated as of September 1, 2000 (the "First Amendment"), and pursuant to a Second Amendment To Agreement For Operation And Maintenance Of A Landfill Gas Collection And Flare System At Ellington Landfill dated as of May 24, 2001 (the "Second Amendment"), and the Initial Agreement together with the First Amendment and the Second Amendment are hereinafter collectively referred to as the "Agreement." CRRA and Contractor now desire to amend the Agreement to extend the term of the Agreement and increase the total amount of compensation under the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to Section 9.15 of the Agreement, the parties hereto hereby agree as follows.

TERMS AND CONDITIONS

1. **Definitions**. Words or terms bearing initial capital letters that are used and not defined in this Third Amendment shall have the same respective meanings assigned to such words or terms in the Agreement.

2. **Term**. The first sentence of Section 4.1 of the Agreement is hereby amended to read as follows:

The term of this Agreement shall commence on the Effective Date and shall terminate on June 30, 2004 unless otherwise terminated or extended in accordance with the terms and conditions hereof.

3. **Contractor's Compensation**. Exhibit D of the Agreement is hereby expanded to include the following additional compensation:

Year 4 – April 1, 2003 – June 30, 2004	$37,851.30.

The price schedule associated for the Non-Routine Services shall remain the same as in the Initial Agreement.

4. **Ratification**. Except as specifically amended by this Third Amendment, all of the terms, covenants and provisions of the Agreement are hereby ratified and confirmed in all respects, and declared to be and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly authorized and executed effective as of the day and year first set forth above.

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

By:_____
Thomas D. Kirk
Its President
Duly Authorized

HANDEX OF CONNECTICUT, INC.

By:_____

Its
Duly Authorized

Legaldeptforms/Amendments/MidCT/Ellington/HandexCorp3rdO&MamdMar2003

RESOLUTION REGARDING AMENDMENT OF THE SERVICE AGREEMENT BETWEEN CRRA AND HANDEX OF CONNECTICUT INC. FOR SERVICES ASSOCIATED WITH THE GAS COLLECTION AND CONTROL SYSTEM AT THE ELLINGTON LANDFILL

RESOLVED: That the President, Chairman, or Vice-Chairman is hereby authorized to amend the Agreement for operation and maintenance of the landfill gas collection and control system at the Ellington Landfill with Handex of Connecticut, Inc, substantially as discussed and presented at this meeting.

TAB 8

Memorandum

To: Tom Kirk, President

From: Christopher J. Fancher, Facilities Engineer

Date: March 10, 2003

Re: Southeast Project Curtailment Electricity Sales Renewal

In March 2002, an agreement was signed among American Ref-Fuel, Southeastern Connecticut Regional Resources Recovery Authority (SCRRRA) and Connecticut Resources Recovery Authority regarding the sharing of Dispatched Energy Revenues received from Northeast Utilities for the dispatched power from the Southeast Facility during the curtailment periods. Attached is the letter agreement and a memo provide to the previous Board of Directors last year describing the history and decisions behind the agreement.

Each year American Ref-Fuel needs to renew their Dispatched Energy Agreement with Northeast Utilities for the curtailment periods. Attached is the letter agreement for 2003 that requires both CRRA's and SCRRRA's consent.

It is recommended that approval be sought at the next meeting of the Board of Directors for authorization to give CRRA's consent to the 2003 agreement between American Ref-Fuel and Northeast Utilities as attached.

Northeast
Utilities System

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company
PO Box 270
Hartford, CT 06141-0270
(860) 665-4582
(860) 665-4583 FAX

James C. Ward
Manager
Cogeneration Administration

February 18, 2003

Mr. Keith Knowles
Operations Manager
American Ref-Fuel
132 Military Highway
Preston, CT 06365

Dear Mr. Knowles:

Subject: **Energy Curtailments for 2003**

This letter is to inform you of the following curtailments for 2003 for the American Ref-Fuel of Southeastern CT ("ARC") facility in accordance with Section 14(a) of our Electricity Purchase Agreement ("EPA") by and among the Connecticut Resources Recovery Authority, the Southeastern Connecticut Regional Resources Recovery Authority, American REF-FUEL Company of Southeastern Connecticut, and The Connecticut Light and Power Company, dated as of December 2, 1988:

Start of Interruption			End of Interruption			Hours	Remaining Hours to
Day	Date	Time*	Day	Date	Time*	Curtailed	Curtail
Saturday	3/22/03	0:00	Monday	3/24/03	06:00	54	446
Saturday	3/29/03	0:00	Monday	3/31/03	06:00	54	392
Saturday	4/12/03	0:00	Monday	4/14/03	06:00	54	338
Saturday	4/19/03	0:00	Monday	4/21/03	02:00	50	288
Saturday	4/26/03	0:00	Sunday	4/27/03	24:00	48	240
Saturday	10/4/03	0:00	Sunday	10/5/03	24:00	48	192
Saturday	10/11/03	0:00	Sunday	10/12/03	24:00	48	144
Saturday	11/1/03	0:00	Sunday	11/2/03	24:00	48	96
Saturday	11/8/03	0:00	Sunday	11/9/03	24:00	48	48
Saturday	11/15/03	0:00	Sunday	11/16/03	24:00	48	0
						500	

* The time provided is the prevailing (i.e., wall clock) time.

CL&P reserves the right to change these scheduled curtailments on 48 hour prior notice.

Pursuant to Section 9(d) of the EPA, CL&P is not contractually required to purchase electricity delivered above 6.925 MW during curtailment periods. However, without waiving this provision, CL&P hereby offers to pay ARC 75% of the Virtual Curtailment Price for any energy delivered in excess of 6.925 MW during the 2003 curtailment periods. For the purposes of this letter, the "Virtual Curtailment Price" shall equal: (i) unless and until the ISO-NE implements Locational Marginal Pricing, the energy market clearing price, and (ii) effective upon the date that the ISO-NE implements Locational Marginal Pricing, the Real Time Locational Marginal Price for the node at which ARC is connected (Node ID #562). Note that, due to ISO bidding requirements, this offer is conditioned upon a commitment by ARC to operate its

facility at approximately full load through all 2003 curtailment hours, if consistent with Prudent Engineering and Operating Practices, unless otherwise agreed to between CL&P and ARC.

If ARC wishes to accept CL&P's offer, please indicate your acceptance by countersigning this letter in the space provided below and returning it to us. This offer shall become binding on the parties effective 2 business days after receipt of the countersigned original by CL&P and shall remain in effect through 2003 unless otherwise agreed to in writing by the parties. Except as expressly provided herein, all terms and conditions of the EPA remain in full force and effect.

If you have any questions on this matter, please contact me at the above number or Tim Honan (860-665-4524).

Very truly yours,

T. J. Honan for J. C. Ward

James C. Ward
Manager, Cogeneration Administration

Agreed to and Accepted this __ day of February 2003
American REF-FUEL Company of Southeastern Connecticut.

By: _____
Its:

Consented to this __ day of February 2003
Southeastern Connecticut Regional Resources Recovery Authority

By: _____
Its:

Consented to this __ day of February 2003
Connecticut Resources Recovery Authority

By: _____
Its:

JCW/tjh
cc: T. J. Honan/Project File
S. M. Gagnon/D. E. Domejczyk
N. A. Balavender

Memorandum

To: Robert E. Wright, President

From: John D. Clark, Operations Division Head

Date: March 11, 2002

Re: Southeast Project Electricity Sales Revenue Opportunity

In accordance with the Southeast Project's Electrical Energy Purchase Agreement dated December 1988, CL&P has the right to suspend the purchase of a portion of the electrical output of the project each calendar year. This is referred to as "dispatching" the purchase of electricity. CL&P has routinely exercised this contractual right over the Project's life.

The output of the plant is typically "dispatched" for selected weekend periods during the Spring and Fall. Under the 1988 contract, CL&P reduces their purchases during a dispatch event down to a net output level of just under seven megawatts (7 MW). This compares to the average actual net electrical output of the plant of about sixteen megawatts (16 MW). Hence each dispatching results in a loss of 9 MW of sales.

CRRA/SCRRRA and American REF-Fuel Company ("ARC") have previously reached agreement upon how to allocate between themselves the economic impact of dispatching events. Over time, ARC has tried various operational measures during dispatching, including venting steam and shutting down a boiler. However, ARC came to the conclusion that the most cost-effective plant operating mode was to neither suspend processing waste during those periods, nor vent steam produced. Consequently, ARC's operating approach is unaltered during dispatch period, and CL&P ends up receiving a portion of the plant's electrical energy output at no cost.

For the past two years, ARC has been seeking to gain approval from CL&P for the right to market the portion of the plant output that is subject to dispatching. These efforts have resulted in CL&P's agreement to purchase the dispatched output from the plant – however at a price reflecting the marketplace and not the higher, contract rates. CL&P offers to pay seventy-five percent (75%) of the New England ISO energy market "clearing price". This price is viewed as reasonable in light of the fact that selling to a party other than CL&P would introduce complexities such as metering, allocation of actual output if it varies from scheduled output, "wheeling" costs and arrangements, and similar factors.

The ISO market clearing price for energy varies from minute-to-minute. However, it appears the off-peak, weekend clearing price is now in the range of 2.5 to 3.0 cents per kWh. Based upon this average pricing, and the sale of about 9 MW of dispatched power for 500 hours per year, indicates the Project as a whole could realize up to $100,000 per year in new revenues.

CRRA/SCRRRA and ARC have examined how to share this new proposed revenue stream, taking into consideration ARC's investment in negotiations with CL&P, the historical actual output of the plant, and the historical share of past dispatching impacts assigned to CRRA/SCRRRA. Those discussions have arrived at the following recommended approach:

- For the first year only, ARC would receive 75% of the new dispatching revenues in consideration of their development of this new revenue opportunity; and,
- For each year thereafter, CRRA/SCRRRA would receive 55% of the new "dispatching" revenues, and ARC would receive 45%.

Attached please find draft, proposed versions of the agreements that would authorize ARC to begin selling the dispatched power to CL&P, and also provide for CRRA/SCRRRA sharing in the revenue to be derived therefrom.

It is recommended that approval be sought at the next meeting of the Board of Directors for authorization to enter into an agreement with ARC substantially in the form attached, and to also consent to the agreement ARC has developed with CL&P, also substantially in the form attached.

AMERICAN REF-FUEL

02 MAR 15 AM 11:38

RECEIVED
CONN. RESOURCES
RECOVERY AUTHORITY

March 14, 2002

Robert E. Wright
President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 01103-1722

CONTRACT

021102

John Phetteplace
President
Southeastern Connecticut Regional Resources
Recovery Authority
132 Military Highway
Preston, CT 06365

C.R.R.A.

Re: Southeast Project - Sharing of Dispatched Energy Revenues

Dear Mr. Wright and Mr. Phetteplace:

This is to set forth the agreement of American Ref-Fuel Company of Southeastern Connecticut ("ARC"), the Connecticut Resources Recovery Authority ("CRRA") and the Southeastern Connecticut Regional Resources Recovery Authority ("SCRRRA") concerning the sharing of additional energy revenues resulting from the marketing of dispatched power from the Preston waste-to-energy facility (the "Facility") to The Connecticut Light and Power Company ("CL&P"):

1. ARC has negotiated an agreement (the "Dispatched Energy Agreement") with CL&P for the marketing of power produced by the Facility during periods of dispatching events which occur from time-to-time pursuant to the Electrical Energy Purchase Agreement dated as of December 2, 1988 by and among ARC, CRRA, SCRRRA and CL&P, as amended. A copy of the Dispatched Energy Agreement which ARC intends to execute is attached hereto.

2. ARC will direct CL&P to pay all revenues for such dispatched power sales pursuant to the Dispatched Energy Agreement to State Street Bank and Trust Company, as Trustee (the "Trustee") pursuant to the Amended and Restated Indenture of Mortgage and Trust dated as of December 1, 1988 by and between CRRA and the Trustee, as amended (the "Indenture") for deposit into the Revenue Fund established pursuant to the Indenture.

3. It is understood that ARC will seek to renew the Dispatched Energy Agreement with CL&P from year-to-year, and keep CRRA and SCRRRA advised of any discussions with CL&P regarding renewal terms on a timely basis. ARC will not modify the Dispatched Energy Agreement or enter into a new agreement concerning dispatched power with CL&P without the prior written approval of CRRA and SCRRRA.

se curt1

4. Promptly following the end of each contract year, ARC shall pay CRRA a share of such dispatched energy revenues, including interest earnings thereon, calculated as follows:

   a. CRRA will receive twenty-five percent (25%) of such dispatched power sales revenue deposited into the Revenue Fund that are earned during the first twelve months that the Dispatched Energy Agreement is in place together with interest earnings thereon.

   b. For such dispatched power revenues earned during each subsequent twelve-month period, CRRA will be entitled to receive fifty-five percent (55%) of such revenues deposited into the Revenue Fund, together with interest earnings thereon.

5. The sharing of these revenues and interest earnings shall not otherwise affect or be included in calculations of the Service Fee under the Service Agreement dated as of December 1, 1987 by and between ARC and CRRA, as amended, including without limitation in calculations of ES or PAWS.

Please sign in the below indicated spaces if you are in agreement with the foregoing.

Very truly yours,

AMERICAN REF-FUEL COMPANY OF SOUTHEASTERN CONNECTICUT

By: _____
Jim Czepiel
Its: Director of Energy Marketing

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____
Robert E. Wright
Its: President

SOUTHEASTERN CONNECTICUT REGIONAL RESOURCES RECOVERY AUTHORITY

By: _____
~~John Phetteplace~~ Jerry Tyminski
~~Its: President~~ Executive Director

Northeast
Utilities System

107 Selden Street, Berlin, CT 06037

Northeast Utilities Service Company
PO Box 270
Hartford, CT 06141-0270
(860) 665-4582
(860) 665-4583 FAX

James C. Ward
Manager
Cogeneration Administration

March 21, 2002

Mr. Richard Quelle
Operations Manager
American Ref-Fuel
132 Military Highway
Preston, CT 06365

Dear Mr. Quelle:

Subject: **Energy Curtailments for 2002**

This letter is to inform you of the following curtailments for 2002 for the American Ref-Fuel of Southeastern CT ("ARC") facility in accordance with Section 14(a) of our Electricity Purchase Agreement ("EPA") by and among the Connecticut Resources Recovery Authority, the Southeastern Connecticut Regional Resources Recovery Authority, American REF-FUEL Company of Southeastern Connecticut, and The Connecticut Light and Power Company, dated as of December 2, 1988:

Start of Interruption			End of Interruption			Hours	Remaining Hours to
Day	Date	Time*	Day	Date	Time*	Curtailed	Curtail
Saturday	3/30/02	0:00	Monday	4/1/02	06:00	54	446
Saturday	4/13/02	0:00	Monday	4/15/02	06:00	54	392
Saturday	4/20/02	0:00	Monday	4/22/02	06:00	54	338
Saturday	4/27/02	0:00	Monday	4/29/02	02:00	50	288
Saturday	10/5/02	0:00	Sunday	10/6/02	24:00	48	240
Saturday	10/12/02	0:00	Sunday	10/13/02	24:00	48	192
Saturday	10/19/02	0:00	Sunday	10/20/02	24:00	48	144
Saturday	11/2/02	0:00	Sunday	11/3/02	24:00	48	96
Saturday	11/9/02	0:00	Sunday	11/10/02	24:00	48	48
Saturday	11/16/02	0:00	Sunday	11/17/02	24:00	48	0
						500	

* The time provided is the prevailing (i.e., wall clock) time.

CL&P reserves the right to change these scheduled curtailments on 48 hour prior notice.

Pursuant to Section 9(d) of the EPA, CL&P is not contractually required to purchase electricity delivered above 6.925 MW during curtailment periods. However, without waiving this provision, CL&P hereby offers to pay ARC 75% of the energy market clearing price for any energy delivered in excess of 6.925 MW during the 2002 curtailment periods, after retaining for its own purposes the first $33,000 of such payment to ARC. Note that, due to ISO bidding requirements, this offer is conditioned upon a commitment by ARC to operate its facility at approximately full load through all 2002 curtailment hours, if consistent with Prudent Engineering and Operating Practices, unless otherwise agreed to between CL&P and ARC.

If ARC wishes to accept CL&P's offer, please indicate your acceptance by countersigning this letter in the space provided below and returning it to us. This offer shall become binding on the parties effective 2 business days after receipt of the countersigned original by CL&P and shall remain in effect through 2002 unless otherwise agreed to in writing by the parties. Except as expressly provided herein, all terms and conditions of the EPA remain in full force and effect.

If you have any questions on this matter, please contact me at the above number or Tim Honan (860-665-4524).

Very truly yours,

James C. Ward

James C. Ward
Manager, Cogeneration Administration

Agreed to and Accepted this __ day of March 2002
American REF-FUEL Company of Southeastern Connecticut.

By: _____
Its: Operations Manager

Consented to this __ day of March 2002
Southeastern Connecticut Regional Resources Recovery Authority

By: _____
Its: Executive Director

Consented to this __ day of March 2002
Connecticut Resources Recovery Authority

By: _____
Its: President

JCW/tjh

cc: T. J. Honan/Project File
P. S. Higgins
P. M. Taupier
S. M. Gagnon
N. A. Balavender

TAB 9

Memorandum

To: Thomas D. Kirk, President

From: Peter Egan, Director of Environmental Services

Date: March 7, 2003

Re: Wallingford RRF – Execution of Consent Order

On October 1, 1991, the Connecticut Department of Environmental Protection ("DEP") issued solid waste permit number SW-1480153 to both the Connecticut Resources Recovery Authority ("CRRA") and Ogden Projects of Wallingford, L.P. ("Covanta"), as co-permittees, authorizing the operation of the Resource Recovery Facility ("RRF") on South Cherry Street in Wallingford, CT.

On December 6, 1995 the DEP issued a minor permit amendment, No. 1480321, to CRRA and Covanta, amending solid waste operating permit SW-1480153. Condition 6 of this amendment established an expiration date of December 6, 2000 for this operating permit. (Up until the issuance of this amendment in 1995, the operating permit did not have an expiration date.)

Pursuant to the Waste Disposal Services Agreement between CRRA and Covanta dated February 1, 1990, Covanta had the contractual responsibility to assemble and submit in a timely manner a permit renewal application to renew the operating permit. The application was due 180 days prior to expiration of the permit, and therefore should have been submitted to DEP by June 6, 2000. Covanta failed to do this. In addition, DEP failed to notify the co-permittees of the permit expiration date ninety days prior to the date that the permit renewal application was due, as required by Connecticut General Statutes Section 22a-6j. However, DEP's failure to discharge its statutory obligation to notify the co-permittees did not relieve Covanta and CRRA of their obligation to reapply. As a consequence of Covanta's failure to reapply, the RRF did not have an effective operating permit after December 5, 2000.

CRRA staff discovered this on January 24, 2002 while reviewing the Wallingford RRF Permit-To-Operate and its associated amendments as part of an internal compliance audit. CRRA staff immediately notified Covanta, advised Covanta that CRRA intended to immediately notify DEP, and advised Covanta that they should also notify the DEP as soon as possible. Both co-permittees notified the DEP orally and in writing of this

discovery. CRRA submitted its written notification in accordance with the DEP's Policy on Incentives for Self-Policing.

Covanta and CRRA proposed to DEP that the three parties enter into an administrative consent order to provide a mechanism to establish written authority to continue to operate the facility. Negotiations involving the consent order were completed in January 2003 and the Consent Order was executed by Covanta and CRRA in February 2003. A new operating permit application will be submitted in accordance with the schedule prescribed in the consent order. Covanta has contracted with a consultant to assemble the operating permit application. Until a new operating permit is issued, the RRF will operate under the authority of this consent order.

In addition to the violation associated with failure to renew the solid waste operating permit, the DEP also included in the consent order two other violations that were identified during an inspection conducted in December 2001. These violations were associated with storage of wooden pallets at the facility, and transfer of MSW on the tipping floor.

A monetary penalty of $41,200 was proposed by CTDEP for the three violations. CRRA and Covanta successfully negotiated a reduction in the penalty amount to $22,450 because CRRA had provided immediate disclosure of the self-discovered violation in accordance with the provisions contained in the CTDEP's Policy on Incentives for Self-Policing.

The final consent order includes a monetary penalty of $22,450, of which CRRA is to pay $16,200 and Covanta is to pay $6,250.

TAB 10

Memorandum

To: Tom Kirk, President

From: Thomas Gaffey, Recycling Division Head

Date: March 12, 2003

Re: Mid-Connecticut Project's Container Recycling Facility – Contract Extension

Summary

As you know, CRRA's Service Agreement for the Operation and Maintenance of the Container Recycling Facility will expire on May 21, 2003. CRRA has the option to extend the contract for up to two (2) successive periods of one (1) year each. At this time, the Recycling Division recommends the Service Agreement with FCR Redemption, Inc. be extended for one (1) year until May 21, 2004. During that one-year extension period, CRRA will further review and monitor FCR's performance and also issue a formal competitive Request For Proposals to seek the best operator at the lowest possible cost to operate the facility.

In accordance with the contract, CRRA must provide written notice to FCR at least sixty (60) days prior to the expiration of the contract, which occurs on May 21, 2003. It is important, therefore, that CRRA notify FCR no later than March 21, 2003 of such contract extension.

Audit of FCR

CRRA contracted with independent auditor Carlin, Charron & Rosen to audit FCR's books and records for compliance with their obligations per the operating agreement. A CRRA staff member accompanied a Certified Public Accountant from Carlin to FCR's Charlotte, North Carolina headquarters to conduct the three-day audit of all books and records including cash receipts, checks, commodity purchase invoices, bills of lading, weight tickets and maintenance invoices.

Carlin has reported that their audit revealed no irregularities other than a related party that was an end purchaser of natural and HDPE plastic. A sampling and testing of transactions involved with that related business revealed no irregularities.

Background:

FCR Redemption began as the operator of the Container Processing Facility on February 22, 1997 and was awarded a six-year and three-month contract with an option to extend for up to two periods of one year each. The contract does not allow for any changes to the contract unless they are mutually agreed upon by both CRRA and FCR. As a result, the contract extension for one year will contain the same provisions in the existing contract. The attached table on page three provides a summary of the major components of the contract.

I respectfully request that this one-year extension to the Service Agreement with FCR to operate and maintain the Mid-Connecticut Project Container Processing Facility be submitted to the Board of Directors for their consideration and approval at the March Board Meeting.

I would happy to answer any questions you may have regarding this matter.

Summary of Agreement to Operate Mid-Ct Container Processing Facility

Contract Component	Remarks
Vendor/Operator:	FCR Redemption, Inc. (FCR)
Term:	Started February 22, 1997 and ends May 21, 2003; option to extend contract for up to two (2) successive periods of one (1) year each.
Processing Fee (FY03):	$21.10 per ton (escalated by CPI)
DEP Permits Held By:	CRRA
Revenue Share:	50%/50% revenue split between CRRA and FCR for recyclable commodity sales less than $1 million
Lease Agreement:	None
Ownership of Property	
- Land:	CRRA
- Building:	CRRA
- Equipment:	CRRA
Market Responsibility:	FCR responsible for the marketing and transportation of all products
Residue Allowance:	No greater than 7%
Delivery Standards:	Loads of residential-generated recyclables are to be delivered in permitted vehicles containing only the following acceptable materials: **Glass** food and beverage containers only: clear, brown, and green bottles up to one gallon in size; washed clean; caps, lids, and corks removed, attached labels and neck rings are acceptable; **Metal** food and beverage containers only; washed clean up to one gallon in size; **Aluminum** cans and aluminum foil; **Plastic** containers (PET and HDPE); **Aseptic** packaging
Transfer Stations:	3 located in Essex, Torrington & Watertown
Scale Responsibilities:	CRRA Recycling Division operates the Regional Recycling Center scale
Billing/Permitting:	FCR performs billing; CRRA permits the vehicles
Enforcement:	CRRA Recycling Division has on-site enforcement at the Regional Recycling Center to ensure the quality of the material that is delivered meets CRRA delivery standards; Spot enforcement checks are made at the three transfer stations that accept recyclables on a regular basis.

Connecticut Resources Recovery Authority
Mid-Connecticut Project
Service Agreement for Operation and Maintenance of Container Processing Facility

CONTRACT

974121

C.R.R.A.

AGREEMENT FOR OPERATION AND MAINTENANCE OF CONTAINER PROCESSING FACILITY

This AGREEMENT FOR OPERATION AND MAINTENANCE OF CONTAINER PROCESSING FACILITY (the "Service Agreement" or "Agreement") is made and entered into as of this 22nd day of February, 1997 (the "Commencement 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 179 Allyn Street, Hartford, Connecticut 06103 (hereinafter referred to as "CRRA") and **FCR REDEMPTION, INC.**, a Delaware corporation with a principal place of business at 1330 Honeyspot Road Ext., Stratford, Connecticut 06497, which corporation is authorized to do business in the State of Connecticut (hereinafter referred to as "Company").

WITNESSETH:

WHEREAS, CRRA has been authorized and empowered under Chapter 446e of the Connecticut General Statutes, as amended, (the "Act"), to enter into an agreement for the operation and maintenance of the Mid-Connecticut Regional Recycling Facility located at 211 Murphy Road in Hartford, Connecticut (the "Facility");

WHEREAS, CRRA has selected Company in accordance with CRRA's Request for Proposal dated May 24, 1996 and in reliance upon Company's skill, expertise, and past successful experience with resources recycling technology to operate and maintain the Facility, and market recycled materials processed thereby, in accordance with the terms and conditions of this Service Agreement and additional documents incorporated by reference herein;

WHEREAS, Company and CRRA wish to enter into this Service Agreement for the operation and maintenance of the Facility;

NOW, THEREFORE, in consideration of the foregoing, the parties to this Service Agreement, hereby agree as follows:

ARTICLE I

SCOPE OF AGREEMENT

Section 1.1 Service Agreement Documents. The following appendices are attached to and made a part of this Service Agreement:

Appendix 1	Plans and Specifications of the Facility
Appendix 2	Performance Guarantees (Quantity and Quality)
Appendix 3	Spare Parts List
Appendix 4	Recyclable Material and Facility Delivery Standards
Appendix 5	Materials Marketing Plan Requirements
Appendix 6	Operation and Maintenance Plan
Appendix 7	Insurance Coverage
Appendix 8	Performance Bond/Letter of Credit
Appendix 9	Corporate Guaranty

ARTICLE II
DEFINITIONS

Section 2.1 Definitions. For the purposes of this Service Agreement and the appendices attached to and made a part of this Service Agreement, the following words and phrases shall be interpreted as follows:

"Affiliate" means Company and any corporation, partnership, joint venture or other entity controlling, controlled by, or under common control with Company or any one of such entities.

"Allowable Costs" means those costs incurred by the Company and payable by CRRA pursuant to Sections 4.3 or 4.4 of this Service Agreement, all of which costs are subject to Cost Substantiation.

"Base Operating Fee" means the fee described in Section 6.1 of this Service Agreement.

"Billing Period" means a calendar month, except that the first Billing Period hereunder shall commence on the Commencement Date and end on March 31, 1997 and the last Billing Period hereunder shall commence on the first day of the last month of the term of this Agreement and end on the date of termination or expiration of such Service Agreement.

"business days" shall mean any days other than a Saturday, a Sunday or a day on which either state or national banks in Connecticut are not open for the conduct of normal banking business.

"Change in Law" means any of the following events or conditions having, or which may reasonably be expected to have, an effect on this Service Agreement, or on the Facility or any part thereof, or on the acquisition, design, construction, equipping, installation, check out, operation, maintenance, ownership or possession of the Facility or any part thereof:

(a) the adoption, promulgation, issuance, modification or written change in administrative or judicial interpretation after the Commencement Date of any federal, state or local law, regulation, rule, requirement, ruling or ordinance, unless such law, regulation, rule, requirement, ruling or ordinance was on or prior to the Commencement Date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any federal, state or local governmental body, administrative agency or governmental official having jurisdiction;

(b) the order and/or judgment of any federal, state or local court, administrative agency or governmental officer or body, after the Commencement Date if such order and/or judgment is not also the result of willful or negligent action or lack of reasonable diligence of Company, provided that the contesting in good faith any such order and/or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of Company; or

(c) the denial of an application for or suspension, termination, interruption, imposition of a new condition in connection with the renewal or failure of renewal after the Commencement Date of any permit, license, consent, authorization or approval essential to the performance of this Agreement, if it is not also the result of willful or negligent action or a lack of reasonable diligence of Company, provided that the contesting in good faith any such suspension, termination, interruption or failure of renewal shall not be construed as willful or negligent action or a lack of reasonable diligence of Company.

"Company Fault" means any breach, failure, non-performance or non-compliance by Company with any of the terms and provisions of this Service Agreement caused by any reason other than an Uncontrollable Circumstance or CRRA.

"Contamination" and **"Contaminants"** means that portion of Recyclable Material delivered to the Facility that consists of material that is not specified as Recyclables in Appendix 4.

"Contractors" means any contractor, subcontractor, and suppliers or materialmen hired by Company.

"Cost" shall mean direct and indirect costs, as well as overhead of Company, without profit, and the contract price of any subcontracts for the purchase of labor, services, material or equipment from third parties. If any such subcontracts are with an Affiliate they shall be at competitive prices and the Company shall not include a mark-up for its profit.

"Cost Substantiation" means, with respect to any costs, a certificate signed by an authorized representative of the requesting party, setting forth the requesting party'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 Service Agreement giving rise to the requesting party's right to incur such cost, and certification that the cost is at a competitive price for the services or materials supplied. If the party receiving a certificate does not object to the certificate within thirty (30) calendar days, it shall be deemed approved.

"Design Change" means any change made to the Facility pursuant to Article IX of this Service Agreement.

"Event of Default" means any one or more of those events described in Article XIII.

"Facility Delivery Standards" means those standards enumerated in Appendix 4 of this Service Agreement.

"Facility Site" means the real property, easements and rights of way located in Hartford, Connecticut upon which the Facility is situated.

"Facility Throughput" means the amount, in Tons, of Recyclable Material processed per day into Products by Company at the Facility.

"Guaranteed Facility Capacity" means the daily, monthly and annual quantities of Recyclable Material which Company guarantees the Facility will accept and process as set forth in Appendix 2.

"Guaranteed Product Quality" means the Product specifications set forth in Appendix 2.

"Hazardous Waste" means waste which is defined or listed as a hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901, et. seq., as amended, Connecticut General Statutes §22a-115, as amended, and any regulations, rules or policies promulgated thereunder.

"Materials Marketing Plan" means the plan prepared by the Company and approved by CRRA, which plan shall comply with the requirements set forth in Appendix 5 of this Service Agreement.

"Maximum Residue Guarantee" means the maximum amount of Process Residue resulting from the processing of Recyclable Material as specified in Appendix 2, which amount is set forth and defined in Article IV, Section 4.4 hereof.

"Minimum Product Quality" means the minimum Product quality specified in Appendix 2.

"Net Sales Revenue(s)" means revenues received by Company from the sale of Facility produced Products to Purchaser minus Costs associated with Product transportation (which shall not include the cost of loading Product onto containers or vehicles) to the Purchasers in the Primary Market.

"Non-Recyclable Material" means materials not identified as Recyclables in Appendix 4 of this Service Agreement.

"Operating Day" means any day that the Facility is obligated to be open for the acceptance and/or processing of Recyclable Material pursuant to the terms of this Service Agreement.

"Operating Month" means any month that the Facility is obligated to be open for the acceptance and/or processing of Recyclable Material pursuant to the terms of this Service Agreement.

"Operating Year" means each twelve (12) month period during the term of this Service Agreement commencing on July 1 and ending on the following June 30, except that the first Operating Year shall commence on the Commencement Date and end on June 30, 1998 and the last Operating Year shall commence on July 1 of such year and end on the date of termination or expiration of such Service Agreement.

"Operating and Maintenance Manuals" means drawings, diagrams, schematics, instructions, parts lists, schedules, procedures and other literature that provide guidance in operating, maintaining and repairing all mechanical, electrical and instrumentation and control systems installed in the Facility.

"Operation and Maintenance Plan" and **"Facility Operating Plan"** mean the plans prepared by the Company and approved by CRRA, which plans will be set forth in Appendix 6 of this Service Agreement.

"Performance Test" means a test of the Facility pursuant to Section 5.3 of this Service Agreement, which test shall evaluate the criteria set forth in the Performance Test Standards in Appendix 2.

"Primary Market" means the group of Purchasers indicated in the most recently approved Materials Marketing Plan as primary, and not contingency, Purchasers of Facility produced Product.

"Process Residue" or **"Residue"** means that portion of the as-received Recyclables which are accepted and/or processed by the Facility, and subsequently removed from the as-received Recyclables Material (i) by Facility personnel prior to processing or (ii) by the Facility's processing system(s) because such material cannot be processed into a Product.

"Product(s)" means that portion of the as-received Recyclable Materials which are processed by the Facility into marketable industrial feedstocks, including, but not limited to, materials for which quality specifications are provided in Appendix 2 of this Service Agreement or Recyclable Material received at the Facility that is sold. This term shall not include Process Residue.

"Product Quality" or **"Product Specification"** means those standards described in Appendix 2.

"Purchaser" means any party who receives and/or pays for Facility-produced Product.

"Recyclable Material(s)" means those materials specifically identified as acceptable by the Facility in Appendix 4, including Contamination up to the limits specified in Appendix 4.

"Recyclables" means the specific recyclable items to be delivered to the Facility and processed into Products in accordance with the terms of this Service Agreement and which are identified in Appendix 4 of this Service Agreement.

"Sales Revenue(s)" means revenue generated by the sale of Facility-produced Product.

"Subcontractor" means any subcontractor hired directly by Company or an Affiliate.

"Ton" means two thousand (2,000) pounds.

"Transportation Costs" means the actual costs, subject to Cost Substantiation, of transporting Product to the Primary Market, as described in the most recently approved Materials Marketing Plan, provided, however, this term shall not include any costs associated with loading Product onto transportation vehicles.

"Uncontrollable Circumstance" means any of the following acts or events that has had or may reasonably be expected to have a material adverse effect on the rights or obligations of the Company or CRRA under this Service Agreement, or a material adverse effect on the Facility (or any essential element thereof), the Facility Site, or the construction, equipping, installation, check out, acceptance testing, operation, or possession thereof, if such act or event is beyond the reasonable control or responsibility of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under this Service Agreement:

(a) An act of God (except normal weather conditions for the geographic area of the Facility Site), epidemic, landslide, lightning, earthquake, fire, explosion, flood or similar occurrence, or an act of public enemy, war, blockade, insurrection, riot, general arrest, or restraint of government and people, civil disturbance or similar occurrence;

(b) Suspension, termination, interruption, denial or failure to renew any permit, license, consent, authorization or approval essential to the operation of the Facility, if such act or event is not also the result of negligent or willful action or failure to act of the party relying thereon, provided that the contesting in good faith of any such order shall not be construed as a negligent or willful action of such party; and

(c) A Change in Law.

ARTICLE III
OWNERSHIP, OPERATION AND MAINTENANCE OF THE FACILITY

Section 3.1 Overall Responsibilities.

(a) Company shall, at its sole cost and expense, provide all management, supervision, personnel, materials, equipment, services and supplies (other than Recyclable Materials) necessary to operate, maintain, and repair the Facility and Facility Site in accordance with the terms and provisions of this Service Agreement. CRRA will maintain the grounds and structural elements of the building and the building exterior at the Facility Site, unless maintenance is required because of the negligent act or omission of the Company, reasonable wear and tear excepted.

(b) Company shall, at its sole cost and expense, market or cause to be marketed all Facility produced Products in accordance with the terms and provisions of this Service Agreement.

(c) CRRA shall deliver or cause to be delivered Recyclable Materials at no cost to the Company.

Section 3.2 Term of this Service Agreement. The term of this Service Agreement shall commence on the Commencement Date, and shall continue until May 21, 2003. CRRA shall have the option to extend the initial term of this Service Agreement for up to two (2) successive periods of one (1) year each. CRRA may exercise its first option to extend by providing written notice thereof to Company at least sixty (60) days prior to the expiration of such initial term, and CRRA may exercise its second option to extend by providing written notice thereof to Company at least sixty (60) days prior to the expiration of the Operating Year immediately following the end of such initial term. The total length of the term of this Service Agreement, including all optional extension periods, shall not exceed eight (8) years, and three (3) months.

Section 3.3 Safety of Persons and Property. Company agrees that it will: (a) take all steps necessary to prevent damage, injury or loss, by reason of or related to the operation and maintenance of the Facility, to all persons and to any property on the Facility Site or adjacent thereto, including but not necessarily limited to trees, shrubs, lawns, walks, pavements, roadways, equipment, structures, and utilities; (b) establish and maintain safety procedures for the protection of Company employees and all other persons at the Facility in compliance with all applicable laws, customary industry standards, and OSHA requirements; (c) enforce necessary safeguards at the Facility for the safety and protection of any other person present at the Facility; (d) comply with all applicable laws, ordinances, rules, permits, regulations and lawful orders of any public authority relating to the safety of persons or property at the Facility or their protection at the Facility from damage, injury, loss; and (e) designate a qualified and responsible member of its organization stationed at the Facility who shall be responsible for the Facility safety and shall work with federal, state, local and municipal officials involved with matters of safety.

Section 3.4 Personnel. Company shall staff the Facility with a sufficient number of hourly and salaried employees as is consistent with good management practices and in sufficient numbers to enable Company to perform all of Company's obligations and duties under this Service Agreement in a timely and efficient manner. All of Company's personnel shall be appropriately trained in accordance with all applicable rules, regulations and laws so as to ensure that the Facility will be operated and maintained in accordance and consistent with applicable law and normal industry custom and in accordance with Operating and Maintenance Manuals.

Section 3.5 Facility Equipment And Spare Parts. CRRA is the owner of the Facility and all the equipment for the Facility, including but not limited to all the equipment and spare parts set forth in Appendices 1 and 3. Upon the Commencement Date, CRRA shall provide to Company all the equipment and spare parts set forth in Appendices 1 and 3. Company shall, at Company's sole cost an expense: (a) keep all equipment at the Facility Site in good repair and operating condition at all times and maintain on hand at the Facility at all times a complete inventory of all the equipment and spare parts set forth in Appendices 1 and 3, in order to repair and replace the same, if necessary , in a timely fashion and so as not to disrupt the operation of the Facility; (b) operate the Facility and equipment in compliance with all permits, orders and applicable federal, state, local and municipal laws, rules and regulations, including those established by OSHA; (c) notify CRRA promptly if any major equipment fails or is seriously damaged, in which event Company shall repair or replace the particular unit in accordance with Section 3.11. A complete inventory of such equipment and spare parts shall be on hand and transferred to CRRA at termination or expiration of this Service Agreement. Neither the Facility or any equipment therefor shall be depreciated by the Company for tax purposes.

Section 3.6 Operating Hours - Receiving Hours, Processing Hours, Shipping Hours, and Legal Holidays.

(a) Company shall keep the Facility open for the receipt of Recyclable Material from 7:00 a.m. to 4:00 p.m. each Monday through Friday excluding the following legal holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving day, Christmas Day, or such other legal holidays as may be designated by the State of Connecticut. Company shall keep the Facility open for the receipt of Recyclable Material from 7:00 am to 2:00 p.m. each Saturday following municipal holidays including New Year's Day, Martin Luther King's Birthday, President's Day, Lincoln's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day or such other legal holidays as may be designated by the State of Connecticut. Company shall keep the Facility open for acceptance and the processing of Recyclable Material as necessary and permitted by law.

(b) Company agrees to receive and/or process Recyclable Material at the Facility at hours other than the hours specified in Section 3.6 (a), if requested in writing by CRRA. Company shall be paid at a rate of $175.00/hr. for each hour that CRRA so requests Company to receive and/or process Recyclable Materials during hours other than those specified in Section 3.6(a) above.

(c) Company may ship Facility produced Products to Purchasers at any time that the person designated by CRRA is on duty to weigh the shipment in accordance with Section 4.6 of this Service Agreement and provided that the shipment of such Products does not violate any state, local, municipal, or agency law, regulation, permit or ordinance restricting hours of Product shipment.

(d) Upon the Commencement Date, Company shall operate and maintain the Facility in accordance with the interim operation and maintenance plan attached hereto in Appendix 6 and made a part hereof (the "Interim O&M Plan"). By April 1, 1997 Company shall submit to CRRA for CRRA's approval a more detailed and comprehensive operation and maintenance plan for the Facility. CRRA shall have the right to request modifications or changes to such submitted plan or any plan resubmitted by Company in response to any such request for modifications or changes, as the case may be, and Company shall so modify or change such submitted or resubmitted plan as requested by CRRA. Once CRRA approves of the Operation and Maintenance Plan for the Facility, such approved plan shall be attached hereto as Appendix 6 and made a part hereof, without the necessity of having to formally amend Appendix 6 to include such approved plan, by deleting the Interim O&M Plan from Appendix 6 and inserting in place of such deleted plan the Operation and Maintenance Plan. Any amendment, modification or change to the Operation and Maintenance Plan shall be subject to CRRA's rights under this subsection (d), and no such amendment, modification or change shall be effective unless it complies with Section 18.19 hereof.

Section 3.7 Inspection Rights. CRRA, its employees, officers or agents and its authorized engineer shall have the right to enter the Facility and Facility Site at any time to inspect and verify Company's compliance with all of its obligations, including but not limited to its obligations (i) to operate and maintain the Facility and Facility Site in accordance with the provisions of this Service Agreement, and (ii) to meet Company's performance guarantees hereunder. CRRA agrees that any such inspection shall, to the extent reasonably possible, be conducted in such manner so as to minimize any interference with Company's operation and maintenance of the Facility or the performance of its obligations under this Service Agreement. Nothing contained in this Section shall be deemed to authorize CRRA's representative or its agents to direct the activities of Company during inspections. CRRA may also permit Purchasers and potential Purchasers of Facility-produced Product to inspect the Facility at any time.

Section 3.8 Operation and Maintenance Manuals. Company shall deliver to CRRA two (2) copies of any revision of the Operation and Maintenance Manuals within ten (10) calendar days after such revision is finalized by Company.

Section 3.9 Maintenance Logs. Company shall keep daily records of repairs and maintenance performed on all equipment at the Facility Site. A copy of these records, certified to be true and accurate by the authorized representative of the Company familiar with the operation and maintenance of the Facility shall be delivered to CRRA monthly, within three (3) days after the last day of each month.

Section 3.10 Litter Control. The Company shall operate the Facility in a manner which will limit the generation of litter to the greatest extent practicable and shall take all steps necessary to collect and dispose of any litter generated by the Facility or on the Facility Site. Any fines levied against the Facility operation for litter violations shall be promptly paid by Company.

Section 3.11 Capital Repair and Replacement Fund.

(a) CRRA shall maintain an account for the purpose of reserving funds necessary for possible capital repair or replacement. Deposits into this account shall be made annually by CRRA in the amount of Fifty Thousand Eight Hundred Eighty Dollars ($50,880.00).

(b) During any term of this Agreement, the Company shall be entitled to draw upon such account in accordance with generally accepted accounting principles upon ten (10) calendar days prior written request to CRRA of such withdrawal and CRRA's written consent of the same, which consent shall not be unreasonably withheld. Such written request shall include the following, at a minimum: items to be replaced and repaired, the cause of equipment failure, cost of replacement or repair, including Cost Substantiation, the new useful life of the replaced or repaired item. CRRA shall be entitled to draw upon such account upon ten (10) calendar days written notice to the Company to make reasonable expenditures for the renewal, repair or replacement of any and all stationary or immobile equipment purchased and installed at the Facility. For purposes of this Section, a capital repair or replacement shall be deemed to be a repair or replacement, either singularly or in the aggregate associated with the same piece of equipment and greater than Two Thousand Five Hundred and 00/100 Dollars ($2,500.00) in value, to a capital asset which either extends or enhances the useful life of the asset in accordance with generally accepted accounting principles. Upon termination or expiration of this Agreement, all funds remaining in the account shall revert to CRRA.

Section 3.12 Ownership. Company may operate the Facility and store Product only in the areas at the Facility Site shown in Appendix 1 as designated for these purposes and shall not occupy any other areas of the Facility Site without prior written approval from CRRA. Company shall not interfere with the activities of CRRA or other activities permitted by CRRA in other areas of the Facility or Facility Site.

Section 3.13 Records and Reports. Company shall prepare and maintain proper, accurate, and complete records and accounts of all transactions related to the Facility. These accounts shall include but not be limited to insurance and regulatory inspection records, recovered materials records, visitors log, maintenance records, equipment replacement records and schedules, safety and accident reports, quantities of all unprocessed Recyclable Materials delivered to the Facility, quantity of each designated Recyclable Material processed, quantity of Products delivered to markets, quantity of Products in inventory, quantity and quality of Residue generated, Sales

Revenue generated from sale of Products and Transportation Costs incurred in marketing Products.

Company shall provide CRRA with monthly reports within fifteen (15) calendar days of the end of each month, including but not limited to the following operating data: scheduled Operating Days, days of actual operation, changes in Facility operation, quantity of unprocessed Recyclable Materials delivered and accepted at the Facility, type and quantity of each Recyclable Material accepted, processed and marketed or disposed of, Sales Revenues and Net Sales Revenues received (broken down by type of Product), electricity consumption, water consumption, fossil fuel consumption (auxiliary and vehicle), waste water discharge quantities, maintenance summary, anticipated operating schedule for the next month and financial data as deemed appropriate by CRRA.

Company shall submit an annual report within sixty (60) days after the end of each Operating Year that incorporates a summary of the monthly operation report for the preceding twelve-month period and summarizes all required data and records.

Company hereby grants to CRRA or its agent, the right to inspect all books, records, plans, financial statements and other similar materials of Company insofar as they relate to the terms and conditions of this Service Agreement and the performance of the obligations hereunder, upon reasonable notice to Company.

ARTICLE IV
DELIVERY AND PROCESSING OF RECYCLABLE MATERIAL

Section 4.1 Guaranteed Facility Capacity. During each Operating Day, Month and Year, Company shall receive and process Recyclable Materials delivered to the Facility by or on behalf of CRRA, up to the Guaranteed Facility Capacity, into Products, of at least the quality specified in Appendix 2. Company shall not be permitted to accept any Recyclable Material delivered (a) by any party other than CRRA, or (b) not on behalf of CRRA, without prior written consent of CRRA, nor shall Company be permitted to charge any user of the Facility a tip fee or other form of user fee without the prior written consent of CRRA. If Company fails to fulfill its obligation in accepting and processing Recyclable Materials, Company shall pay CRRA damages in accordance with Section 5.4.

Section 4.2 Inadvertent Deliveries of Non-Recyclable Material. CRRA shall use reasonable efforts to deliver or cause to be delivered to the Facility only Recyclable Materials which conform to Facility Delivery Standards. However, the parties agree that any inadvertent delivery of Non-Recyclable Material in excess of Facility Delivery Standards, shall not constitute a breach of CRRA's obligations.

Section 4.3 Identification, Rejection, or Processing of Non-Recyclable Material or Recyclable Material Not Conforming to Facility Delivery Standards.

(a) Company's obligation to accept and process Recyclable Materials shall not prohibit Company, in its sole discretion, from inspecting any vehicle delivering Recyclable Materials to the Facility to determine whether such vehicle contains Hazardous Waste, Non-Recyclable Material in excess of Facility Delivery Standards or Recyclable Materials not conforming to Facility Delivery Standards set forth in Appendix 4. If during any such vehicle inspection, Company determines that the vehicle is delivering Hazardous Waste, Non-Recyclable Materials in excess of Facility Delivery Standards or Recyclable Materials not conforming to said Facility Delivery Standards, Company shall require hauler to remove the vehicle from the Facility Site. Company shall immediately notify CRRA of any such rejection stating the date and time of rejection, the hauler and the driver's name, the town of origin and the reason(s) for rejection and shall follow this notice with a report in writing of the same information and deliver such report to CRRA within two (2) calendar days after such rejection.

(b) If a load of Recyclable Materials is unloaded onto the Facility tipping floor and Company determines that said load contains Hazardous Waste, Non-Recyclable Material in excess of Facility Delivery Standards or Recyclable Materials not conforming to Facility Delivery Standards set forth in Appendix 4, Company shall immediately notify CRRA's representative at the Facility, who shall confirm or deny Company's determination. If CRRA's representative confirms Company's determination that the load contains Non-Recyclable Materials in excess of Facility Delivery Standards or Recyclable Materials not conforming to Facility Delivery Standards set forth in Appendix 4, the load shall be processed and any Costs in addition to normal operating costs associated with processing a load of conforming Recyclable Materials shall be charged to CRRA and shall be paid subject to Cost Substantiation and, if necessary, arbitration in accordance with Article X.

(c) If CRRA's representative denies Company's determination in (b) above, then Company shall sort the load and separately weigh Contamination and materials conforming to Facility Delivery Standards. If Contamination is within allowable levels, Company shall absorb all costs associated with said sorting and weighing. If Contamination exceeds allowable levels, CRRA shall pay all reasonable costs associated with said sorting and weighing, subject to Cost Substantiation.

If Contamination exceeds allowable levels, Company shall report the same information within the same time period as stated in (a) above. The excess costs of processing the Contaminated load shall be charged to CRRA in accordance with (b) above, subject to Cost Substantiation, and, if necessary, arbitration in accordance with Article X.

(d) If CRRA's representative confirms Company's determination that a delivered load cannot be processed because it is Contaminated with Hazardous Waste, then CRRA shall have the option to remove and dispose of the Hazardous Waste, or may direct Company to so remove and

dispose of the Hazardous Waste, and the cost of removal and disposal shall be charged to CRRA subject to Cost Substantiation, and, if necessary, arbitration in accordance with Article X.

Section 4.4 Removal and Disposal of Process Residue. Company shall be responsible for the removal, transportation and disposal of all Process Residue at a location designated by CRRA. The cost and expense of such removal, transportation and disposal shall be paid by Company; provided, however, that the cost of transportation and disposal of Residue up to the Maximum Residue Guarantee which is annually determined by CRRA and equivalent to seven (7%) percent by weight of the total annual amount of Recyclable Materials processed at the Facility, shall be paid by CRRA on a monthly basis, subject to Cost Substantiation, Section 6.5 hereof and Section 2 of Appendix 2. Company guarantees that the maximum amount of Residue resulting from the processing of Recyclable Materials at the Facility shall be no greater than seven percent (7%) by weight of the Recyclable Materials processed at the Facility calculated on an annual basis. All contracts or other agreements that Company enters into with any third party for the removal, transportation or disposal of Process Residue must be submitted and approved by CRRA prior to such third party commencing such removal, transportation or disposal, and all such contracts and agreements shall be subject to CRRA's rights under the following option. CRRA may, at its option but without any obligation to do so, elect to remove, transport and/or dispose of any Residue hereunder, and if any such Residue is in excess of the Maximum Residue Guarantee, then Company shall pay CRRA for the full cost of removing, transporting and/or disposing of such excess Residue.

Section 4.5 Company Obligation to Process All Recyclable Material The Company shall use its best efforts to process all Recyclable Materials delivered to the Facility pursuant to the terms of this Agreement and conforming to Facility Delivery Standards including Recyclable Materials in excess of the Guaranteed Facility Capacity.

Section 4.6 Weighing and Shipping Records.

(a) All weighing of vehicles delivering Recyclable Materials to the Facility and shipping Product and Residue from the Facility will be performed by CRRA. CRRA shall maintain the calibration of the scales at the scale house in accordance with the procedures established by the State of Connecticut, in order to weigh all vehicles delivering Recyclable Materials to the Facility Site or shipping processed Products to Purchasers from the Facility. Each vehicle shall have its tare weight and an identification number permanently affixed and conspicuously displayed in a location designated by CRRA or other such form of identification as may be reasonably designated by CRRA. Either CRRA or Company may, from time to time, require a revalidation of the tare weight of any vehicle. Each loaded vehicle entering or exiting the Facility Site shall be weighed, and the gross weight, tare weight, time of delivery and exit, nature of materials, and truck identification shall be accurately recorded on a weigh record. Records of all weighing shall be maintained by CRRA.

(b) CRRA will maintain daily records of the total Tons of all Recyclable Materials delivered to the scales at the Facility Site, identified by appropriate delivery vehicle identification, and the number of Tons of Recyclable Materials accepted by Company from each town or other source.

(c) CRRA will maintain daily records of the total Tons of Products leaving the Facility Site according to Product category, Purchaser and price obtained. Company shall provide information regarding Purchasers and prices to CRRA at the time the Products are weighed.

(d) CRRA shall provide Company with a listing of all weigh tickets on a daily basis. Record copies of weigh tickets shall be maintained by CRRA for a period of at least two (2) Operating Years following the Operating Year in which they were made. CRRA will provide Company and its auditors access to all records maintained by or on behalf of CRRA with respect to quantities of Recyclable Materials delivered to the Facility, quantities of Products leaving the Facility, shipping costs, and pricing of materials.

ARTICLE V
COMPANY GUARANTEES OF FACILITY PERFORMANCE AND REMEDIES FOR FAILURE TO PERFORM

Section 5.1 Guaranteed Facility Capacity. Company hereby guarantees that the Facility, provided sufficient Recyclable Materials are delivered to the Facility, shall accept and/or process daily, monthly and annually sufficient Recyclable Materials to meet the Guaranteed Facility Capacity. All material delivered to the Facility shall be processed by the Facility in accordance with the terms of this Service Agreement.

Section 5.2 Company hereby guarantees that the quality of each shipment or load of Product produced by the Facility from the receipt and processing of Recyclable Materials shall be Guaranteed Product Quality and that the amount of Residue remaining after the processing of the Recyclable Materials into Products will be no greater than the Guaranteed Maximum Residue, as specified in Appendix 2.

Section 5.3 Performance Tests.

(a.) The Company shall, at the request of CRRA, cause the Facility to undergo Performance Tests to determine whether the performance of the Facility has changed since the last Performance Test.

(b) If CRRA requests that such Performance Test be undertaken and the results of such Performance Test demonstrate that, with regard to Facility Capacity or Product Quality Guarantees, the Facility continues to satisfy such guarantees, then CRRA shall pay the direct costs, subject to Cost Substantiation, of the Performance Test in excess of the costs normally incurred for operation and maintenance of the Facility during the period of testing. If the Facility fails to satisfy such Performance Test or guarantees then the Company shall pay the cost of the Performance Test and shall promptly correct deficiencies in the Facility causing the failure of the Performance Test. A second test shall be performed within 30 calendar days at Company's expense. If Company fails said second test CRRA shall have the option of terminating this Service Agreement and/or requiring such other action or payments as are described in Section 14.2 of this Service Agreement.

Section 5.4 Remedies for Failure of Company to Meet Guaranteed Facility Capacity.

(a) If Company during any Operating Day, Week, Month or Year fails to accept and ultimately process sufficient Recyclable Materials to meet the respective Guaranteed Facility Capacity during any Operating Month for reasons other than the occurrence of an Uncontrollable Circumstance or the failure of CRRA to provide sufficient Recyclable Materials, then Company is responsible for damages equal to sixty dollars ($60.00) times the number of Tons equaling the difference between the Guaranteed Facility Capacity for such Operating Month and the number of Tons of Recyclable Materials actually accepted and processed during such Operating Month. Additionally, if Company fails to process at the Facility all accepted Recyclable Materials it shall pay CRRA an amount equal to CRRA's per Ton Net Sales Revenue share for all Tons sold during the immediately preceding calendar month times the number of Tons accepted but not processed at the Facility.

(b) Failure of the Facility to meet the Guaranteed Facility Capacity for three (3) months during any six (6) consecutive month period, shall be an Event of Default permitting CRRA to terminate this Service Agreement in accordance with Article XIV, provided sufficient Recyclable Materials are delivered to the Facility.

Section 5.5 Remedies for Failure of Company to Meet Guaranteed Product Quality Performance.

(a) In the event of a breach of the Product Quality Guarantee, Company shall be obligated to undertake the procedures described herein and CRRA shall be entitled to the relief or damages as described herein.

A breach, for purposes of this section, shall occur upon the happening of either:

(1) If a rejection or downgrading of twenty five (25) Tons out of five hundred (500) Tons of the same Product occurs it shall be a breach: or

(2) If after notification of the rejection or downgrading of one (1) load of Product is received by Company and thereafter a rejection or downgrading of any one of the 3rd, 4th, 5th, 6th, or 7th loads shipped after such receipt of notice occurs it shall be a breach.

Rejection means a refusal by the market to accept the load of the Product as meeting the standards of the applicable Product Quality Guarantee.

Downgrade means acceptance by the market of a load of Product at a price per pound or Ton below the price quoted by the Purchaser, for Product of the quality level required by this Service Agreement, prior to downgrading. It shall not be considered a downgrade if a Purchaser discounts payment (but not price per Ton) for weight of moisture or dirt included in a load of Product.

Load means the standard size bulk shipment of a Product as routinely sent to a market.

Company shall give CRRA written notification of rejection or downgrading within three (3) business days after Company receives notification of such fact.

(b) In the event that a breach is caused by the occurrence of an Uncontrollable Circumstance, the provisions of Section 18.1 of this Service Agreement shall apply. In all other cases, the procedure below will be followed.

(c) It shall not be considered a rejection if Company reprocesses and remarkets Product at its sole expense (including all associated transportation expenses).

(d) In the event of a rejection or downgrading as defined herein, Company shall give written notice of such rejection or downgrading to CRRA. Unless otherwise agreed to by the parties, Company shall, within five (5) business days after giving of such notification, provide CRRA with a written report specifying the nature and extent of the problem, the anticipated duration, impact costs (if any), a plan of remediation and the estimated costs of the remedial measures. Within (5) five business days after CRRA's receipt of such report, CRRA shall either approve the plan, which approval shall not be unreasonable withheld, or recommend modifications to the plan, which modifications shall not be unreasonably refused by Company. Upon approval of the plan by CRRA, Company shall proceed expeditiously to implement the remedial measures in accordance with the plan of remediation. The cost of the remedial measures shall be paid by the Company.

(e) Company shall be obligated to pay CRRA One Hundred percent (100%) of CRRA's share of the Net Sales Revenue shortfall for all loads rejected or downgraded after the downgrading or rejection after the breach.

(f) A breach under this Article which is not corrected either within thirty (30) days or in accordance with the CRRA approved plan shall be an Event of Default.

(g) It shall be an Event of Default if five percent (5%) of the delivered and accepted Recyclable Materials in any consecutive ninety (90) day period (excluding Contamination and allowable Residue) is not successfully marketed as Product and must be disposed of at a solid waste disposal facility due to failure to meet Product Quality Guarantees.

Section 5.6 Performance Guaranty. The Company shall provide CRRA with and shall maintain in full force and effect a surety bond or letter of credit in the amount of Three Hundred Fifty Thousand and 00/100 ($350,000.00) Dollars substantially in compliance with the appropriate form provided for in Appendix 8 of this Service Agreement, which surety bond or letter of credit shall remain in full force and effect throughout the term of this Service Agreement and any renewal thereof guaranteeing the Company's full and faithful performance of this Service Agreement. Within thirty (30) days prior to any expiration of any bond or letter of credit provided by Company to guarantee the performance of its obligations hereunder, Company shall procure and submit to CRRA either a new surety bond or letter of credit that complies with the terms and conditions of this Service Agreement or documentation evidencing that the existing surety bond or letter of credit has been renewed and remains in full force and effect. If Company fails to procure and submit either a new surety bond or letter of credit, or such documentation by the thirtieth (30th) day prior to the expiration of the existing surety bond or letter of credit, such failure shall constitute an Event of Default on the part of Company.

The Company may upon thirty (30) days prior written notice to CRRA substitute a letter of credit in the form contained in Appendix 8 for the surety bond required by this Service Agreement and vice versa.

Drawing down against any such letter of credit, by CRRA may be done solely and strictly in accordance with the terms and conditions thereof.

Certification by CRRA as to the conditions precedent for, and/or drawing down against, the letter of credit shall not create or give rise to a presumption of breach or default by Company in any legal action brought by or against Company.

In the event the Company shall challenge or dispute the entitlement of CRRA to draw down against the letters of credit or the amount of such draw down and such challenge or dispute is resolved in favor of the Company, the Company shall be entitled to repayment in full of the amount of such draw down that it is finally decided Company is entitled to, plus interest thereon computed from the date of the drawing down to the date of repayment at the posted prime rate in The Wall Street Journal plus three percentage points together with any reasonable costs, expenses and attorneys' fees Company may have incurred in disputing or challenging the draw down. Provided, however, that such interest shall not be payable for any such draw downs taken in accordance with the terms of the letter of credit as a result of CRRA receiving notice that the issuing bank intends not to renew said letter of credit.

In the event the Company shall challenge or dispute the entitlement of CRRA to damages and CRRA elects not to draw down on the letter of credit and such challenge or dispute is resolved in favor of CRRA, CRRA shall be entitled to payment in full of the amount of such draw down plus interest computed from the date of the breach giving rise to the liability for said damages computed at the posted prime rate in The Wall Street Journal plus three percentage points together with any costs, expenses and attorneys' fees CRRA may have incurred in obtaining judgment or any arbitrator's decision supporting CRRA's claim for said damages.

If The Wall Street Journal ceases publication, CRRA shall, in its sole and absolute discretion, select another widely circulated financial publication. Upon CRRA's notice to Company of such selection, such selected publication shall effectively replace, without the necessity or requirement of an amendment hereto, The Wall Street Journal as the agreed upon reference and source for the prime rate hereunder.

ARTICLE VI

BASE OPERATING FEE AND SALES REVENUES; AMOUNTS DUE TO AND PAYABLE BY COMPANY

In consideration for all of its services in connection with the operation of the Facility, the marketing of Recyclable Materials, the disposition of Contaminants and any other services and expenditures contemplated by this Service Agreement, Company shall receive the fees and payments set forth in this Article VI.

Section 6.1. Base Operating Fee. For each Billing Period, the Company shall be paid by CRRA an amount equal to the product obtained by multiplying the Base Operating Fee Per Ton of Recyclables ($18.75) times the number of Tons of Recyclables delivered by or on behalf of CRRA to the Facility during such Billing Period. Commencing on July 1, 1998, and on each subsequent anniversary date thereof during the term of this Service Agreement, the Base Operating Fee shall be adjusted in accordance with the percent changes of the United States Consumer Price Index for All Urban Consumers (Cross Classification of Region and Population Size Class, Northeast/Size Class C Index, All Items) (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index"). The first such adjustment on July 1, 1998 shall be calculated by adding to the Base Operating Fee for the immediately preceding Operating Year the amount obtained by multiplying such Base Operating Fee by the percent change between the Index for February of 1997 and the Index for June of such immediately preceding Operating Year. Thereafter each annual adjustment shall be calculated by adding to the Base Operating Fee for the immediately preceding Operating Year the amount obtained by multiplying such Base Operating Fee by the percent change between the Index for June of the Operating Year immediately prior to such immediately preceding Operating Year and the Index for June of such immediately preceding Operating Year. In no event, however, shall any adjusted Base Operating Fee for any Operating

Year during the term of this Service Agreement increase by more than five (5%) percent of the amount of the Base Operating Fee for the immediately preceding Operating Year. In the event that the United States Department of Labor changes the base reference period for determining the Index, the adjustments as set forth above shall continue to be calculated with 1982-84 as the base reference period using figures or conversion formulas that the United States Department of Labor may publish at the time such base reference period is changed. In the event that the United States Department of Labor ceases to publish the Index, any appropriate conversion formulas published by the United States Department of Labor shall be used by the parties hereto in order to transpose calculations hereunder from the Index to a new index generally recognized and accepted for similar determinations of purchasing power.

Section 6.2. Allocation of Net Sales Revenues.

(a) Net Sales Revenues resulting from the disposition of Products derived from Recyclables delivered to the Facility shall be calculated for each Billing Period and allocated to the Service Agreement parties as follows:

Annual Net Sales Revenues	Percentage to CRRA	Percentage to Company
$0 to $1,000,000	50.0%	50.0%
$1,000,001 to $1,300,000	60.0%	40.0%
$1,300,001 to $1,600,000	70.0%	30.0%
Greater Than $1,600,000	80.0%	20.0%

(b) In the event that the Tons of Recyclable Materials processed by Company exceed 22,185 Tons for any Operating Year, exclusive of those Tons of Recycable Materials processed by Company at hours other than those specified in Section 3.6(a) herein and for which Company received the fee set forth in Section 3.6(b), then Company shall be paid under the following terms and conditions:

Tons Processed	Amount Payable For Processed Tons in Excess Of 22,185 Tons
22,186-24,795 =	$24.75/Ton
24,796-27,405 =	$25.75/Ton

In the event that the Tons processed exceed 27,405 Tons for any Operating Year, CRRA and Company will negotiate in good faith an amount payable to the Company for those processed Tons in excess of 27,405 Tons.

Section 6.3. Monthly Statements. Not more than fifteen (15) calendar days following the end of each Billing Month, Company shall render a statement ("Statement") to CRRA concerning the following:

(a) the monthly report described in Sections 3.13. and 8.6. hereof.

(b) the amount of the Base Operating Fee due from CRRA to the Company for Recyclables delivered to the Facility by or on behalf of CRRA during the Billing Period. This portion of the Statement shall state the total number of Tons of Recyclables delivered to the Facility during the Billing Period.

(c) the amount of Net Sales Revenues due from the Company to CRRA pursuant to Section 6.2. This portion of the Statement shall show:

(1) the gross Sales Revenues received from the disposition of all Products during the Billing Period.

(2) the total number of Tons of Recyclables delivered to the Facility by or on behalf of CRRA during the Billing Period.

(3) the Transportation Costs incurred by the Company during the Billing Period.

(4) each sale and delivery of Products showing for each, the name and address of buyer, the number of Tons of Products sold and broken down into type of Products sold and price per Ton.

(5) the computation of Net Sales Revenues payments due CRRA pursuant to Section 6.2(a).

(d) the number of Tons of Contaminants, broken down into Process Residue and waste Contaminants, disposed of by the Company during the Billing Period and during the period of the Service Agreement, naming the place of disposition and the amount disposed in each such place.

(e) the amount of any costs incurred during the Billing Period by Company under Section 4.3 and payable by CRRA pursuant to Section 4.3.

(f) the costs incurred during the Billing Period by Company for Process Residue removal, transportation and disposal pursuant to Section 4.4, which costs shall be itemized separately.

(g) the quantity and type of Products being stored within or without the Facility on the last day of the Billing Period.

(h) the quantity and type of Contaminants being stored within or without the Facility on the last day of the Billing Period.

(i) the amount of any adjustment required by Section 6.5.

Section 6.4. Monthly Payments. Within thirty (30) days after the date on which CRRA receives the Statement from the Company pursuant to Section 6.3, the following shall occur:

(a) If the Base Operating Fee and any Allowable Costs due Company for the Billing Period exceed CRRA's share of the Net Sales Revenue for such Billing Period, CRRA shall pay Company such excess amount. If CRRA has not made payment by the 40th day following CRRA's receipt of such Statement, CRRA shall pay Company interest on such delinquent payment at a rate of one (1%) per centum per month.

(b) If CRRA's share of the Net Sales Revenues for the Billing Period pursuant to Section 6.2(a) exceeds the amount of the Base Operating Fee and any Allowable Costs due Company for such Billing Period, Company shall pay CRRA such excess amount. If Company has not made payment by the 40th day following CRRA's receipt of such Statement, Company shall pay CRRA interest on such delinquent payment at a rate of one (1%) per centum per month.

Section 6.5 Annual Settlement and Payment. The following shall occur on an annual basis:

(a) On or before the 60th day after each Operating Year, Company shall deliver to CRRA an annual settlement statement which shall set forth the following with respect to such Operating Year: (i) the number of Tons of Recyclables delivered to the Facility, (ii) the number of Tons and the amount of gross Sales Revenues received from the sale of Products, (iii) the amount of the Transportation Costs incurred (subject to Cost Substantiation), (iv) the amount of Net Sales Revenues resulting from the disposition of Products derived from Recyclables delivered to the Facility, (v) the computation of the revenue share amount of the Net Sales Revenues resulting from the disposition of Products derived from Recyclables delivered to the Facility, (vi) the number of Tons of Process Residue, (vii) the costs incurred by Company and chargeable to CRRA under Sections 4.3 or 4.4 hereof , (viii) the number of Tons of Recyclables processed by Company at hours other than those specified in Section 3.6(a) hereof and for which the Company received the fee set forth in Section 3.6(b) hereof, (ix) the computation of the monies payable by the Company or by CRRA resulting from the above items or any other year-end adjustment required. If based on such statement there is an amount payable by either Company or CRRA, such payment shall be made on or before the ninetieth (90th) day following the end of such Operating Year.

(b) Any amounts due CRRA from Company and not paid shall bear interest a the rate of one (1%) per centum per month until paid.

ARTICLE VII
SHUTDOWNS AND REDUCTIONS IN CAPACITY

Section 7.1 Maintenance of the Facility.

(a) Company shall use its best efforts to perform maintenance during periods when the Facility is not open for the acceptance and processing of Recyclable Materials. If, however, Company performs maintenance during normal hours of operation, Company shall continue to be responsible for accepting Recyclable Materials to the extent of the Guaranteed Facility Capacity and providing for the safe and adequate storage of material received during such time.

(b) Company shall give notice to CRRA in writing fourteen (14) calendar days prior to any shutdown of the Facility for maintenance. Additionally, Company shall inform CRRA of all scheduled shutdowns for any scheduled maintenance which is expected to cost more than Five Thousand and 00/100 ($5,000.00) Dollars or which is expected to cause the Facility to stop accepting deliveries of Recyclable Materials in breach of this Service Agreement. Any notice shall indicate the expected time, duration and nature of shutdown or maintenance. If unscheduled maintenance is necessary, CRRA shall be notified immediately by telephone or telefax and promptly in writing of the time, duration, and nature of breakdown and/or maintenance required and completed.

Section 7.2 Shutdowns or Reductions in Capacity Caused By Uncontrollable Circumstances.

(a) During periods of Uncontrollable Circumstances, CRRA and Company shall attempt to divert any Recyclable Materials that cannot be accepted by the Facility to an appropriate off-site location. When the Company resumes normal operation, CRRA shall, within a reasonable time, resume normal delivery of Recyclable Materials to the Facility.

(b) The Company shall continue to be responsible for the security and protection of the Facility during the period of shutdown.

(c) After any shutdowns, Company and CRRA shall use their best efforts to resume normal operation of the Facility as soon as practicable.

ARTICLE VIII
MARKETING

Section 8.1. Approval of Contracts. The Materials Marketing Plan required by this Service Agreement shall be the general plan for the transportation and marketing of Products. Approval for the Materials Marketing Plan by CRRA shall not be construed to be an approval for any specific contract for sale of Products or Product in excess of two (2) months of Facility production for the Product, and contracts for the transporting of Product for a term of two (2) months or more must be reviewed and approved within ten (10) business days of submission to CRRA by Company. Submission shall be in writing and the date of submission shall be the actual date of receipt by CRRA. If any contract is reviewed and not approved, CRRA will notify Company in writing of the reasons why the contract was not approved and the contract shall not be executed. CRRA may direct Company to market Product to certain Purchasers on certain terms, provided, however, CRRA shall not require Company to enter into any agreement for the sale of Product which requires Product of a quality which exceeds the Minimum Product Quality Standards or that would cause Company to break an existing contract for the sale or transportation of Product that has been previously approved by CRRA or that is exempted from approval under this Section. If CRRA directs Company to enter into a contract for the sale of Product and Company demonstrates prior to contracting for said sale that there is an outstanding offer, which may be accepted, to sell said Product on similar terms, and for a similar duration, but for a higher price, CRRA shall pay Company its share of Net Sales Revenues not realized as a result of directing sale under the lowest priced contract, subject to Cost Substantiation and arbitration, if necessary. Any Cost savings related to transportation of Product or Facility operations shall be considered Net Sales Revenues.

Section 8.2 Contracts Become Amendments to Marketing Plan. Where CRRA directs Company to enter into an agreement as permitted by Section 8.1, such agreement shall become part of and shall be reflected in the Materials Marketing Plan and all references in this Service Agreement to said Materials Marketing Plan, including for purposes of calculating damages, shall be references to the Materials Marketing Plan as revised by this section.

Section 8.3 Submission of Materials Marketing Plan. Submission and acceptance of a Materials Marketing Plan is required as part of this Service Agreement. Upon the Commencement Date, Company shall operate and maintain the Facility in accordance with the interim materials marketing plan approved by CRRA (the "Interim Materials Marketing Plan"). By April 1, 1997 Company shall submit to CRRA for CRRA's approval a more detailed and comprehensive materials marketing plan for the Facility, which plan must comply with all the requirements set forth in Appendix 5. CRRA shall have the right to request modifications or changes to such submitted plan or any plan resubmitted by Company in response to any such request for modifications or changes, as the case may be, and Company shall so modify or change such submitted or resubmitted plan as requested by CRRA. A new Materials Marketing Plan must be submitted to CRRA annually within 10 (ten) months of approval of the last Materials Marketing Plan, and revised and approved in accordance with the above procedures for the initial Materials Marketing Plan.

Section 8.4 Transportation Costs. The Company shall use reasonable efforts to determine if the transportation costs on a per load basis will exceed the amount of Sales Revenue to be paid for such Products and the Company shall notify CRRA within two (2) business days of the cost differential and the number of loads or total tonnage involved and the projected effect on operations including increased costs. To the extent that the Company has become and remains obligated pursuant to contractual arrangements to deliver an agreed upon number of loads or quantities of particular types of Product, (but not to exceed three (3) days of shipment) the Company shall be permitted to complete such deliveries in fulfillment of its obligations.

Upon receipt of notification from the Company, CRRA shall respond by telefax if possible within one (1) business day informing the Company as to CRRA's approval or disapproval of continued transportation of additional quantities or loads of such Products to Purchasers. Failure by CRRA to provide its response, by telefax if possible, within one (1) business day shall be deemed to be a denial of authorization to continue transporting such additional loads or quantities of Products to Purchasers. Approval of CRRA, once given, may be withdrawn upon one (1) day notice, by telefax if possible, to the Company subject to the right of the Company to fulfill its contractual obligations to its customers.

In the event that CRRA fails to authorize the transport of additional loads or quantities of Products to Purchasers after being notified that the transportation costs on a per load basis will exceed the amount of Sales Revenues to be paid for such Products or, in the event that permission, once given, is withdrawn, CRRA and the Company shall jointly confer to determine the most practicable, economically feasible and lawful method for the disposition of such Products.

Section 8.5 All Product Must Be Marketed. Company shall be responsible for arranging for the marketing and transportation of all Products in accordance with the Operation and Maintenance Plan and the Materials Marketing Plan. In the event that market conditions are such that marketing of a specific Product for a Net Sales Revenue greater than zero dollars ($0) is not possible; CRRA and Company shall jointly confer to determine the most practicable, economically feasible and lawful method for the disposition of such Product. In no event shall the unmarketed Product be treated or considered as Residue under the Agreement. Company shall also immediately prepare a marketing restoration plan to describe the nature of such market conditions, the potential financial impacts of such conditions, the steps to be taken by Company to restore the marketability of such materials and a time frame for such action. Except as otherwise directed by CRRA, the most financially beneficial strategy must be pursued by Company.

In the event of termination of this Service Agreement, Company agrees to assign to CRRA any agreements between Company and any third party for the marketing of Products from the Facility which are assignable in nature.

Section 8.6 Reporting Requirements. In addition to the reporting requirements described in Section 3.13 of this Service Agreement Company shall report monthly in writing regarding the marketing strategy used during the previous month including any sales commitments for Products. Company shall respond to any reasonable inquiry of CRRA for additional information related to marketing.

ARTICLE IX
CHANGES TO FACILITY

Section 9.1 CRRA Design Changes. CRRA shall have the right to require changes to the design of the Facility during the term of this Service Agreement. If any such change adversely affects Company's costs, guarantees, warranties, and/or any other obligations set forth in the Service Agreement or affect Company's costs of operation and maintenance of the Facility, the Guaranteed Facility Capacity, or the Guaranteed Product Quality, the affected number or standard shall be appropriately adjusted to reflect the increased costs or changed circumstances. If CRRA and Company cannot agree to the appropriate adjustment then the dispute shall be submitted to an arbitrator who shall make the appropriate adjustments within fifteen (15) calendar days of submission. After the adjustment is made by the arbitrator CRRA may elect to proceed or not proceed with the work in accordance with the arbitrator's adjustment.

Section 9.2 Changes in Facility Design. Company shall be solely responsible for the design, construction and installation of any Design Change. CRRA shall be responsible for all costs of changes in design, construction and installation of all approved changes to the Facility.

Section 9.3 Company Design Changes to Facility. Company shall have the right to make changes to the Facility, at its sole cost and expense, but only after written notice to CRRA containing detailed information concerning the changes and expected effects on Company's guarantees of performance and only to the extent that such changes (i) do not adversely affect Company's guarantees of the Facility's performance set forth in this Service Agreement, (ii) do not impair the quality and integrity of the Facility as set forth in this Service Agreement, and (iii) do not impair Company's ability to fulfill all of its obligations under this Service Agreement. CRRA must consent in writing before Company may proceed with any work relating to the change, which consent shall not be unreasonably withheld.

Section 9.4 Impact of Design Changes. With respect to any changes requested by CRRA pursuant to Section 9.1, Company shall furnish CRRA with (i) a statement of work, (ii) a firm price quotation for design and installation, (iii) the effect, if any, on the performance guarantees set forth in Appendix 2 of this Service Agreement, (iv) the effect, if any, on the Company's obligations and undertakings as set forth in this Service Agreement, and (v) any adjustment to Facility costs as set forth in this Service Agreement resulting from the Design Change. If the parties cannot agree upon the price or any other effects of a Design Change the dispute shall be subject to resolution in accordance with Article X hereof.

Section 9.5 Construction Monitoring of Design Changes. CRRA and its authorized engineer shall have the right to monitor Company's performance of its obligation to design, construct install and, if applicable, to start-up and acceptance test, any Design Change undertaken by Company.

CRRA and the Company agree to mutually review, and in good faith attempt to resolve, any disputes arising out of construction monitoring activities of Design Changes, before the disputes are submitted to arbitration. If the parties cannot resolve a dispute, then the dispute shall be resolved in accordance with Article X of this Service Agreement, except that, if arbitration is used, the AAA (as herein defined) construction industry arbitration rules shall govern.

ARTICLE X
ARBITRATION

Section 10.1 Scope. All claims, controversies, and disputes concerning either party's performance of its obligations under this Service Agreement (except claims for damages in excess of $200,000.00) shall be finally decided by a single arbitrator in binding arbitration in accordance with the commercial or other applicable arbitration rules, of the American Arbitration Association

("AAA"), as modified by the provisions of this Agreement. The parties acknowledge that this Service Agreement is a contract affecting interstate commerce and that this agreement to arbitrate is subject to and enforceable in accordance with the Federal Arbitration Act, 9 U.S.C. Section 1 et seq. CRRA and Company shall negotiate in good faith promptly after the Commencement Date to select an arbitrator to settle disputes pursuant to this Article. If none is selected by the time a dispute arises, an arbitrator shall be selected as below.

Section 10.2 Arbitration Procedure.

(a) Either CRRA or Company may initiate arbitration proceedings by giving written 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. Any arbitration proceedings must be initiated within ten (10) business days of the initiating party's knowledge of the claim, dispute or matter in question.

(b) An arbitrator shall be selected at random from a list provided by AAA. If no arbitrator on the list is willing to serve, or if Company or CRRA cannot agree on an arbitrator within five (5) business days of receipt of said list from AAA, then an arbitrator shall be selected by the AAA.

(c) No individual who is, or has at any time been, an officer, employee, representative, or consultant of Company, an Affiliate of Company, or CRRA or who is otherwise an interested party, shall be an arbitrator without the express written consent of the Company and CRRA.

(d) The costs of arbitration shall be shared equally by the parties and each party shall bear its own costs 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 attorneys' fees (not to exceed a rate of $150.00 dollars per hour) and other costs, be paid by the losing party.

(e) All arbitration proceedings shall be held in Hartford, Connecticut. The arbitrator may request any party to produce information deemed necessary by him for a fair determination of the issues. Each party so requested to produce information shall do so within fifteen (15) calendar days of each such request or shall immediately respond to the request by explaining why compliance is not possible within fifteen (15) calendar days. The arbitrator may then order compliance and failure to comply with the order shall be an Event of Default on the part of the non-complying party.

(f) Except as otherwise provided for herein, 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 Service Agreement, the arbitrator shall not modify the remedies specifically set forth in this Service Agreement for CRRA and Company.

(g) All legal issues arising in connection with a dispute to be determined by an arbitrator shall be governed by the laws of the State of Connecticut.

Section 10.3 Covenant to Continue Work. During arbitration of any dispute under Article X, Company and CRRA shall each continue to perform all of their respective obligations under this Service Agreement without interruption or slow down, provided that the undisputed portion of any disputed payment shall have been made by the party required to make the same.

Section 10.4 Failure of Arbitrator to Meet Time Requirements. The failure of the arbitrator to take any action within time requirements imposed by this Service Agreement or otherwise shall not be construed to be an approval of any request, notice, etc. which must be submitted and approved or denied pursuant to this Service Agreement within a limited period of time.

ARTICLE XI
INSURANCE

Section 11.1 Maintenance. Company shall obtain, pay for and maintain the insurance coverage described in this Article XI and Appendix 7. Each insurance company shall either be licensed by the State of Connecticut and have a Best's Key Rating Guide of B+ VIII or better, or be otherwise deemed acceptable by CRRA in its sole discretion. CRRA shall be named as an additional insured on all policies and certificates (except those for workers' compensation insurance and employers' liability insurance). All policies shall contain a waiver of subrogation holding CRRA free and harmless from all subrogation rights of the insurer. The scope of insurance coverage may be modified from time to time by mutual agreement between CRRA and Company. At its option, CRRA may elect to place some or all of the insurance required hereunder, and Company shall pay for all costs associated with any placement of such insurance by CRRA.

Section 11.2 Other Coverage. Any additional coverage or higher limits of insurance requested by CRRA shall be provided by Company, to the extent available, and will be paid by CRRA. Any additional insurance, either in amount or type, the Company wishes to carry will be at its own expense for its protection.

Section 11.3 Certificates of Insurance. Certificates of insurance in a form satisfactory to CRRA must be furnished in accordance with the requirements of this Service Agreement when this Service Agreement is signed, and include the requirement for thirty (30) calendar days, prior written notice to each additional insured by registered or certified mail of cancellation, non-renewal or change in coverage.

Section 11.4 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 11.5 Contractor's Subcontractors. Company shall either have its subcontractors covered under the insurance required hereunder, or require such subcontractors to procure and maintain the insurance that Company is required to maintain and procure under this Service Agreement.

Section 11.6 No Limitation. Nothing contained in this Article XI or elsewhere in this Service Agreement shall be construed or deemed to limit either party's obligations to the other under this Service Agreement to pay damages or other costs and expenses.

Section 11.7 Deductibles. No policy required to be purchased pursuant to this Article XI shall be subject to a deductible or similar provision limiting or reducing coverage except as described in Appendix 7. Any sum owed to any person which is subject to a deductible shall be paid by Company.

Section 11.8 Payment by CRRA. Should the Company fail to effect, maintain or renew any kind of required insurance provided for in this Article XI, or to pay the premium therefor, then and in any of said events, CRRA at its option, but without obligation to do so, may upon ten (10) business days prior notice to the Company of it its intention to do so, procure such insurance and the Company shall repay to CRRA any amount expended by CRRA to procure any such required insurance.

ARTICLE XII
INDEMNIFICATION

Company shall at all times defend, indemnify and hold harmless CRRA and its board of directors, officers, agents and employees on account of and from and against any and all claims, damages, losses, judgments, workers' compensation payments, costs and expenses (including but not limited to attorneys' fees) arising out of injuries to the person (including death), damage to property or other damages alleged to have been sustained by: (a) CRRA or any of its directors, officers, agents or employees, or (b) Company 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 or alleged to have been caused in whole or in part by the acts, omissions or negligence of Company or any of its directors, officers, employees, agents, subcontractors or materialmen. Company further undertakes to reimburse CRRA for damage to property of CRRA caused by Company 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.

Company's obligations under this Article XII shall survive the termination or expiration of this Service Agreement. The existence of insurance shall in no way limit the scope of this indemnification, but any provisions herein waiving subrogation shall not be affected by this indemnification.

CRRA shall provide Company with reasonable notice of the assertion of any claim against CRRA for which it is entitled to be indemnified in this Article, shall give Company the opportunity to defend such claim and shall not settle such claim without the approval of Company.

ARTICLE XIII
EVENTS OF DEFAULT

Section 13.1 Remedies for Default. Each party shall have the right to terminate this Service Agreement for cause where there is an Event of Default on the part of the other party. Absent an Event of Default, neither party may terminate this Agreement and the parties shall be limited to damages, reimbursement, and other relief explicitly provided by this Agreement, unless otherwise specifically provided herein. If CRRA declares an Event of Default by Company, CRRA may elect not to immediately terminate this Service Agreement but to collect damages in accordance with this Service Agreement. The failure of CRRA to immediately terminate this Service Agreement shall not prevent CRRA from later terminating this Service Agreement.

Section 13.2 Events of Default by Company. Each of the following shall constitute an Event of Default on the part of the Company:

(a) The failure by Company to fulfill, substantially in accordance with this Service Agreement, any of Company's obligations under this Service Agreement including but not limited to the failure on the part of Company to pay any undisputed amount required to be paid to CRRA under this Service Agreement within thirty (30) calendar days after such amount becomes due and payable, failure by Company to operate the Facility at a throughput rate of at least eighty five percent (85%) of the Guaranteed Facility Capacity as adjusted, for a period of 90 calendar days during any consecutive 180 day period. Said 90 calendar days need not be consecutive to cause an Event of Default, unless such failure can be justified by an Uncontrollable Circumstance or failure to act by CRRA, provided, however, that no such action shall constitute an Event of Default giving CRRA the right to terminate this Service Agreement under this paragraph unless and until:

(i) CRRA has given written notice to Company by certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute a breach of this Service Agreement on the part of Company, and

(ii) Company has not corrected such default or has not taken adequate steps to promptly correct the same within thirty (30) calendar days from the date of receipt of the notice.

(b) The filing against Company of an involuntary petition for bankruptcy, winding up, reorganization, or insolvency under the Federal Bankruptcy Code or under the laws of any other jurisdiction, if such petition is not discharged and/or withdrawn within sixty (60) calendar days of the date of such filing. Promptly upon the filing of any petition for involuntary bankruptcy, Company shall provide CRRA with all of the pertinent details relating to the petition(s), Company's most recent audited and unaudited financial statements, and any other information and data which is available and, as promptly as practicable, such other information and data requested by CRRA and deemed necessary for such review. If CRRA shall determine from its review, in its sole and absolute discretion, that the petition lacks merit or Company has sufficient assets to pay all of its liabilities as they become due, CRRA may forbear from declaring an Event of Default.

(c) Company ceasing to pay its debts, unless contested in good faith, as they mature, or the written admission by Company that it is insolvent or bankrupt, or the filing by Company of a voluntary petition under the Federal Bankruptcy Act or under the laws of any other jurisdiction, or the consent or acquiescence by Company to the appointment by a court of a receiver, liquidator, or trustee for all or a substantial portion of its property or business, or the making by Company of any arrangements with it for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of Company's property and assets.

(d) The persistent and repeated breach by Company of its representations, warranties, or covenants hereunder.

(e) If CRRA determines that any of the following have occurred or are occurring, CRRA may declare an Event of Default.

(i) the Facility or Facility Site equipment or fixtures owned by CRRA have been or are being damaged or are not being properly maintained in accordance with manufacturer's recommendations or the Operation and Maintenance Plan.

(ii) any equipment ordered or installed by Company pursuant to this Service Agreement is not the equipment specified in notification to CRRA prior to receiving written approval for ordering and installation of such equipment.

(iii) Changes to the Facility have been or are being designed, constructed, installed, maintained or operated in a manner which CRRA determines may impair warranties on any equipment, fixtures or other property of CRRA comprising part of the Facility.

If CRRA declares an Event of Default under this subsection, Company shall at CRRA's option immediately vacate the premises, if requested to do so by CRRA, and shall immediately take whatever steps requested by CRRA, and/or that are otherwise necessary to correct the default.

Section 13.3 Events of Default by CRRA. Each of the following shall constitute an Event of Default on the part of CRRA:

(a) The failure of CRRA to fulfill its obligations (other than payment obligations) substantially in accordance with the terms of this Service Agreement unless such failure or refusal can be excused or justified by an Uncontrollable Circumstance or default or failure or refusal to act by Company, provided, however, that no such default shall constitute an Event of Default unless and until:

(i) Company has given written notice to CRRA by certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach of this Service Agreement on the part of CRRA, and

(ii) CRRA has not corrected such default or has not taken adequate steps to promptly correct the same within thirty (30) calendar days from the date of receipt of the notice.

(b) The persistent and repeated failure on the part of CRRA to pay any undisputed amount required to be paid to Company under this Service Agreement within thirty (30) calendar days after such amount becomes due and payable unless such failure or refusal can be excused or justified by an Uncontrollable Circumstance or default or failure or refusal to act by Company, provided however, that no such default shall constitute an Event of Default unless and until:

(i) Company has given written notice to CRRA by certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach of this Service Agreement on the part of CRRA, and

(ii) CRRA has not corrected such default or has not taken adequate steps to promptly correct the same within thirty (30) calendar days from the date of receipt of the notice.

ARTICLE XIV
TERMINATION

Section 14.1 Mitigation. Company and CRRA agree that in the event one party terminates the other party due to an Event of Default, the injured party is entitled to all rights and benefits of this Service Agreement; provided, however, that 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 terminated party.

Section 14.2 Termination by CRRA. If CRRA terminates this Service Agreement for an Event of Default on the part of Company, Company shall:

(a) promptly vacate the Facility and Facility Site, if requested to do so by CRRA:

(b) pay to CRRA a one-time lump sum payment as punitive damages in the amount of Three Hundred Fifty Thousand and 00/100 ($350,000.00) Dollars and there shall be no other punitive damages paid; and

(c) pay to CRRA actual damages in addition to said punitive damages, resulting from the breach and subsequent termination.

(d) upon payment by Company to CRRA of all damages, losses, or other required payments, pursuant to the terms of this Service Agreement, all of Company's and CRRA's obligations hereunder and representations shall cease, except as otherwise specifically provided herein.

Section 14.3 Termination by Company. If Company terminates this Service Agreement for an Event of Default on the part of CRRA then:

(a) CRRA shall pay to the Company, subject to Cost Substantiation, the payments, if any, due and payable, for all work performed prior to the date of termination; plus

(b) all direct costs and expenses incurred by Company in connection with such termination, including reasonable cancellation charges, if any, from vendors, suppliers or Purchasers of Product, for which Company shall provide Cost Substantiation, but not include any overhead costs; plus

(c) a one-time lump sum payment of Three Hundred Fifty Thousand and 00/100 ($350,000.00) Dollars; minus

(d) the amount of any adjustments favorable to CRRA including any damages owed by Company to CRRA.

Section 14.4 CRRA Rights to Company Technical Information. If this Service Agreement is terminated whether because of default or expiration or otherwise, Company shall provide all design information, including accurate drawings and specifications, construction and operational information and technology, both technical and non-technical, whether or not proprietary, and all patent, trademark and copyright licenses and permits and any other licenses required in order that CRRA may, at its option, operate and maintain, or contract for the operation and maintenance of the Facility. Additionally, all warranties of material and equipment including those related to and covering the material and any equipment manufactured by Company and/or any Affiliate shall be assigned by Company to CRRA.

ARTICLE XV
WARRANTIES AND GUARANTEES OF EQUIPMENT AND MATERIAL

The Company warrants all workmanship, equipment and materials furnished by or on behalf of Company under this Service Agreement against defects, provided however that the forgoing shall not be construed to limit in any way Company's obligation to process all Recyclable Materials in accordance with the terms of this Service Agreement. The Company shall obtain all warranties and guarantees of any equipment and/or materials furnished hereunder by Company that are assignable to CRRA and shall assign such warranties and guarantees to CRRA to become effective upon termination or expiration of this Service Agreement. Company shall be obligated to repair or replace any workmanship, materials or equipment which are or become defective during the term of this Service Agreement.

Company shall have the obligation to ensure that all work performed by or on behalf of Company has been performed in a workmanlike manner, and that there are no errors, omissions or defects in the work, construction or installation methods. Company's warranty of its workmanship and of the equipment and materials as herein specified, and its obligation to assign warranties and guarantees as herein specified, shall survive termination or expiration of this Service Agreement.

ARTICLE XVI
CONFIDENTIALITY

Section 16.1 Connecticut Freedom of Information Act. Company and CRRA acknowledge and agree that this Service Agreement and the information contained herein are subject to the applicable provisions of the Connecticut Freedom Information Act. CRRA may give Company notice of its receipt of any request for information regarding this Service Agreement or any information contained herein. CRRA may consult with Company prior to submitting any response to such request unless CRRA in its sole judgment determines that as a matter of Connecticut law such information cannot be kept confidential. The parties hereby acknowledge and agree that the determination of the confidentiality of any information subject to this Service Agreement shall be determined as an issue of Connecticut law. All costs associated with attempting to keep Company information confidential, including costs incurred by CRRA, shall be paid by Company.

ARTICLE XVII
REPRESENTATIONS

Section 17.1 Representations of CRRA. CRRA represents that:

(a) CRRA is a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut and existing and in good standing under the laws of the State of Connecticut and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Service Agreement and each other agreement or instrument entered into or to be entered into by CRRA pursuant to this Service Agreement.

(b) CRRA has the power, authority and legal right to enter into and perform and be bound by the terms of this Service Agreement, and each other agreement or instrument entered into or to be entered into by CRRA pursuant to this Service Agreement, and the execution, delivery and performance hereof or thereof (i) have been duly authorized, (ii) have the requisite approval of all necessary governmental bodies, (iii) will not violate any judgment, order, law or regulation applicable to CRRA or any provisions of CRRA's charter or by-laws and (iv) do not constitute a default under or result in the creation of any lien, charge or encumbrance to which CRRA is a party or by which CRRA or its assets may be bound or affected.

(c) this Service Agreement and each other agreement or instrument entered into by CRRA pursuant to this Service Agreement has been duly entered into and, as of the Commencement Date, constitutes a legal, valid, and binding obligation of CRRA, enforceable in accordance with its terms.

(d) there are no pending or threatened actions or proceedings before any court or administrative agency which would materially affect the ability of CRRA to perform its obligations under this Service Agreement, or under any other agreement or instrument executed or to be executed pursuant to this Service Agreement, to which CRRA is, or will become, a party.

Section 17.2 Representations of Company. Company represents that:

(a) Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and is authorized to do business in the State of Connecticut.

(b) Company has full corporate power and authority to enter into, and be bound by, the terms and conditions of this Service Agreement, and any documents, agreements or instruments executed pursuant thereto.

(c) Company has been duly authorized to enter into the transactions contemplated hereby, with all necessary board of directors and stockholder action with respect thereto, and no further corporate action is necessary.

(d) Company has the power, authority and legal right to enter into and perform and be bound by the terms of this Service Agreement, and each other agreement or instrument entered into or to be entered into by Company pursuant to this Service Agreement, and the execution, delivery and performance hereof or thereof:

(i) has been duly authorized,

(ii) has the requisite approval of all necessary governmental bodies,

(iii) will not violate any judgment, order, law or regulation applicable to Company or any provisions of Company's charter or by-laws, and

(iv) does not constitute a default under any obligation or result in the creation of any lien, charge, or encumbrance to which Company is a party or by which Company or its assets may be bound or affected.

(e) there are no pending or threatened actions or proceedings before any court or administrative agency which would materially affect the ability of Company to perform its obligations under this Service Agreement, or under any other agreement or instrument executed or to be executed pursuant to this Service Agreement to which Company is, or will become, a party.

(f) this Service Agreement and each other agreement or instrument entered into by Company pursuant to this Service Agreement has been duly entered into and, as of the Commencement Date, constitutes a legal, valid and binding obligation of Company, enforceable in accordance with its terms.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1 Uncontrollable Circumstances.

(a) Each party to this Service Agreement will be excused for failure or delay in performance of any obligation required herein by reason of an Uncontrollable Circumstance, except that no party shall be excused from making payments required by this Service Agreement as adjusted for output affected by the Uncontrollable Circumstance.

(b) Each party shall assume the risk for all losses and damages directly incurred by them, except as otherwise explicitly set forth in this Service Agreement, which arise out of an Uncontrollable Circumstance. Neither party shall be entitled to recover from the other lost Sales Revenues due to an Uncontrollable Circumstance.

(c) The party asserting that an Uncontrollable Circumstance exists shall, as a condition precedent to the right to claim the benefits resulting therefrom, notify the other party of the Uncontrollable Circumstance promptly after becoming aware of such Uncontrollable Circumstance, and in any event not more than forty-five (45) calendar days after its occurrence, and shall, withing fifteen (15) calendar days of such initial notice, provide a written notice of : (i) all relevant information regarding the nature and duration of the Uncontrollable Circumstance; (ii) the effect, if any on either party's obligations under this Service Agreement; and (iii) available means of mitigation or saving costs as a result of such event. Each party shall continue to keep the other party advised with respect to the anticipated impact of an Uncontrollable Circumstance. In the event notice is not given within the forty-five (45) calendar day period, the party which is affected by the Uncontrollable Circumstance shall lose all right to claim to be excused from performance in any way as a result of the Uncontrollable Circumstance.

Section 18.2 Facility Access. During the term of this Service Agreement, CRRA and its representatives, invitees and representatives of regulatory agencies shall have the right of access to the Facility provided that such visitation shall be conducted in a manner so as to minimize interference with Company's performance and operations. In connection with any such visits, CRRA shall cause its invitees to comply with all reasonable rules and regulations adopted by Company and approved by CRRA. Provided, however, that the area designated on the plan contained in Appendix 1 as "Viewing Area" shall be accessible to CRRA employees, officers and invitees at all times during Facility operations.

Section 18.3 Compliance with Law. Company and its Contractors and Subcontractors (hereinafter in this Section "Company") shall comply with all laws, regulations, orders and permits applicable to the operation and maintenance of the Facility including but not limited to: federal and state laws, executive orders, and local regulations governing the environment, payment of wages, and equal opportunity and fair employment practices. Without limiting the generality of the foregoing, Company shall specifically comply with Sections 31-53 and 31-54 (inclusive) of the Connecticut General Statutes.

Section 18.4 Non Discrimination. Company agrees to the following: (a) Company agrees and warrants that in the performance of this Service Agreement the Company 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 Company that such disability prevents performance of the services involved; (b) Company agrees, in all solicitations or advertisements for employees placed by or on behalf of Company, 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"); (c) Company agrees to provide each labor union or representative of workers with which Company has a collective bargaining agreement or other contract or understanding and each vendor with which Company has a contract or understanding, a notice to be provided by the Commission, advising the labor union, workers' representative and vendor of Company'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; (d) Company 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; (e) Company 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 Company as relate to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the Connecticut General Statues. Company agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials for the services hereunder.

Section 18.5 Status of Contractor. CRRA and Company acknowledge and agree that Company is acting as an independent contractor in performing any services for CRRA hereunder and that Company shall perform such services in its own manner and method subject to the terms of this Service Agreement. Nothing in this Service 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 Company other than that of an owner and an independent contractor. Company is expressly forbidden from transacting any business in the name of or on account of CRRA, and Company has no power or authority to assume or create any obligation or responsibility for or on behalf of CRRA in any manner whatsoever.

Section 18.6 Company's Employees. All persons employed by Company shall be subject and responsible solely to the direction of Company and shall not be deemed to be employees of CRRA.

Section 18.7 Mechanic's Liens. Company and its Contractors or Subcontractors shall claim no interest in the Facility Site or in any equipment, fixtures, improvements located thereon or related thereto, and shall not file any mechanic's liens or other liens or security interests against CRRA or any of its properties. Company shall defend, indemnify and hold harmless CRRA against all costs associated with the filing of such liens or security interests by Company or any of its Contractors or Subcontractors. Before any Contractor or Subcontractor of Company commences any services hereunder, Company shall deliver to CRRA an original waiver of mechanic's liens properly executed by such Contractor or Subcontractor. If any mechanic's lien is filed against CRRA or any of its properties in connection with the services performed by or on behalf of Company hereunder, Company shall cause the same to be canceled and discharged of record within fifteen (15) days after the filing of such lien and, if Company 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 Company hereunder or reimbursed to CRRA promptly upon demand by CRRA to Company.

Section 18.8 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 Company, nor be withheld from payment to Company by CRRA. No workers' compensation insurance has been or will be obtained by CRRA on account of the services to be performed hereunder by Company, or any of its employees, agents, Contractors, Subcontractors or materialmen. Company shall be responsible for paying or providing for all of the taxes, insurance and other payments described in this Section 18.8, and Company hereby agrees to indemnify and hold CRRA harmless against any and all such taxes, insurance, payments or similar costs which CRRA may be required to pay in the event that Company's status hereunder is determined to be other than that of an independent contractor.

Section 18.9 Proprietary Information. Company shall not use, publish, distribute, sell or divulge any information obtained from CRRA by virtue of this Service Agreement for Company's own purposes or for the benefit of any person, firm, corporation or other entity without the prior written consent of CRRA. Any reports or other work product prepared by Company in connection with the performance of any services hereunder shall be owned solely and exclusively by CRRA and cannot be used by Company for any purpose beyond the scope of this Service Agreement without the prior written consent of CRRA. CRRA shall not use, publish, distribute, sell or divulge any information or work product developed by Company specifically for CRRA under this Service Agreement for the benefit of any employee, firm, corporation or other entity, other than CRRA.

Section 18.10 Assignment. Neither party to this Service Agreement shall assign this Service Agreement, or any document or instrument executed in connection therewith without the prior written consent of the other. Notwithstanding the foregoing, CRRA is permitted to assign this Service Agreement, and any related documents and instruments to the State of Connecticut or an agency of the State of Connecticut.

Section 18.11 Subcontracts, Assignment, and Default. Company shall consult with CRRA before hiring any Subcontractors to perform any of the services hereunder. Company shall require all of its Subcontractors performing such services to abide by the terms and conditions of this Service Agreement. Moreover, Company's subcontracts with such Subcontractors shall specifically provide, that in the event of a default by Company thereunder or under this Agreement, CRRA may directly enforce such subcontracts and make payments thereunder. Company shall provide CRRA with all contracts, amendments, books, records, accounts, correspondence and other materials necessary to enforce such subcontracts. Also, Company'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 Company by any reason other that through such subcontracts.

Section 18.12 Notices. All notices, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or sent by overnight express mail service or certified or registered mail, postage prepaid with return receipt requested, at such addresses; provided, if such notices, demands, requests , or other communications are sent by certified or registered mail, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday, or day on which United States Mail is not delivered:

(a) If to CRRA:

President
Connecticut Resources Recovery Authority
179 Allyn Street
Hartford, Connecticut 06103

(b) If to Company:

President
FCR Redemption, Inc.
2101 Rexford Road
Suite 236-E
Charlotte, N.C. 28211

Any party may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee thereof.

Any notice period which expires on a Saturday or Sunday shall instead expire on the next business day.

Section 18.13 Relationship of the Parties. Neither party to this Service Agreement shall have any responsibility to perform services for or to assume contractual obligations which are the obligation of the other party; nothing herein shall render either party, a partner, agent or representative of the other party or create any fiduciary relationship between the parties.

Section 18.14 No Waiver. Failure to enforce any provision of this Service 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 Service Agreement or the right of any party to enforce each and every provision in accordance with the terms. Any waiver shall be in writing and signed by the party granting such waiver. If any provision, responsibility, warranty, or covenant contained in this Service Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under this Service Agreement.

Section 18.15 Authorized Representative. Each party shall identify an authorized representative to be primarily responsible for the interest of that party. The Project Manager of CRRA's Mid-Connecticut Project shall be CRRA's representative under this Service Agreement. The designated plant manager shall be Company's representative. CRRA and Company shall give notice to the other if either elects to change its authorized representative.

Section 18.16 Agreement Governed by Connecticut Law. This Service Agreement shall be governed by, and construed, interpreted and enforced 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 18.17 Sales and Use Tax Exemption. Under Section 12-426-18 of the Regulations of Connecticut State Agencies, Company is permitted to purchase materials and supplies, which are to be physically incorporated in and become a permanent part of the Facility pursuant to this Service Agreement, without payment of Connecticut sales and use tax. In addition, pursuant to Section 12-412 (88) of the Connecticut General Statutes, which law becomes effective on July 1, 1997, the sales of any services or tangible personal property to be incorporated into the Facility or consumed in the operation thereof are exempt from Connecticut sales and use tax. Company shall not charge or pass through to CRRA sales and use tax for which Company is exempt under the aforementioned regulation and statute.

Section 18.18 Entire Agreement. All negotiations, proposals and agreements prior to the date of this Service Agreement are merged herein and superseded hereby, there being no agreements or understandings other than those written or specified herein, unless otherwise identified herein. This Service Agreement and the appendices hereto constitute the entire agreement between CRRA and Company with respect to the operation and maintenance of the Facility, and the marketing of materials from the Facility.

Section 18.19 Modification. This Service Agreement may not be amended, modified or supplemented except by a writing signed by the parties hereto that specifically refers to this Service Agreement.

Section 18.20 Benefit and Burden. This Service Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

Section 18.21 Prevailing Wages. Company agrees to and shall comply with all State of Connecticut requirements relating to payment of prevailing wages when applicable to work or services performed by or on behalf of Company pursuant to this Service Agreement.

Section 18. 22 Usage. 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.

Section 18.23 Captions. 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 Service Agreement.

Section 18.24 Counterparts. This Service 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.

Section 18.25 Severability. CRRA and Company hereby understand and agree that if any part, term or provision of this Service Agreement is held by any court to be invalid, illegal or in conflict with any applicable law, the validity of the remaining portions of this Service Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Service Agreement did not contain the particular part, term or provision held to be invalid, illegal or in conflict with any applicable law.

IN WITNESS WHEREOF, CRRA and Company have caused this Service Agreement to be executed and their respective corporate seals to be hereto affixed, and have caused this Service Agreement to be attested, all by their duly authorized officers or representatives, and Company and CRRA have caused this Service Agreement to be dated as of the date and year first written above.

ATTEST:

FCR REDEMPTION, INC.

By PAUL A. GARRETT
Its PRESIDENT
Duly Authorized

ATTEST:

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By Robert E. Wright
Its Acting President
Duly Authorized

* CRRA's execution of this Service Agreement and the effectiveness of such Agreement as it pertains to CRRA is subject to the approval of the Service Agreement by CRRA's Board of Directors at their March 20, 1997 meeting.

#15:CRN/servagr.wpd

APPENDIX 1

The following plans entitled "RRT DESIGN & CONSTRUCTION CORPORATION MID-CONNECTICUT PROJECT HARTFORD REGIONAL RECYCLING CENTER MATERIALS RECYCLING FACILITY DRAWING NO[S]. #264-101 [through and including] #264-204" plus all detailed attachments thereto are hereby incorporated by reference and made a part of this Service Agreement as if such plans and attachments had been attached in their entirety to this Service Agreement.

APPENDIX 2
PERFORMANCE GUARANTEES

1. Guaranteed Facility Capacity

Recyclable Material Processing

Company shall be obligated throughout the term of this Service Agreement to accept and process all Recyclable Material delivered by or on behalf of CRRA to the Facility, during normal receiving hours, at least to the following limits:

A.	Daily Limit	85 tons/8 hour shift
B.	Monthly Limit	1,849 tons/month
C.	Annual Limit	22,185 tons/year

2. Maximum Residue Guaranty

Company guarantees that the maximum amount of Residue resulting from the processing of Recyclable Materials at the Facility shall be no greater than 7% (seven percent) by weight of the Recyclable Material processed at the Facility calculated on an annual basis. At the end of each Operating Year 7% of the actual tons of Recyclable Materials delivered to the Facility during such Operating Year will be calculated to determine if Company needs to reimburse CRRA pursuant to Section 6.5 of the Service Agreement.

3. Guaranteed Product Quality

Company guarantees that the Facility is capable of producing products of the following qualities, standards and specifications while operating at the Guaranteed Facility Capacity:

A. Glass Cullet

The glass Product(s) shall be comprised of only soda-lime silica glass that has been separated by color (flint, amber, and green), crushed into cullet, which shall be free of ceramic materials and refractory, and rendered into a form that is acceptable for glass manufacture by glass beneficiating facilities. It is expressly understood that the glass cullet is not considered "furnace ready". Glass Product shall be separated by color to the following color separation standards:

i. Flint — 95% Minimum Flint Glass
0.5% Maximum Green Glass

ii. Amber — 90% Minimum Amber Glass

iii. Green — 90% Minimum Green Glass

iv. Mixed Glass

Mixed glass shall be capable of meeting or exceeding industry standards for use as an aggregate in the production of glassphalt or for road base. The gradation requirement is that all (100%) mixed glass must be equal to or less than ½" and, for conservative measure, should be able to pass through a 3/8" sieve. No more than 1.2% should be able to pass through a No. 200 sieve. The middle range can vary considerable.

B. Aluminum

The Aluminum Product(s) shall meet the standards set by the Institute of Scrap Recycling Industries, Inc., for aluminum scrap product grades "Taldon-Baled Aluminum Used Food and Beverage Can (UBC) Scrap" and "Testy-Old Aluminum Foil," as revised, effective August 23, 1989, and as follows:

I. Taldon-Baled Aluminum Used Food and Beverage Can (UBC) Scrap Product shall be comprised of one-hundred percent (100%) aluminum used food and beverage cans that shall not contain any other materials (which shall have been rinsed clean of their contents), and which is condensed into bales which shall have a minimum density of 14 lbs. per cubic foot for unflattened UBC, and a minimum density of 22 lbs. per cubic foot for flattened UBC. Bales shall be a minimum size of 30 cubic feet for flattened UBC. Bales shall be a minimum size of 30 cubic feet with dimensions of the ranges 24" to 40" by 30" to 52" by 40" to 84", and which shall be tied with four to six 5/8" x .020" steel bands, or six to ten #13 gauge steel wires (aluminum bands or wires are acceptable in equivalent strength and number). Moisture content shall not exceed what is delivered with the material.

ii. Testy-Old Aluminum Foil Product shall be comprised of clean, old, pure, uncoated, unalloyed aluminum foil, free from anodized foil, radar foil and chaff, paper, plastics, or any other foreign materials, which shall be condensed into either bales or briquettes.

C. Metal (other than 100% used aluminum beverage) Cans

Metal Can Product shall consist of any type of clean metal cans (other than 100% aluminum used beverage cans) which shall be formed into either densified can biscuits or baled in such a manner so as to render the Product suitable for shipment to and acceptance by the Product Purchaser, and shall be free of any other material except paper labels. Moisture content shall not exceed what is delivered with the material.

D. PET Plastic Beverage Containers

PET Plastic Beverage Container Product shall consist of clean PET Plastic Beverage Containers baled in such a manner so as to render the Product suitable for shipment to and acceptance by the Product Purchaser, which bales shall be free from other materials except paper labels and which shall contain less than fifty percent (50%) PET Beverage Containers with metal caps. Moisture content shall not exceed what is delivered with the material.

E. HDPE Plastic Beverage Containers

HDPE Plastic Beverage Container Product shall consist of clean HDPE Plastic Beverage Containers baled in such a manner so as to render the Product suitable for shipment to and acceptance by the Product Purchaser, and which bales shall be free from other materials except paper labels. Moisture content shall not exceed what is delivered with the material.

F. Aseptic Packaging

Aseptic Packing shall consist of poly coated milk and juice cartons and juice boxes baled in such a manner so as to render the Product suitable for shipment to and acceptance by the Product Purchaser and which bales shall be free from other materials. Moisture content shall not exceed what is delivered with the material.

APPENDIX 3

SPARE PARTS LIST
CP MANUFACTURING INC.
CD3000 CAN DENSOR

Part Number	Description	Qty.
5-013714	RE-10 Filter	1
5-009784	Bale Retainer Springs (Right)	1
5-009776	Bale Retainer Springs (Left)	1
5-027596	Bulb Panel 24 Volt (as per new specs)	1
5-024236	Bulb Panel 36 Volt (as per new specs)	1
5-025402	Limit Switch AB802 T-AP	1
5-025410	Lever AB802 T-WIA	1
5-025410	Lever AB802 T-WIA	1
5-020958	Main Ram Bolts	1
5-020974	Lock Washer	1
5-020966	Nuts	1
5-020427	Seal Kit for Gate Rams	1
5-023612	Pressure Switch 3AC-AD5-P1-D4C	1
5-002802	Tail Pulley Bearing	2
5-016357	20' So. Cord 18/2 (.58/ft.)	1
5-025410	SK-16-2 Seal Kit for: CV1-16, SV1-16, SV2-6, RV3-6	1
5-020370	SK-20-2 Seal Kit for SV2-20	1
5-021717	SK-20-3S Seal Kit for DPS Valve	1
5-021695	Solenoid Coil	1
5-020508	SV5-16C Cartridge	1
5-022519	CV2-20-P-0-5	1
5-021687	SV1-10-C-0-00	1
5-020486	SV3-16-0-0-00	1
5-014621	IDEC Relay RR3 PAV	1

SPARE PARTS LIST
CRRA
COUNT RECYCLING EQUIPMENT

1. (1) ONE 3/4 HP 1725RPM 240/480V 3HPH
   C FACE ELECTRIC MOTOR FOR CONVEYOR

2. (1) ONE 1.0 HP 1725RPM 240*480V 3HPH
   C FACE ELECTRIC MOTOR FOR CONVEYOR

3. (1) ONE 1 1/2HP 1725RPM 240/480V 3HPH
   C FACE ELECTRIC MOTOR FOR CONVEYOR

4. (1) ONE 2.0 HP 1725RPM 240/480V 3HPH
   C FACE ELECTRIC MOTOR FOR SORTCONVEYOR AND TROMMELS

5. (1) ONE 3.0 HP 1725RPM 240/480V 3HPH
   C FACE ELECTRIC MOTOR FOR BOX BELT

6. (1) ONE 15:1 FOOT MOUNTED GEAR REDUCER FOR CONVEYORS

7. (1) ONE 30:1 FOOT MOUNTED GEAR REDUCER FOR CONVEYORS

8. (1) ONE HAMPTON 25:1 FOOT MOUNTED GEAR REDUCER FOR SORT CONVEYOR

9. (2) TWO CP72 V-BELTS FOR CRUSHERS

10. SECTION OF 12" - 14" & 16" - 120# PVC BELT

11. SECTION OF 30" - 150 # PVC G1S BELT

12. SECTION OF 48" - 150 # PVC G1S BELT

13. SECTION OF 30" BOX BELT

14. (1) ONE 125J60 ALLIGATOR J SERIES STAPLE FASTENER - JOINT 60" OF BELT

15. 10' NCI BULK CABLE HINGE PIN FOR #125 FASTENERS

16. (1) ONE #C187.4 ALLIGATOR #125 STAPLE FASTENER INSTALLATION TOOL

17. REPLACEMENT SET (4) OF 2.0 X 3.0 X 20.0 HEAT TREATED TOOL STEEL BARS FOR 24" CRUSHER

18. (2) TWO BOLTS 2 LB/16" PILLOW BLOCK BEARINGS FOR CRUSHERS

SPARE PARTS LIST
CRRA
COUNT RECYCLING EQUIPMENT

19. 1" WEAR PLATES FOR 24" CRUSHER

20. (2) TWO AB 800H - JR2A 3 PCS SWITCH

21. (4) FOUR AB 800T XA CONTACT BLOCK

22. (2) TWO AB 100 AU9NO3 CONTACTOR

23. (2) TWO AB SOCH-UR39 POTENTIOMETER 10ME

24. (5) FIVE AB 880T- XA CONTACT BLOCK

25. (2) TWO BUSS FRS-R15 FUSE

26. (2) TWO BUSS FRS-R40 FUSE

27. (2) TWO BUSS FRS-R60 FUSE

28. (2) TWO BUXX FRS-R50 FUSE

29. (2) TWO BUSS FRS-R25 FUSE

30. (2) TWO BUSS FRS-R17-1/2 FUSE

31. (2) TWO BUSS FRS-R-30 FUSE

32. (1) TWO BUSS FRN-R15 FUSE

33. (2) TWO BUSS FRN-R5 FUSE

34. (1) ONE AB 140-MN-0240 MOTOR PROTECTOR

35. (1) ONE AB 140-MN-0160 MOTOR PROTECTOR

36. (2) TWO AB 140 -MN-0400 MOTOR PROTECTOR

37. (1) AB 700H-A32A/DPDT SWITCH

38. (2) TWO 30" FLEXCO ALLIGATOR #550 BELT LACING

COUNT RECYCLING SYSTEMS
SPARE PARTS LIST
90" TROMMEL ASSEMBLY

Part #	Qty.	Description
10005870	2	Chain #50
10021308	2	Sprocket - Single #50 - 19T
10021312	1	Sprocket - Double #50 - 19T
10021220	2	Sprocket - Idler

F. W. SCHMIDT ASSOCIATES
SPARE PARTS LIST
BALER FEED CONVEYOR

(2) 6' Lengths off 48" belting

(1) Drive Chain

(1) Each Head and Tail Chain Sprockets

Set Splicing Cleats

SPARE PARTS LIST
AUTO TIE BALER

Quantity	Description	Part Number
10	8 AMP FUSES	858217
2	Red Indicator Lights	858401
1	Power on Light	858299
2	Limit Switch W/arm	858151
1	Limit Switch W/Plunger Head	858153
1	Pressure Switch	858939
1	Pressure Gauge	858941
1	Sight Gage	858043
10	Twister Hooks	700007
10	Inserter Rollers 1 1/4"	880571
10	Wire Guide Rollers 2"	700005
2	Twister Shaft	700001
1	Upper Knife Blade	700220
1	Lower Knife Blade	700221
1	Seal Kit (Wire Cut Cylinder)	880970
20	Dog Springs	880354
10	Spring Loaded Dogs	700284
2	Suction Strainers 3"	869251
2	Elements (return line) 1 1/4"	858263
1	Sensor STI Transmitter	585204
1	Sensor STI Receiver	858305
1	STI Processor	585303
1	STI Delay Card	858306
1	STI Relay Card	858307
1	Main Cylinder Seal Kit	859115
1	Tension Cylinder Seal Kit	859102
1	Main Pump/Mtr Coupling	859294
1	75 HP Main Pump	859200
1	5 HP Cooler Pump	859194

APPENDIX 4

CONNECTICUT RESOURCES RECOVERY AUTHORITY
Mid-Connecticut Regional Recycling Center (RRC)
Revised May 1996

Facility Delivery Standards

Location: Mid-CT Offices: 211 Murphy Road, Hartford, CT 06114

Container Processing Facility
FCR Redemption, Inc.
211 Murphy Road
Hartford, Connecticut
(860) 727-0296

Hours of Operation:
RRC: Monday - Friday, 7 a.m. to 4 p.m.
Transfer Stations: Monday - Friday, 6 a.m. to 2:30 p.m.

Please note: For weeks during which a holiday is observed on a weekday, the facilities will be open on Saturday as follows:
RRC: 7 a.m. - 2 p.m., Transfer Stations: 6 a.m. to 2:30 p.m.

Holidays: Mid-Connecticut Facilities are closed on the following holidays:
New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Delivery Policy:
Loads of residentially-generated recyclables are to be delivered in permitted vehicles containing only the following acceptable materials:

Container Processing Facility:
Commingled food and beverage containers including:
1) Clear glass
2) Brown glass
3) Green glass

Minimum

GFC

Container Processing Facility: (Continued)

4) Metal cans
5) Aluminum cans
6) Aluminum foil
7) PET(#1) plastic containers
8) HDPE(#2) plastic containers
9) Aseptic packaging (milk and juice cartons and juice boxes)

Acceptable Materials

Glass food and beverage containers only - clear, brown, and green bottles up to one (1) gallon in size; washed clean; caps lids, and corks removed; attached labels and neck rings are acceptable;
EXAMPLES: SODA, LIQUOR, WINE, JUICE BOTTLES, JAM JARS, and MASON JARS.

Metal food and beverage containers only - washed clean; up to one (1) gallon in size; clean metal lids acceptable; No. 10 size cans acceptable.
EXAMPLES: SOUP, VEGETABLE, JUICE, and other FOOD CANS; COOKIE TINS; DOG and CAT FOOD CANS.

Aluminum Used Beverage Cans - unflattened; washed clean; self-opening attached tabs acceptable.
EXAMPLES: SODA and BEER CANS.

Aluminum Foil - washed clean; folded flat; free of other materials.
EXAMPLES: ALUMINUM FOIL WRAP, TAKE-OUT ALUMINUM FOIL FOOD CONTAINERS.

PET (Polyethylene Terephthalate) Plastic Containers - code #1; up to three (3) liters in size; washed clean; attached labels acceptable.
EXAMPLES: SODA, JUICE, COOKING OIL, MINERAL WATER, and DISH DETERGENT BOTTLES.

HDPE (High Density Polyethylene) Plastic Containers - code #2; washed clean; up to one (1) gallon in size; attached labels acceptable.
EXAMPLES: MILK JUGS, SPRING WATER, LAUNDRY DETERGENT, BLEACH, and DISH DETERGENT BOTTLES.

Aseptic Packaging - Gable top plastic coated paper containers up to one (1) gallon in size; empty with straws and caps removed.
EXAMPLES: MILK, JUICE CONTAINERS; SMALL SINGLE SERVE JUICE AND MILK BOXES.

Materials Not Accepted

Ceramic plates	light bulbs	spray cans
ceramic cups	mirror glass	syringes
tile	window glass	hypodermic needles
clay pots	crystal	motor oil bottles
porcelain	heat-resistant ovenware	junk mail
Pyrex	drinking glasses	books
stones	plate glass	office paper
gravel	auto glass	telephone books
pots and pans	leaded glass	paint cans
clothes hangers	food contaminated pizza boxes	cereal boxes
beer cartons	non-corrugated cardboard	#3-#7 plastics
waxed corrugated	"Asian" corrugated	notebooks
	anti-freeze containers	newspapers

Delivery Rules and Regulations

1. Only residentially-generated recyclables will be accepted for delivery to the Mid-Connecticut Regional Recycling Center (RRC) and all the recycling transfer stations. All recyclables delivered to the RRC and recycling transfer stations must meet the Facility Delivery Standards as stated herein in order to be accepted for processing.

2. All vehicles delivering to the RRC and the recycling transfer stations must have a valid Mid-Connecticut permit issued by CRRA. Permit stickers must be displayed on roll-off containers as well as the vehicles delivering them.

3. Operators of rear-dumping vehicles will be required to sweep clean all materials from the empty compartment before proceeding to the next tipping area.

4. All deliveries are subject to inspection of the contents by CRRA or its agent prior to, during, and/or after unloading.

5. Haulers may not deliver loads containing recyclables that originate from more than one town. Loads from towns not participating in CRRA's recycling program will not be accepted unless CRRA has authorized such delivery.

6. Mechanical densifying of aluminum containers and plastic containers is prohibited (non-aluminum metal cans may be crushed or flattened).

7. Loads of commingled containers may contain any combination of acceptable container materials except loads containing solely mixed-color (any color combination) glass will not be accepted for delivery.

8. Loads of commingled containers may not be delivered in bags of any type. All commingled containers must be delivered in loose form to both the RRC and the recycling transfer stations.

9. Due to poor quality of pre-sorted bottles and cans previously delivered, CRRA does not encourage deliver of pre-sorted containers. Any town or hauler wishing to deliver pre-sorted containers must first obtain written approval from CRRA.

Load Rejection Policy

Loads will be rejected if they include unacceptable levels of contamination, if they are unprocessable, or they otherwise do not meet the Facility Delivery Standards as determined by CRRA or its agent.

Loads may be rejected before or after unloading. If a delivery is rejected after unloading, it is subject to a $200.00 handling charge. Loads which are rejected prior to unloading will not be subject to a handling charge unless CRRA or its agent determines that such charge is appropriate under the circumstances. Loads which are rejected prior to unloading will be considered as voided transactions and the tonnage will not accrue to the town of origin. CRRA reserves the right to charge additional fees, disposal fees, and or penalties above $200.00 when circumstances warrant such.

Loads will be considered not to meet the Facility Delivery Standards if:

- they originate from more than one town
- they include commercially generated recyclables which are not collected as part of a town's residential program
- they originate from a town or towns that do not participate in the Mid-Connecticut Regional Recycling Program unless authorized by CRRA
- they are found to be contaminated and/or unprocessible
- CRRA has communicated in writing to the hauler that the load or loads cannot be delivered to the RRC without written approval of CRRA

Loads will be considered contaminated if:

- a load of commingled containers contains more than 5% unacceptable containers or materials other than acceptable containers

Loads will be considered unprocessible if:

- acceptance of the load would significantly disrupt the normal operations of the Facility

- more than 25% of a load's glass containers are broken

- more than 25% of aluminum cans are flattened or deformed

- more than 25% of plastic containers are flattened or deformed

- the condition of the load is such that a significant part (or the entire load) of the material would be unmarketable after processing or that by processing the material delivered in the load with the other accepted, processible material, such other accepted, processible material would be rendered unprocessible and/or unmarketable by coming in contact with the material in the load.

Vehicle Standards

- CRRA reserves the right to restrict vehicle access to any and all Mid-Connecticut recycling facilities (including transfer stations).

- All vehicles tipping at the facilities shall be automatic self-dumping vehicles and shall have a minimum capacity of twelve (12) cubic yards.

- Refuse packer trucks may be used in the collection of containers only if the compaction mechanism for the vehicle has been disabled for maximum compaction (so as to minimize breakage). It is preferred that such a vehicle's use be dedicated for recyclable collection. CRRA and its agents will have the right to check vehicles to insure that the compaction mechanism has been disabled for maximum compaction when delivering recyclable containers.

- Use of on-truck densifiers or other mechanical compaction to flatten containers is prohibited.

APPENDIX 5

MATERIALS MARKETING PLAN REQUIREMENTS

The following information, at a minimum, must be submitted to CRRA as part of the Materials Marketing Plan (hereinafter the "Plan") required by Article VIII of the Service Agreement.

I. Statement of Materials Marketing Policy

The Plan shall include a statement of overall policy concerning Product marketing goals, objectives and means.

II. Organization of Marketing Function

The Plan shall include a detailed description of the organization of the marketing function. Said description shall include at the minimum a flow diagram of the function and copies of forms and reports inherent to the function. Specific individuals and responsibilities shall be identified.

III. Identification of Specific Markets

The Plan will include a "Preferred Markets Listing". Said listing will include at least two final consumers of each material and sufficient detail concerning that Purchaser to facilitate the sale of materials to that Purchaser. The Plan will include a mechanism whereby additional names will be added to the Preferred Markets Listing by either the Company or the CRRA as well as the following criteria for inclusion in the Preferred Markets Listing:

Its compatibility with the Product specification of the Facility's Product and the region's recycling programs and policies.

The location where material must be delivered or the ability of the Purchaser to price Product FOB the Facility.

The credit-worthiness of the Purchaser as determined by Company accounting policy.

The history of any business relationship which Company, its employees, or CRRA and its employees has had with the Purchaser.

The Plan shall also include a statement that it is the goal and obligation of the Company to attempt to increase the number of names on the Preferred Markets Listing.

IV. Marketing Meetings

The Plan shall discuss a process whereby the Company and the CRRA formally meet on a quarterly basis (and additionally as requested by CRRA) to review and discuss marketing issues including pricing, contracts for sale of materials, quality control, and market trends.

V. Marketing Strategy

The Plan will detail the marketing strategy to be employed by Company and include the following elements:

Identifying all viable markets.

Soliciting specifications, pricing and contract proposals.

Soliciting transportation costs for each Product.

Negotiating with selected Purchaser.

Monitoring all transportation and sales agreements

Reviewing agreements as they may expire resulting in additional specifications, pricing or contract proposals.

VI. Facility Notification

The Plan shall detail the procedures whereby CRRA is notified of all material sales and transportation agreements on a timely basis to insure proper compliance with this Agreement.

VII. Material Shipments

The Plan shall include a "Preferred Transportation Listing". Said listing shall include at least two transportation options for the shipment of each Product from the Facility to each final consumer of the Preferred Markets Listing. Sufficient detail shall exist for each transportation option so as to facilitate the movement of Product. The Plan shall also detail the procedures whereby shipments of materials are scheduled.

VIII. Quality Control

The Plan shall include the procedures whereby Product quality control is maintained and include the following:

Material Specifications
Training
Ongoing Quality Training
On Line Quality Control
Inventory Inspection
Shipment Inspection
Quality Deviance Notification and Procedures

IX. Contingency for Severe Market Depressions

The Plan shall detail the procedures and obligations of the Company in the event of a severe market depression. Included within the Plan will be the process whereby the CRRA is notified of such an event. Additionally, the Plan will provide the initial planning necessary for the emergency storage of material in the event of a severe market depression.

APPENDIX VI

Mid-Connecticut
Container Processing Facility

Interim Plan of Operations

FCR Redemption, Inc.
Hartford, CT

February 1997

Prepared By:
FCR, Inc.
2101 Rexford Road
Suite 236-E
Charlotte, NC 28211
(704) 365-3444

Table of Contents

1. Fire Protection

A. Fire Protection within the Facility provides complete building sprinkler coverage both wet and dry as appropriate as defined in NFPA 13. The design meets or exceeds the requirements of all local and state fire codes. Additionally, spray coverage is provided for conveyor equipment in accordance with the requirements of Factory Mutual Insurance Underwriters and NFPA 13. Adequate inspections and monitoring will be compiled in accordance with fire codes and regulations.

B. All sprinkler piping is hydraulically calculated to provide the required densities as defined in NFPA 13 and as follows:

(1) Administrative Area:	Light Hazard Occupancy with 0.10 gpm per square foot over 1500 sq. ft. area.
(2) Work Rooms:	Ordinary Hazard Group II Occupancy with 0.18 gpm over 2000 sq. ft.
(3) Tipping, Process Area:	Ordinary Hazard Group III Occupancy with 0.20 gpm over 3250 sq. ft. area which includes the 30% for dry pipe systems. 500 gpm outside hoses at base of each riser.
(4) Other:	Two hydrants.

C. In addition to the main fire protection system, portable fire extinguishers, both water and dry chemical are available for employee use in case of an emergency. The water type extinguishers are provided for use in the administrative area only. Maintenance personnel are responsible for the inspection of all portable fire extinguishers, noting if recharging is necessary, damage to the tanks or hoses, etc. Inspection and recharging will be performed by qualified company which performs this function. Periodic inspection by the Maintenance Foreman will occur, filling out the form in the Appendix.

D. Open burning at the Facility is prohibited. Measures will be taken by supervisors to extinguish any non-permitted open burning, immediately.

2. Building & Equipment Maintenance

FCR will employ a full time cleaning superintendent who will oversee building maintenance. Employees who work as multi-material separators will perform daily clean-up. The Facility floors will be swept manually and residue will be deposited into a thirty cubic yard rolloff located inside the building. Concrete reinforced walls and New Jersey Barriers are installed along the tipping floors in order to minimize any blowing of litter. Litter trapped by the fence will also be periodically collected as necessary by the multi-material separators and cleaning superintendent and disposed as residue. The exterior of the building will also be checked periodically each day by the cleaning superintendent. If noticeable, a crew of multi-material separators will be sent outside to pick up the litter.

The Facility processing equipment will be maintained by the machine operators and the Facility mechanic. These personnel are directly supervised by the Director of Maintenance and Safety. These personnel will also be factory trained in the maintenance and operation of this equipment. All forklift maintenance will be handled by the manufacturer under a full maintenance agreement.

The machine operators and Facility mechanic will also conduct scheduled preventative maintenance to minimize breakdowns and maximize equipment life. The following consists of the Facility preventative maintenance program:

a. Daily

- Check baler for oil, leaks, and temperature
- Check, tighten or replace as necessary all baler bolts and nuts and liner plate screws
- Test conveyor system "E" Stops
- Test conveyor system Rope Pull Switch
- Clean vibratory Screens

b. Weekly

- Clean conveyor belts
- Lubricate conveyor belt pins
- Clean/lubricate conveyor side bars, rollers, bushing, links, side wings, impact shoes

- Clean/lubricate screen bearings

- Clean/lubricate magnetic separator

- Check baler hydraulic pressure, cylinder rod seals, and knife blades

- Lubricate glass crusher bearings

- Clean elements and air cleaners for skid steers, and forklifts.

- Lubricate skid steers and forklifts.

c. Monthly

- Clean/lubricate conveyor frame straight tracks, curve tracks and hold down tracks and load bars.

- Clean/lubricate conveyor head shaft bearings and sprockets

- Clean/lubricate conveyor tail shaft bearings and sprockets

- Check adjustment on conveyor belt

- Lubricate conveyor drive reducer

- Lubricate conveyor drive motor and record amperage

- Check alignment of conveyor drive sheave and drive sprocket

- Check tension on conveyor drive V-belt

- Check alignment and lubricate conveyor drive chain and Tork on conveyor drive

- Clean/lubricate Vari-Drive

- Check baler liners

- Check clearance between baler main ram and hold down

- Check clearance between baler shear knives

- Change oil on skid steer and forklift

- Lubricate glass crusher motor

- Check wear on glass crusher hammers

d. Quarterly

- Check conveyor frame alignment

- Clean conveyor head shaft

- Clean conveyor tail shaft

e. Yearly

- Drain and clean Baler Hydraulic Oil

- Have electrician grease all baler electrical motors and check electrical system

The procedures performed and the results of the reviews will be recorded to ensure proper maintenance is performed. The corporate Director of Maintenance and Safety will also monitor these records on a periodic basis. All equipment will be operated in accordance with the instruction and documents given by factory representatives for each individual piece of equipment. Spare parts for each piece of equipment will also be available on site.

Emergency Response Plan

The Facility will be prepared for various emergency situations ranging from weather related disasters to equipment failures. This section will describe the actual procedures to be followed in the event of various emergency situations. Procedures for combating fires and explosions, as well as spills and leaks, will be discussed.

3. Emergency Processing Conditions

The Facility has approximately one week of indoor storage for incoming materials. This time would allow for repair of any broken equipment. Any rolling stock item can be replaced within a day with a rental. Baler and conveyor components can be air freighted and replaced within two days. FCR Redemption, Inc. will maintain the spare parts inventory. This will be monitored on a periodic basis to ensure that critical items are available.

If required, overtime hours of operations, and scheduled weekend processing can be implemented. If volumes stay at elevated levels, a second shift can be added.

In an extreme emergency situation, FCR has two facilities located in Stratford, Connecticut which can be utilized.

4. Emergency Response Information

In the case of an accident or injury to anyone in the Facility, it is the responsibility of the Facility Manager to assess the situation and contact the appropriate emergency response team. These numbers are listed below. Copies of these numbers are kept in each office and are posted by each public and/or Facility phone.

PHYSICIANS/AMBULANCE

Hartford Hospital
Hartford, CT
860-524-3011

Ambulance
860-524-3011
911/Operator

FIRE DEPARTMENT

911/Operator

POLICE

911/Operator

DEPT. OF ENVIRONMENTAL PROTECTION (Hartford Area)

860-566-5599

CONNECTICUT SPILL HOTLINE

860-566-3338

5. Non-Hazardous Residue & Hazardous Waste

A. Non-Hazardous Residue

It is anticipated that no more than 15% (by weight) of the recyclables handled by FCR will be non-hazardous residue waste. This waste includes other household waste not associated with any of the recyclable waste categories such as 3-7 plastics and paper cups. These wastes will be separated by employees from the process stream on the conveyor systems. All residue waste will be removed by CRRA to a Connecticut landfill on an "on-call" basis.

B. Potentially Hazardous Materials (Hazardous Waste)

While it is the policy of the Facility that all trucks carrying potentially hazardous materials will not be allowed to discard their loads onto the Commingled Tipping Floor, there is the possibility that potentially hazardous material may still be found in the process stream. Hazardous materials may be in unmarked containers or in cans sufficiently small enough so as to be overlooked during the initial residue waste inspections by the foreman. Therefore, all operators as well as the foreman will be trained in identifying potentially hazardous materials.

In the event that a potentially hazardous material is found during the final separation process, it will be removed from the process stream by the operator and placed into temporary receptacles. Chemical resistant (neoprene) gloves will be available at the operator's station should they be needed for this purpose. The foreman supervising the operator will then be notified of the discovery. The foreman will be responsible for determining the hazard potential of the removed material.

Should the foreman determine that a potential release of material, fire, or explosion is imminent, he/she will initiate emergency response activities. These activities are discussed later in this document.

C. Handling Unwanted Wastes -- Imminent Danger

Emergency Coordinators

It is not expected that situations of imminent danger will arise as a result of materials introduced to the Facility due to the nature and purpose of the Facility and associated operations. However, situations of imminent danger, or "worst case scenarios" must still be anticipated. Therefore, there will be at least one employee at the Facility with the responsibility for coordinating all potentially hazardous situation response measures at

all times. In the event of the release of a potentially hazardous material, fire, or explosion, the emergency response coordinator shall be notified. In the absence of the response coordinator, a designated alternate shall be notified.

Decisions such as remediation efforts to be taken will be made by the Facility Manager who will serve as the Facility emergency response coordinator. He/she will be responsible for coordinating all response activities, ensuring the health and safety of those on site, and initiating contact with local response units should the need arise. The Facility Manager will have sufficient training to carry out these responsibilities.

Arrangement with Authorities

In the event that the Facility response coordinator or designated alternate determines that an emergency situation does exist, outside persons involved in remediating the situation will be familiar with the Facility and this document. The following agencies will be provided with this information:

Hartford Police Department
Hartford Fire Department

Copies of this document shall be sent certified mail upon approval of the operations plan by CRRA and FCR.

Response Requirement

Table No. 2 is a list of all response equipment along with a description of each item and a brief outline of its capabilities.

Evacuation Plan

Employees will be familiar with the primary evacuation route for their areas as well as alternate routes in the event the primary route is blocked by a fire or a release of hazardous material.

Evacuation of the Facility is signaled by activating internal Facility alarms. Copies of the evacuation plan will be posted throughout the Facility. Evacuation drills will be conducted twice a year to familiarize personnel with evacuation procedures.

Due to the nature of the materials anticipated to be handled at the Facility, it is not expected that any off-site evacuation will ever be necessary. However, if a situation should arise where off-site evacuation

is required, the local police will be advised and assistance requested. The prevailing wind conditions at the time will dictate the immediate response areas. Subsequently, local weather agencies will be contacted concerning long-range wind patterns.

D. Fires

Upon detection, the fire will immediately be reported to the discoverer's foreman. Foreman will be trained to be proficient in assessment and response to emergency situations. Therefore, the notified foreman will immediately report to the area and assess the situation. The foreman will conduct his/her assessment and reach several conclusions. The following questions will be among those answered:

1) Is the fire controllable by Facility personnel?

2) Is there an immediate danger to a response team or the environment?

3) Does an explosion potential exist?

In the general case, it is anticipated that fires which could occur will not be able to be contained by Facility personnel. The following procedures will be undertaken in these instances:

1) The foreman will notify the emergency coordinator (plant supervisor) of his/her decision that the fire is not controllable by in-house personnel. The emergency coordinator will then immediately review the situation. If the emergency coordinator concurs with the foreman, the plan described herein will be invoked. The emergency coordinator will attempt to identify the nature of the contributing materials, the origin of the material, and the extent of the fire. Also at this time he/she will assess the potential of human health and/or environmental damage.

2) An immediate telephone call will be placed to the Hartford Fire Department and the local police by the emergency coordinator or his/her designee.

3) The emergency coordinator will activate internal Facility alarms. All personnel and visitors will be evacuated in accordance with the evacuation plan described in the pervious section of this report.

4) The emergency coordinator will ensure that all necessary access gates are open, access roads are not blocked by cars or trucks, the

area is cordoned off, all non-emergency telephone use is curtailed, and that any injured personnel are removed from areas of imminent danger.

5) Upon arrival of the local fire department, the emergency coordinator will brief fire department officials concerning the nature of the situation. The emergency coordinator will then remain available for consultation as needed. The primary function of the local police will be for traffic and crowd control in and around the site. The emergency coordinator will brief the local police responding to the incident with special regard to human health and safety for passing traffic or civilian onlookers. It will be recommended that no persons be allowed to occupy immediate downwind areas.

6) Upon cessation of the incident, the emergency coordinator will review the entire incident with involved Facility personnel. Any deficiencies in this plan will be noted and corrected. If necessary, the procedures will be amended to incorporate any modifications deemed necessary.

In the event the fire is extremely small and the foreman determines that it is controllable by Facility personnel, the following procedures will be followed:

1) Once a decision is made that the fire is controllable, a minimum of two persons will obtain the appropriate type fire extinguishers. The appropriate extinguisher to use is indicated on Table No. 3.

2) If severe smoke or noxious vapors are produced, no attempt will be made by Facility personnel to extinguish the fire, and the Procedures Numbers 1 through 6 described above for fires uncontrollable by Facility personnel will be followed.

3) The response team and the foreman will then proceed to the location of the fire. The foreman will evacuate unnecessary personnel from the area.

4) The response team will proceed to extinguish the fire.

5) Once the fire is out, the area will be observed until all materials have cooled to ambient temperature. During this time, fire extinguishing devices will be on hand.

6) Once the event is complete, a debriefing session with the emergency coordinator will be held. At this time, an attempt will be made to

determine the cause of the incident and to recommend steps to prevent recurrence. Also, all equipment utilized in response to the situation will be cleaned, recharged, and made ready for any future emergency.

7) Finally, a notation of the incident will be made in the operating log.

E. Explosions

Inspection of containers includes visually checking the structural integrity of the container walls. If the walls of the container are bulging, the potential for an explosion exists. Should this be the case, the inspector will notify his/her foreman who will immediately report to the site and assess the situation. The following procedures will then be undertaken:

1) The emergency coordinator will immediately review the situation. If the emergency coordinator concurs with the supervisor that an explosion potential does exist, then the described herein will be invoked. The emergency coordinator will attempt to identify the nature of the contributing material and the origin of the material. Also, at this time he/she will assess the potential for human health and/or environmental damage.

2) If, based on the judgment of the emergency coordinator, the situation is beyond the capabilities of Facility personnel to control, an immediate telephone call shall be placed to the Hartford Fire Department and the local police by the emergency coordinator or his/her designee.

3) Based on the judgment of the emergency coordinator, internal Facility alarms may be activated. If this is the case, then all personnel and visitors will be evacuated in accordance with the evacuation plan described in the previous section of this report. It is envisioned, however, that the more typical case may involve localized evacuation from specific portions of the Facility.

4) If the situation is such that outside emergency response is required, the emergency coordinator will ensure that all necessary access gates are open, access roads are not blocked by cars or trucks, the area is cordoned off, and all non-emergency telephone use is curtailed.

5) Upon arrival of the local fire department, the emergency coordinator will brief fire department officials concerning the nature of the situation. The emergency coordinator will then remain available for

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 Qualification in Connecticut. The Guarantor agrees that, so long as this Guaranty is in effect, if required, the Company will be duly qualified to do business in Connecticut and, if necessary, in order for the Guarantor to perform its obligations as required hereunder, the Guarantor will qualify to do business in Connecticut.

Section 3.4 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 30 Trinity Street, Hartford, Connecticut 06106, as its agent to accept and acknowledge in 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 either 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. Such agents 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

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 22nd day of February, 1997.

ATTEST

FCR, INC.

By PAUL A. GARRETT
Its PRESIDENT / CEO
Duly Authorized

ATTEST

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By Robert E. Wright
Its Acting President
Duly Authorized

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consultation as needed. The primary function of the local police will be for traffic and crowd control in and around the site. The emergency coordinator will brief the local police responding to the incident with special regard to human health and safety for passing traffic or civilian onlookers. It will be recommended that no persons be allowed to occupy immediate downwind areas.

6) Upon cessation of the incident, the emergency coordinator will review the entire incident with involved Facility personnel. Any deficiencies in this plan will be noted and corrected. If necessary, the procedures will be amended to incorporate any modifications deemed necessary to implement a reliable, workable plan.

F. Spills and Leaks

Spills or leaks may result from a liquid filled container being punctured or overturned during processing. Spillage of non-hazardous materials such as beverages and cleaners of known content will be cleaned up by Facility personnel. However, in the event of a spill or leak of a potentially hazardous materials, the following actions will occur:

1) Personnel detecting the spill or leak will immediately notify their foreman.

2) The foreman will immediately observe the spill, determine to the best of his/her ability the type of spill, and assess the potential of the spill to create a hazard to human health or safety.

3) Based on his/her assessment, the foreman will then arrange for Facility personnel to clean up the spill or report the spill to the emergency coordinator.

4) In the case of a spill that is not potentially hazardous, the first thing to be done will be to attempt to stop the spill.

5) In the event that the spill is identified as potentially hazardous, the emergency coordinator will be notified and will then assume the responsibility to ensure that the spill is remediated.

6) The emergency coordinator will assess the situation to determine whether Facility personnel can handle the remediation effort required. The Fire Department will be called on if the emergency coordinator determines the spill cannot be remediated by Facility personnel with the equipment available. Otherwise, he/she will advise the designated response team personnel as to what types of

protective emergency equipment will be utilized. At all times, response personnel actively engaged in spill remediation will do so on a "buddy" system. Visual contact between members will be maintained.

7) Once the response team is fully clothed and equipped as necessary, they will remediate the spill event. Remediation, again, will consist of absorbing the spill with the appropriate materials. Any spillage of dry chemicals will be remediated through the use of shovels.

8) At the completion of the incident, all emergency equipment will be restored to a ready status and in-house debriefing session will occur. In addition, a notation will be made in the Facility operating log.

G. Preparedness and Prevention

General

The Facility will incorporate provisions to minimize the potential of an accident occurring due to the mishandling of unwanted wastes and materials. These provisions include training of operators and key personnel on the identification and response to a potential hazard, preventing the spread of the hazard by isolating and removing the unwanted waste, and routine inspection to assure that these procedures are being appropriately applied.

Training

There are two modes of training necessary for the Facility personnel. One mode will be identification and handling of unwanted wastes. This type of training will be classroom. Topics for discussion will include these procedures, employee health and safety, identification of unwanted wastes and materials, and handling of wastes and materials. This training will occur on the first day of employment.

The second mode of training will be for response to an emergency situation. Employees that may be involved in any response activities will have classroom training at levels commensurate with their involvement in a potential hazard of imminent danger.

Prevention

Hazards will be prevented by removing the unwanted material from the process stream, isolating the material in a storage bin with other compatible materials and then removing the material from the Facility.

The material will be removed from the Facility once it has been properly identified and once an appropriate disposal Facility is ready to accept the material.

As part of the prevention measure, smoking will not be allowed within the processing areas of the Facility. "No Smoking" signs will be prominently displayed throughout the Facility.

Inspection

Inspections of the Facility will be carried out by several persons. Inspections will include observing for unwanted or out of place materials within the Facility. Table No. 4 is a list of items that will be routinely inspected. This list includes such items as safety and emergency equipment.

Inspection log sheets will be completed for each inspection undertaken and copies of these inspection sheets will be compiled to create an inspection log book to be maintained at the Facility.

In addition, there will exist an informal inspection schedule that will occur daily by virtually all Facility personnel. All personnel will be encouraged to report any areas that may appear to be deficient and this activity will constitute the informal inspection.

Recordkeeping

Should potentially hazardous materials be found in the process stream, every effort will be made to determine the city or town of origin. Records will be maintained on the quantities, nature, and origin (if determined) of the unwanted waste. The waste characterization and destination will also be noted. Table No. 5 indicates the recordkeeping measures to be kept. Should the origin be determined, the city or town will be notified.

Table No. 2
Emergency Response Equipment
FCR Redemption, Inc.
Hartford, CT

Communications Equipment

1. Conventional telephone system for use in contacting external emergency response units (police, fire department, etc.).

2. Alarm system to signal evacuation in the event of an emergency situation, such as a fire. There will be fire alarm buttons located throughout the facility.

Personal Safety Equipment

Protective gloves, safety glasses, smocks for use when handling hazardous substances.

Fire Control Equipment

1. Strategically located fire extinguishers suitable for fighting liquid, chemical, and electrical fires. The appropriate extinguishers to use and follow this table classification of fire are listed on Table 3.

2. Automatic sprinkler system with automatic telephone dialer is located throughout the facility.

3. Sufficient water pressure inside the facility to assist in dousing small fires.

4. An external fire hydrant located 250 feet from the building.

Table No. 3
Extinguishing Agents for Fires
FCR Redemption, Inc.
Hartford, CT

Materials	Fire Classification	Extinguishing Agent	Comments
Wood, paper, rubbish	A	Water, dry chemical	Water should be used as a final extinguishing agent
Gasoline, oil, paints thinners	B	Dry chemical, foam, CO 2	Do not use water
Electrical Equiptment	C	Dry chemical, CO 2	Do not use water or foam

Table No. 4
Inspection Log
FCR Redemption, Inc.
Hartford, CT

Inspector's Name: _____ Inspection Date: _____

Time of Inspection: _____

ITEM	Y/N	OBSERVATION COMMENTS/ACTION TAKEN
1. Emergency Equipment		
A. Communication system working? (telephone, internal alarm systems)	___	_____
B. Fire extinguishers charged?	___	_____
C. Water pressure available?	___	_____
D. Spill Control Equipment available in suficient quantity?	___	_____
E. Other note in comments?	___	_____
2. Potentially Hazardous Waste Bins		
A. Incompatibles Segregated?	___	_____
B. Any signs of container corrosion?	___	_____
C. Status of waste? (see table of 5)	___	_____
D. Any signs of leakage?	___	_____
E. Other note in comments?	___	_____

NOTE: Emergency equipment inspection is on an "as needed" frequency. Inspection intervals should not exceed six months.

Hazardous Materials Storage Bins inspections should be once every other week.

Table No. 5
Potentially Hazardous Material Recordkeeping
FCR Redemption, Inc.
Hartford, CT

Date	Description	Quantity	Origin (if known)	Material Characterization Determination	Destination	Date Shipped

6. Safety

FCR regards the safety of its employees to be of paramount importance. The establishment of safe working conditions and the encouragement of safe working practices is essential to accident prevention and the successful operation of the Facility.

Processing is critical but the SAFETY of every employee is the first concern in FCR operations. Every practical step is taken to provide safe working conditions and to encourage safe working practices in addition to meeting all legal requirements.

Scope of Responsibility

The Facility Manager is responsible for directing the overall safety program. This includes the following functions:

1. Advise management on steps to improve the safety and fire prevention programs.
2. Assist supervision in accomplishing their safety responsibility.
3. Collaborate with representatives of insurance carriers and OSHA on safety and health and fire protection matters.
4. Supervise the operation of the First Aid area.
5. Maintain records of safety performance and costs.
6. The Vice President of Operations shall assist the Facility Manager by inspecting and advising on safety features of proposed purchases on new machines, new processes, new materials, new or altered building facilities, and personal protective equipment.

Operators are responsible for the safety of employees under their supervision while on Company premises or engaged in Company business. This includes the following functions:

1. Train employees in safe working practices.
2. Maintain good housekeeping in area of responsibility.
3. Recommend steps to eliminate or safeguard physical hazards.
4. Enforce safety regulations.
5. Investigate and report all fires, accidents, and injuries and take corrective action.
6. Enlist assistance of Facility Manager and Vice President of Operations when necessary.

First Aid

The first aid kit in the First Aid area is equipped to handle all normal first aid needs. Also, the Facility is equipped with an eye washing station. All first aid cases must be referred to the Facility Manager. The Facility Manager is responsible for:

1. All in-house first aid treatment.
2. The maintenance of adequate first aid equipment.
3. Decisions concerning case referral to the hospital.
4. Placing calls to ambulance service when required.

Safety Equipment

A. Policy

It is the policy of the company to protect its employees from unreasonable risks of injury to their eyes and their hands by the provision of suitable eye and hand protection and to require their use at all times except when arriving before work in the morning, when washing up, and when leaving at night.

B. Definition and Scope

Approved eye protection must be worn by all employees in the commingled processing area. It is a condition of employment. Insulated gloves must be worn by all warehouse employees. All visitors must wear eye protection when in the commingled processing area.

C. Responsibility

It is the responsibility of the Facility Manager to:

1. Assist supervision in implementing the eye and hand program.
2. Provide proper eye and hand protection for the particular job hazards and maintain adequate inventories of eye protection.
3. Periodically audit compliance with the provisions of this policy.
4. Maintain an inventory of eye and hand protection supplies, and visitors eye protection supplies, to be dispensed at suitable locations.
5. To instruct employee(s) in the proper usage of the eye and hand protection and the conditions under which use is required.

D. Application

Plano glasses, goggles or face shields, and insulated gloves will be issued free of charge to all employees working in the commingled processing area. Insulated gloves will also be issued to employees working in the paper fiber processing area. The employee is responsible for maintaining his eye and glove protection in usable conditions.

Employees requiring prescription glasses can acquire approved glasses from an optician of their choice unless Facility provided glasses/goggles can be worn over corrective lenses without disturbing the adjustment of the lenses.

APPENDIX 7

INSURANCE COVERAGE

Company shall procure and maintain, at its own cost and expense, throughout the term of this Service Agreement, the following insurance, including any required endorsements thereto and amendments thereof:

a. Workers' Compensation - With Statutory Coverage limits and Employers' Liability Coverage with minimum limits of $500,000.00.

b. Commercial General Liability Coverage with a combined single limit of $1,000,000.00 per occurrence/$2,000,000.00 aggregate, including Operations, Products and Completed Operations and Contractual Liability.

c. Commercial Automobile Liability Coverage, including all owned, non-owned or hired vehicles, written with a combined single limit of not less than $1,000,000.00.

d. Excess Liability Coverage over underlying insurance described in sections a, b and c above. The limit of liability shall be in an amount such that the combination of primary and excess liability coverage is at least $10,000,000.00 per occurrence and, as applicable, in the aggregate.

All policies shall: (i) name CRRA, its affiliates, and their respective directors, officers, employees and agents, as additional insureds, as respects any and all third party bodily injury and/or property damage claims (this requirement shall not apply to workers' compensation insurance or employers' liability insurance); and (ii) provide for not less than thirty (30) days' prior written notice to be given to CRRA of cancellation and/or material change in any of the policies; (iii) include a standard severability of interest clause; (iv) shall contain a waiver of subrogation holding 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.

Upon Company's execution of this Service Agreement, Company shall submit to CRRA a certificate or certificates for each required insurance referenced above certifying that such insurance is in full force and effect and setting forth the information required above. Additionally, Company shall furnish to CRRA within thirty (30) days before the expiration date of the coverage of each required insurance set forth above, a certificate or certificates containing the information required above and certifying that such insurance has been renewed and remains in full force and effect.

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 acceptable to CRRA in its sole and absolute discretion.

APPENDIX 8

LETTER OF CREDIT

To Be Issued By A Connecticut Bank Or By A National Banking Association

Irrevocable Standby Letter of Credit No. _____

Issuance Date: _____ __, 1997

Beneficiary:

Connecticut Resources Recovery Authority
179 Allyn Street
Hartford, CT 06103

Expiration Date: _____ __, 1998

Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit No. ____ in favor of the "Beneficiary", Connecticut Resources Recovery Authority, at the request and for the account of FCR Redemption, Inc., 2101 Rexford Road, Suite 236-E, Charlotte, North Carolina 28211, for the sum or sums up to the aggregate amount of **Three Hundred Fifty Thousand and 00/100 in U.S. Dollars ($350,000.00)** available for payment against your draft(s) at sight on us.

Drafts must be drawn and presented to us at this office not later than our close of business on ____ __, 1998 or any duly extended expiration date, and each draft must bear the following clause: "Drawn Under Letter of Credit No. _____."

Drafts must be accompanied by a certified statement from the Beneficiary that FCR Redemption, Inc. has failed to satisfy or perform one or more of its obligations or breached one or more of its covenants or representations under a certain Agreement For Operation And Maintenance Of Container Processing Facility between FCR Redemption, Inc. and Beneficiary, dated as of February 22, 1997, as amended.

Partial drawings hereunder are permitted.

We hereby agree with you that drafts drawn under and in compliance with the above terms of this Letter of Credit shall be duly and promptly honored on due presentation and delivery to us on or before the above-referenced expiration date or any duly extended expiration date.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

3.1. The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below, that the Owner is considering declaring a Contractor Default (as hereinafter defined) and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen (15) days after the receipt of such notice to discuss methods of performing the Agreement. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Owner's right, if any, to subsequently declare a Contractor Default; and

3.2. The Owner has declared a Contractor Default (as hereinafter defined) and formally terminated the Contractor's right to complete the Agreement. Such Contractor Default shall not be declared earlier than twenty (20) days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1.

4. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1. Arrange for the Contractor, with the consent of the Owner, to perform and complete the Agreement; or

4.2. Undertake to perform and complete the Agreement itself, through its agents or through independent contractors; or

4.3. Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Agreement, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with a performance bond executed by a qualified surety equivalent to the bond issued on the Agreement, and pay to the Owner the amount of damages described in Paragraph 6; or

4.4. Waive its right to perform and complete, arrange for completion or obtain a new contractor and with reasonable promptness under the circumstances:

4.4.1. After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after

the amount is determined, tender payment therefor to the Owner; or

4.4.2. Deny liability in whole or in part and notify the Owner citing reasons therefor.

5. If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen (15) days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4 and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6. After the Owner has terminated the Contractor's right to complete the Agreement, and if the Surety elects to act under Subparagraph 4.1, 4.2 or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Agreement, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Agreement. To the limit of the amount of this Bond, the Surety is obligated without duplication for:

6.1. The responsibilities of the Contractor for correction of defective work and completion of the Agreement;

6.2. Additional legal and delay costs resulting from the Contractor's Default and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3. Liquidated damages, or if no liquidated damages are specified in the Agreement, actual damages caused by delayed performance or non-performance of the Contractor.

7. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Agreement. No right of action shall accrue on this Bond to any person or entity other than the Owner or its successors and assigns.

8. The Surety hereby waives notice of any change, including changes of time, to the Agreement or to related subcontracts, purchase orders and other obligations.

9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the

location in which the work or part of the work is located and shall be instituted within two (2) years after Contractor Default or within two (2) years after the Contractor ceased working or within two (2) years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page of this Bond.

11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Agreement was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions confirming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12. Definitions.

12.1. Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with any of the terms of the Agreement.

12.2. Owner Default: Failure of the Owner, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Agreement or to perform and complete or comply with the other terms hereof.

The term of this bond is for one (1) year starting 02/22/97 and ending 02/21/98

CONTRACTOR AS PRINCIPAL

FCR REDEMPTION, INC.

By: Laurence L. Lavine

Its CFO & Secretary

SURETY

CENTURY SURETY COMPANY

By: Kathleen P. Price

Kathleen P. Price, Attorney-In-Fact

Its

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Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [name of the issuing Connecticut Bank or National Banking Association] under this Letter of Credit is the individual obligation of [name of the issuing Connecticut Bank or National Banking Association] and is in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for one (1) year from the expiration date stated above, or any future expiration date, unless not later than ninety (90) days prior to the expiration date stated above or the then current expiration date we notify you by registered mail that we elect not to renew this Letter of Credit for any such additional period.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honored by us at your first demand, notwithstanding any contestation or dispute between you and FCR Redemption, Inc., if presented to us in accordance with the provisions hereof.

This Letter of Credit is subject to and governed by the laws of the State of Connecticut, the decisions of the courts of that state, and the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 and in the event of any conflict, the laws of the State of Connecticut and the decisions of the courts of that state will control. If this Letter of Credit expires during an interruption of business of this bank as described in Article 17 of said Publication 500, [name of issuing Connecticut Bank or National Banking Association] hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of business from such interruption.

Very truly yours,

_____

Authorized Signature for
[name of issuing Connecticut Bank
or National Banking Association

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CENTURY SURETY COMPANY

COLUMBUS, OHIO

POWER OF ATTORNEY

PRINCIPAL FCR Redemption, Inc. EFFECTIVE DATE 02/22/97

CONTRACT AMOUNT $350,000.00 ********** AMOUNT OF BOND $ 350,000.00 **********

POWER NO. 616409

KNOW ALL MEN BY THESE PRESENTS: That the Century Surety Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint: Daniel J. Needham, Kathy J. Goe, Patricia A. Wall, Debra A. Erickson, Kathleen P. Price, Jill Calfee, Jeffery L. Booth, Laurie A. Krokos and Felicia P. Young its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed One Million Dollars ($1,000,000.00).

This Power of Attorney is granted and is signed by facsimile pursuant to the following Resolution adopted by its Board of Directors on the 4th day of October, 1988:

"RESOLVED, That any two officers of the Company shall have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact of such persons, firms, or corporations as may be selected from time to time.

FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company; and any such powers so executed and certificate by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Century Surety Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 4th day of October, 1988.

CENTURY SURETY COMPANY

Roswell P. Ellis, President

Glenn D. Southwick, Treasurer

Notary Public)
State of Ohio) SS:

On this 4th day of October, 1988, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Roswell P. Ellis and Glenn D. Southwick of the Century Surety Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Columbus, Ohio, the day and year above written.

Sue E. Duffy
Notary Public State of Ohio
My Commission expires August 7, 1999

State of Ohio) SS:

I, the undersigned, Secretary of the Century Surety Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Cleveland, Ohio this 22nd day of February, 1997

Anne L. Meyers, Secretary

Any reproduction or facsimile of this form is void and invalid

Century Surety Company

CERTIFICATE

1995

The following financial information was excerpted from the Statutory Annual Statement filed by Century Surety Company with the Ohio Department of Insurance on March 1, 1996.

STATEMENT OF INCOME

Direct Written Premium	$34,589,143
Reinsurance Assumed	2,390,577
Reinsurance Ceded	17,940,740
Net Written Premium	19,038,980
Change in Unearned	2,421,668
Net Earned Premium	21,460,648
Losses & LAE Incurred	11,897,358
Commission Expense	2,280,906
Other Expenses	5,177,909
Underwriting Gain	2,104,475
Investment Gain	2,533,539
Other Income/(Expense)	(53,778)
Income Before FIT	4,584,236
Federal Income Tax	903,000
Net Income	**$3,681,236**

BALANCE SHEET

Assets	
Invested Assets	$56,931,379
Agents' Balances (net of Reins.)	2,280,685
Reinsurance Recoverables	1,824,449
Other Assets	3,873,329
Total Assets	64,909,842
Liabilities & Surplus	
Unearned Premium Reserve	$10,165,578
Loss & LAE Reserves	23,232,625
Other Liabilities	9,478,109
Total Liabilities	42,876,312
Surplus	**$22,033,530**

I hereby certify that the above information is that contained in the Statutory Annual Statement filed by Century Surety Company with the Ohio Department of Insurance ending December 31, 1995.

Kurt Weiland, Assistant Secretary

APPENDIX 8

LETTER OF CREDIT

To Be Issued By A Connecticut Bank
Or By A National Banking Association

Irrevocable Standby Letter of Credit No. _____

Issuance Date: ____ __, 1997

Beneficiary:

Connecticut Resources Recovery Authority
179 Allyn Street
Hartford, CT 06103

Expiration Date: ____ __, 1998

Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit No. ____ in favor of the "Beneficiary", Connecticut Resources Recovery Authority, at the request and for the account of FCR Redemption, Inc., 2101 Rexford Road, Suite 236-E, Charlotte, North Carolina 28211, for the sum or sums up to the aggregate amount of **Three Hundred Fifty Thousand and 00/100 in U.S. Dollars ($350,000.00)** available for payment against your draft(s) at sight on us.

Drafts must be drawn and presented to us at this office not later than our close of business on ____ __, 1998 or any duly extended expiration date, and each draft must bear the following clause: "Drawn Under Letter of Credit No. _____."

Drafts must be accompanied by a certified statement from the Beneficiary that FCR Redemption, Inc. has failed to satisfy or perform one or more of its obligations or breached one or more of its covenants or representations under a certain Agreement For Operation And Maintenance Of Container Processing Facility between FCR Redemption, Inc. and Beneficiary, dated as of February 22, 1997, as amended.

Partial drawings hereunder are permitted.

We hereby agree with you that drafts drawn under and in compliance with the above terms of this Letter of Credit shall be duly and promptly honored on due presentation and delivery to us on or before the above-referenced expiration date or any duly extended expiration date.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary including, without limitation, any liquidator, rehabilitator, receiver or conservator.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [name of the issuing Connecticut Bank or National Banking Association] under this Letter of Credit is the individual obligation of [name of the issuing Connecticut Bank or National Banking Association] and is in no way contingent upon reimbursement with respect thereto.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for one (1) year from the expiration date stated above, or any future expiration date, unless not later than ninety (90) days prior to the expiration date stated above or the then current expiration date we notify you by registered mail that we elect not to renew this Letter of Credit for any such additional period.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honored by us at your first demand, notwithstanding any contestation or dispute between you and FCR Redemption, Inc., if presented to us in accordance with the provisions hereof.

This Letter of Credit is subject to and governed by the laws of the State of Connecticut, the decisions of the courts of that state, and the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 and in the event of any conflict, the laws of the State of Connecticut and the decisions of the courts of that state will control. If this Letter of Credit expires during an interruption of business of this bank as described in Article 17 of said Publication 500, [name of issuing Connecticut Bank or National Banking Association] hereby specifically agrees to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of business from such interruption.

Very truly yours,

_____

Authorized Signature for
[name of issuing Connecticut Bank
or National Banking Association

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APPENDIX #8

PERFORMANCE BOND Bond #Z-616409

CONTRACTOR (Name and Address):
Principal

FCR Redemption, Inc.
1330 Honeyspot Road EXT
Stratford, Connecticut 06497

SURETY (Name and

Place of Business):

Century Surety Company
10055 Sweet Valley Drive
Valley View, Ohio 44125

OWNER (Name and Address):

Connecticut Resources Recovery Authority
179 Allyn Street
Hartford, Connecticut 06103

AGREEMENT FOR OPERATION AND MAINTENANCE OF CONTAINER PROCESSING FACILITY

Date: February 22, 1997
Amount:
Description (Name and Location):

Mid-Connecticut Regional Recycling Facility
211 Murphy Road
Hartford, Connecticut 06114

BOND Z-616409
Date: February 22, 1997
Amount: $350,000.00

TERMS AND CONDITIONS

1. The Contractor and the Surety jointly and severally bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Agreement For Operation And Maintenance Of Container Processing Facililty (the "Agreement"), the terms of which are incorporated herein by reference. Any singular reference to the Contractor, the Surety, the Owner or any other party herein shall be considered plural where applicable.

2. If the Contractor performs the Agreement, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3. If there is no Owner Default (as hereinafter defined), the Surety's obligation under this Bond shall arise after:

Century Surety Company

CERTIFICATE
1995

The following financial information was excerpted from the Statutory Annual Statement filed by Century Surety Company with the Ohio Department of Insurance on March 1, 1996.

STATEMENT OF INCOME

Direct Written Premium	$34,589,143
Reinsurance Assumed	2,390,577
Reinsurance Ceded	17,940,740
Net Written Premium	19,038,980
Change in Unearned	2,421,668
Net Earned Premium	21,460,648
Losses & LAE Incurred	11,897,358
Commission Expense	2,280,906
Other Expenses	5,177,909
Underwriting Gain	2,104,475
Investment Gain	2,533,539
Other Income/(Expense)	(53,778)
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BALANCE SHEET

Assets	
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Total Assets	64,909,842
Liabilities & Surplus	
Unearned Premium Reserve	$10,165,578
Loss & LAE Reserves	23,232,625
Other Liabilities	9,478,109
Total Liabilities	42,876,312
Surplus	**$22,033,530**

I hereby certify that the above information is that contained in the Statutory Annual Statement filed by Century Surety Company with the Ohio Department of Insurance ending December 31, 1995.

Kurt Weiland, Assistant Secretary

APPENDIX 9

CORPORATE GUARANTY

This Guaranty made and dated as of February 22, 1997 (the Guaranty") from **FCR, INC.**, a corporation duly organized and existing under the laws of the State of Delaware (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 the operation and maintenance of its Mid-Connecticut Container Processing Facility with FCR Redemption, Inc. (the "Company") in accordance with the Agreement between the Authority and the Company dated as of February 22, 1997 (the "Agreement");

WHEREAS, the Guarantor will receive a material and direct benefit from the execution and delivery 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. FCR, Inc. , 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 Delaware 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) The assumption by the Guarantor of its obligations hereunder will result in a material financial benefit to the Guarantor.

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

(5) 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.

(6) 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.

(7) 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 and observance of each and all of the covenants and agreements required to be performed and observed by the Company, 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, (f) any claim by the Company or the Guarantor of impossibility of performance of the Agreement, (g) any claim by the Company or the Guarantor of commercial frustration of purpose with respect to the Agreement, or (h) 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. The Guarantor consents to any such assignment and the Guarantor further agrees that the trustee, acting under the aforesaid assignment and in accordance with this Guaranty, shall be

RESOLUTION REGARDING THE SERVICE AGREEMENT FOR THE OPERATION AND MAINTENANCE OF THE CONTAINER RECYCLING FACILITY WHICH SERVES THE MID-CONNECTICUT PROJECT TOWNS

RESOLVED: The President is authorized to extend the Service Agreement for the Operation and Maintenance of the Container Processing Facility with FCR Redemption, Inc. for one year until May 21, 2004, substantially in the form as presented and discussed at this meeting.

TAB 11

REGIONAL RECYCLING, ACCESS AND SCALE USE AGREEMENT

AGREEMENT dated as of this 27th day of February, 2003 by and among **CONNECTICUT RESOURCES RECOVERY AUTHORITY ("CRRA")**, a political subdivision of the State of Connecticut having an address at 100 Constitution Plaza, Hartford, Connecticut 06103, **MURPHY ROAD RECYCLING, LLC, ("Recycling")**, a Connecticut limited liability company having an address at 143 Murphy Road, Hartford, Connecticut, and **MURPHY ROAD REALTY, LLC ("Realty")**, a Connecticut limited liability company having an address at 143 Murphy Road, Hartford, Connecticut.

WITNESSETH

WHEREAS, CRRA is a party to a 1990 Regional Recycling Center Construction and Service Agreement and its amendments (hereinafter the "Recycling Agreement"), concerning the construction and operation of a recycling facility at 123 Murphy Road, Hartford, Connecticut (hereinafter the "Recycling Facility"); and

WHEREAS, CRRA is a leasee of certain premises in which the Recycling Facility is located, pursuant to a Lease that is attached as Appendix 16 to said Recycling Agreement (hereinafter the "Lease"); and

WHEREAS, the initial term of said Recycling Agreement and Lease will terminate by the end of May 31 2003; and

WHEREAS, CRRA will be terminating the Recycling Agreement with the current operator, effective at the close of business on February 28, 2003; and

WHEREAS, Recycling desires (to continue) that the operation of the Recycling Facility be continued after the close of business on February 28, 2003; and

WHEREAS, CRRA desires to continue using the Recycling Facility for purposes of transloading municipal paper after February 28, 2003, which transloading activity is more particularly described in a May 9, 2002 Memorandum of Decision by the Honorable Robert Satter in Connecticut Resources Recovery Authority vs. Allied Waste Industries, Inc., et al, PJR CV 02-0812896S, until such time as **CRRA** elects to transfer such transloading activity to its premises at 211 Murphy Road in Hartford, Connecticut, or to such other location as it shall desire; and

WHEREAS, CRRA desires an access agreement to use a portion of the 123 Murphy Road property in Hartford, owned by **Realty** for truck access to facilitate transloading activity, if it moves said operation to **CRRA's** premises at 211 Murphy Road; and

WHEREAS, Recycling desires to have an access and scale agreement to utilize the scale and certain property owned by **CRRA** on 211 Murphy Road in Hartford;

NOW, THEREFORE, the parties hereto do hereby agree, as follows:

1. Transloading. **Recycling** will transload **CRRA's** municipal paper during the initial term of March 1, 2003 through January 31, 2005 at the price of Four Dollars ($4.00) per ton. **Realty** will permit this transloading activity to be conducted at the premises on 123 Murphy Road in Hartford, in the same location, as shown on Exhibit A, and manner, and with the same ingress and egress, that the municipal paper is currently transloaded. (**Recycling** represents that it has familiarized itself with the current transloading operation.) **CRRA** will not be charged any rent for its use of this space. **CRRA**, in its sole discretion, may exercise two (2) successive five (5) year options to renew this transloading agreement, after the expiration of the initial term on January 31,

2005, by giving written notice to **Realty**, at least sixty (60) days prior to the expiration of the term then in effect, but it shall be at a price to be negotiated by the parties in good faith, as follows: On December 1, 2003, **CRRA** and **Recycling** shall enter into a sixty (60) day negotiation period to establish a transloading fee for the first five-year option, and on December 1, 2008, **CRRA** and **Recycling** shall enter into a sixty (60) day negotiation period to establish a transloading fee for the second five-year option. If the parties are unsuccessful in entering into a new transloading fee, then the transloading fee currently in effect will continue into the new period, unless **Recycling** exercises its right to unilaterally terminate the transloading agreement. On or after February 1, 2004 of the initial term, and during each of the renewal periods, **Recycling** shall have the right to unilaterally terminate the transloading agreement by giving written notice to **CRRA** at least (1) one year in advance of the proposed termination date. During the initial term, and each of the renewal periods, **CRRA** shall have the right to unilaterally terminate the transloading agreement by giving written notice **Recycling** at least thirty (30) days prior to the proposed termination date.

2. Commercial Recycling. **Recycling** will be entitled (permitted) to use the Recycling Facility for commercial recycling after February 28, 2003, without a sharing of any revenue with **CRRA**, except as noted in Section 5 below, and without any approval of customers by **CRRA. CRRA** shall cease commercial recycling operations at the Recycling Facility after February 28, 2003, except as provided in Section 5 below. Commercial customers of **CRRA**, all of which are set forth on Exhibit B, shall automatically become customers of **Recycling**, unless **Recycling** notifies such customers in writing that it does not wish to accept their products.

3. Permits. CRRA shall permit **Recycling** to operate its recycling business for transloading and commercial recycling at the Recycling Facility under **CRRA's** existing permits, in accordance with the (facilities operation agreement) Facility Agreement included as (Appendix B) Exhibit C hereto. **Recycling** shall be solely responsible for and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employees and contractors harmless from and against any and all claims, costs and liabilities, including attorneys' fees and costs, arising out of or in connection with **Recycling's** operation and use of the Recycling Facility, while it is operating under **CRRA's** permits. **Recycling** shall promptly seek to obtain its own permits, through transfer of **CRRA's** permits or other appropriate application, to operate the Recycling Facility, and once they obtain such permits, **CRRA** may withdraw the use of its permits or shall withdraw them, if required for the new permit(s) granted to **Recycling** to be valid. **CRRA** will provide reasonable cooperation and support necessary for **Recycling** to obtain (its own) all permits from the Connecticut Department of Environmental Protection which are necessary for the operation of their business(es) at the Recycling Facility; provided that this cooperation shall not impose any costs and/or expenses on **CRRA**, and **Recycling** will protect **CRRA** from, and/or provide **CRRA** reimbursement from any such costs and/or expenses.

4. Environmental Warranty. **Recycling** and **Realty** represent to **CRRA** that except as set forth in the Phase I and Phase II Environmental Studies of 117 and 123 Murphy Road that was performed for Realty, which **CRRA** acknowledges that it has received and read, they are unaware of any environmental contamination or pollution that has occurred at the Recycling Facility, during its operation as a recycling facility, which

would subject **CRRA** to any claim or lawsuit by any third party or any governmental agency. (except that **CRRA** acknowledges that it has received and read the Phase I Environmental Study of 117 and 123 Murphy Road that was performed for **Recycling** and **Realty**). **Realty** and **Recycling** represent that they have not received any notifications of environmental contamination by any governmental agency or any claims of environmental contamination by third parties that involve the Recycling Facility. **Realty** and **Recycling** will be solely responsible for and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employee and contractors harmless from and against any and all claims, costs and liabilities, including attorney's fees and costs, arising out of or in connection with **Realty's** and **Recycling's** operation and use of the Recycling Facility, and shall bear all costs of remediation ordered by any governmental agency.

5. Payloader. As long as **CRRA** continues to have its municipal paper transloaded at the Recycling Facility, it shall provide **Recycling** with the use of the front end payloader (Unit No. 812, Loader, Serial No. 0808, Model # Cat 966, No. 4YG009-9, and hereinafter, the "Payloader") that has been specially equipped for such transloading without cost to Recycling. **Recycling** may use the Payloader for other purposes, provided that CRRA's transloading has first been performed, and **Recycling** shall provide proper maintenance of the Payloader during such time as it is in its possession. **Recycling** represents that it has inspected the Payloader, and will assume its operation, as is. **CRRA** shall continue to own the Payloader and shall be entitled to remove the Payloader from the Recycling Facility at such time as the municipal paper transloading (agreement with **Recycling** has expired or been terminated) operation has been moved by

CRRA to another location outside of the Recycling Facility, in accordance with the terms of this Agreement. **Recycling** will be solely responsible for, and will defend, indemnify and hold **CRRA** and its officers, directors, agents, servants, employees and contractors harmless from and against any and all claims, costs and liabilities, including attorneys' fees and costs arising out of, or in connection with **Recycling's** use of the Payloader. **Recycling** shall name **CRRA** as an insured in any and all insurance policies insuring the Payloader and/or its use and personnel.

6. Lease Payments. **CRRA** shall not be responsible for any further lease rents and/or payments for the period of March 1 through May 31, 2003 under the Lease, except proration of real estate taxes for that period of time that precedes March 1, 2003, which Allied Waste Industries, Inc. has represented to **CRRA,** and **CRRA** herein represents, is the obligation of American Disposal Services of Missouri, Inc., the prior operator of the Recycling Facility. **Realty** and **Recycling** shall indemnify and save **CRRA** and its officers, directors, agents, servants, employees and contractors harmless against and from such rents and payments, including the payment of costs and attorneys' fees in the event that **CRRA** is sued by the prior landlord for failure to pay rent or other payments due under the Lease during the period of March 1 through May 31, 2003. As set forth above, **CRRA** shall not be charged any rent in connection with the municipal paper transloading to be performed by **Recycling**.

7. Access and Scale Use Agreement. The parties hereto shall enter into the Access and Scale Use Agreement, appended hereto as (Appendix A) Exhibit D, upon the signing of this agreement.

8. Baling Option for Municipal Paper. If, during the initial term of this agreement, **CRRA** desires to have **Recycling** bale CRRA's municipal paper, in lieu of transloading, then **Recycling** will charge a baling/processing fee of $40 per ton, subject to the following:

(i) if the resale price of the baled paper does not cover the agreed-upon processing/balin fee **Recycling** will bear the first $10.00 per ton shortfall and **CRRA** will bear any shortfall beyond the first $10.00 per ton and will pay **Recycling** an amount sufficient to insure that the processing/baling fee is $30.00 per ton;

(ii) if the resale price of the baled paper is in excess of the agreed-upon processing/baling fee **Recycling** and **CRRA** will each be entitled to one-half the net profit on resale.

CRRA shall be responsible for marketing the baled paper and **Recycling** shall carry out the resale of the baled paper in accordance with the terms agreed to by **CRRA** and its customer(s). **Recycling** shall receive the payments on account of the resale and shall account to **Recycling** on a montly basis for any amounts due from it or to it. **CRRA** and **Recycling** shall each pay over one to the other any amounts due within ten (10) days of delivery of such accounting. (and will provide **CRRA** with one-half the net profit on resale. In no event will **CRRA** be charged for any losses from such processing/baling if the resale price does not cover the agreed-upon processing/baling fee). **CRRA** shall have full access to all books and records of **Recycling** relating to the sale of said paper and to payments made or to be made under this section upon forty-eight (48) hours notice. **Recycling** will maintain adequate records to permit **CRRA's** auditors to determine whether **CRRA** has been given proper payment under this section. **CRRA** shall have the

right to unilaterally terminate the referral of municipal paper to the Recycling Facility for baling/processing by giving written notice to **Recycling** at least thirty (30) days prior to the proposed termination date.

9. Insurance. **Realty** and **Recycling** shall maintain adequate insurance on the Recycling Facility to protect **CRRA's** interests expressed in this Agreement, shall make **CRRA** a co-insured on all insurance policies pertaining to the real estate and operation of the Recycling Facility, and shall submit copies of all such insurance policies to **CRRA's** Risk Manager.

10. Headings. The headings used herein are for convenience only and are not to be construed in interpreting this Agreement.

11. Counsel. All parties to this Agreement have been represented by counsel in connection with the drafting, negotiation and execution of this Agreement, and counsel for each of the undersigned parties has reviewed this Agreement with their respective clients.

12. Preparation of the Agreement. All parties to this Agreement are equally responsible for the drafting of this Agreement and no one party shall be deemed the drafter of this agreement for purposes of construing any provision of the Agreement.

13. Severability. In the event that any provision of this Agreement shall, for any reason, be determined to be invalid, illegal, or unenforceable in any respect, the parties hereto shall negotiate in good faith and agree to such amendments, modifications or supplements of or to this Agreement or such other appropriate actions as shall, to the maximum extent practicable in light of the determination, implement and give effect to the intentions of the parties as reflected herein, however any such provision which shall

prove to be invalid, illegal or void shall in no way affect, impair or invalidate any other provisions hereof, and all other terms and provisions of this Agreement, however or whether they shall be amended, modified, supplemented or otherwise affected by such action, shall remain in full force and effect.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, administrators, and trustees of the parties hereto.

15. Amendment. This Agreement may not be amended except by written agreement signed by all of the parties hereto, or their respective successors..

16. Authority. **CRRA**, **Recycling** and **Realty** represent to each other that the signatories to this Agreement have been authorized and have the power to enter into this Agreement and to consummate the provisions provided for by this Agreement.

17. Governing Law. This Agreement shall be construed, enforced and governed in all respects by the laws of the State of Connecticut.

18. Arbitration. All claims, controversies, and disputes concerning either party's performance of its obligations under this Agreement shall be finally decided by a single arbitrator in binding arbitration in accordance with the applicable rules of the American Arbitration Association (AAA), as modified by the provisions of this Agreement. Either **CRRA** or **Recycling** (or **Realty**, to the extent the matter relates to the 123 Murphy Road real estate) 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 with jurisdiction in Hartford, Connecticut. Prior to the initiation of arbitration, the party claiming a dispute shall provide the other party with written notice of any alleged default

of this Agreement and an opportunity to correct same within thirty (30) days from the date of receipt of the notice. An arbitrator shall be selected at random from a list provided by the AAA. If no arbitrator on the list is willing to serve or **CRRA** (or) and **Recycling** (or **Realty**, as applicable) cannot agree on an arbitator within five (5) Business Days of receipt of said list from the AAA, then an arbitrator shall be selected by the AAA. No individual who is, or has at any time been, an officer, employee, representative, or consultant of **CRRA, Recycling,** or **Realty**, or who is otherwise an interested party, shall be an arbitrator without the express written consent of **CRRA, Recycling**, and, if applicable, **Realty.** The costs of arbitration shall be shared equally by the parties and each party shall bear its own costs 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 successful party's attorney's fees and other costs shall be paid by the losing party. All arbitration proceedings shall be held in Hartford, Connecticut, and the arbitrator shall determine the scope of discovery and the rules applicable to the proceedings. The determination of the arbitrator shall be final and binding. The determination shall be in the form of a written award, with written findings of fact, and may be entered into and specifically enforced by any court of appropriate jurisdiction. During resolution of any dispute under this provision, there shall be no interference with CRRA's transloading activities, the transloading rate, or the Access and Scale Use Agreement. If the arbitrator does not issue a decision within sixty (60) days of his/her selection, either party, by written notice, may demand the appointment of a new arbitrator. 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.

19. Notices. All notices required under this Agreement shall be given in writing and either hand-delivered or sent by certified or registered mail, postage prepaid, return receipt requested, at the following addresses, and, if mailed, they shall be deemed as given on the third day following such mailing which is not a Saturday, Sunday, or day on which United States Mail is not delivered.

(a) If to **CRRA**:

President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

with a copy to:

Attorney Ann Stravalle-Schmidt
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

(b) If to **Recycling** or **Realty**:

Mr. Frank Antonacci
143 Murphy Road
Hartford, CT 06114

with a copy to

John D'Amico, Esq.
C/O Updike, Kelly & Spellacy P.C.
One State Street
Hartford, CT 06123-1277

Any party may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying

party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

20. Allied Agreements. The parties acknowledge that each will be negotiating separate agreements with Allied Waste Industries, Inc. and/or its subsidiaries or affiliates with respect to issues that involve the Recycling Facility. The parties agree that they shall not take any action that will impede, interfere, or prevent the implementation of these separate agreements, and each party will provide notice of any reasonable actions, including the execution of documents, that need to be taken by the other to effectuate these separate agreements. It is understood and agreed, however, that "reasonable actions", as that term is used herein, shall not require an alteration of the terms of this Agreement, or require new or substantial costs to either party.

21. Effective Date. The effective date of this Agreement shall be February 28, 2003.

22. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

MURPHY ROAD RECYCLING, LLC

By: _____ Witness: _____

Authorized Representative

Date: _____ Witness: _____

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 2003, personally appeared _____, an authorized representative of **MURPHY ROAD RECYCLING, LLC**, signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of said corporation, before me.

_____
Notary Public
Commissioner of the Superior Court

MURPHY ROAD REALTY, LLC

By: _____ Witness: _____
Authorized Representative

Date: _____ Witness: _____

STATE OF)
) ss.
COUNTY OF)

On this ____ day of _____, 2003, personally appeared _____, an authorized representative of **MURPHY ROAD REALTY, LLC**, signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of said corporation, before me.

_____

Notary Public
Commissioner of the Superior Court

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____ Witness: _____

Thomas Kirk, President
Its duly authorized representative

Date: _____ Witness: _____

STATE OF CONNECTICUT)
) ss. Hartford
COUNTY OF HARTFORD)

On this ____ day of _____, 2003, personally appeared THOMAS KIRK, an authorized representative of CONNECTICUT RESOURCES RECOVERY AUTHORITY, signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of said corporation, before me.

_____

Notary Public
Commissioner of the Superior Court

ACCESS AND SCALE USE AGREEMENT

This ACCESS AND SCALE USE AGREEMENT made as of this ___ day of March, 2003 by and among CONNECTICUT RESOURCES RECOVERY AUTHORITY, a political subdivision of the State of Connecticut having its principal office at 100 Constitution Plaza - 17th Floor, Hartford, Connecticut 06103 ("CRRA"), and MURPHY ROAD RECYCLING, LLC, a Connecticut limited liability company having an office at 143 Murphy Road, Hartford, Connecticut 06114 ("Recycling"), and MURPHY ROAD REALTY, LLC, a Connecticut limited liability company having an office at 143 Murphy Road, Hartford, Connecticut 06114 ("Realty").

WITNESSETH:

WHEREAS, CRRA is the owner of a certain piece or parcel of land known as 211 Murphy Road, Hartford, Connecticut, as more particularly described in Exhibit A attached hereto and made a part hereof (the "211 Parcel"); and

WHEREAS, Realty is the owner of a certain piece or parcel of land known as 123 Murphy Road, Hartford, Connecticut, as more particularly described in Exhibit B attached hereto and made a part hereof (the "123 Parcel"); and

WHEREAS, Recycling is the operator of recycling businesses conducted at both the 123 Parcel and a parcel located behind the 123 Parcel and the 211 Parcel (the "Transfer Station Parcel"); and

WHEREAS, CRRA, Realty and Recycling mutually desire to provide for the shared use of (i) a driveway on the 211 Parcel as shown on the site plan attached hereto as Exhibit C (the "211 Access Area"); and (ii) a driveway on the 123 Parcel as shown on the site plan attached hereto as Exhibit D (the "123 Access Area"); and

WHEREAS, CRRA, Realty and Recycling mutually desire to provide for the shared use of certain truck weighing scales, and related equipment and/or facilities, operated at the 211 Parcel (the "CRRA Scale") and at the 123 Parcel (the "Recycling Scale"), each as shown on said Exhibits C and D.

NOW, THEREFORE, in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the parties hereto agree as follows:

1. Mutual Access Agreements.

(a) CRRA, for itself and its successors and assigns, as the owner of the 211 Parcel and the 211 Access Area, hereby grants unto Recycling, its successors

and assigns for the Term of this Agreement (as hereinafter defined in Section 4), the right, in common with CRRA, to access and pass over the 211 Access Area.

(b) Realty for itself and its successors and assigns, as the owner of the 123 Parcel and the 123 Access Area, hereby grants unto CRRA, its successors and assigns for the Term of this Agreement, the right, in common with Realty and Recycling, to access and pass over the 123 Access Area.

(c) These mutual grants of access shall apply to both CRRA and Recycling and their respective customers accessing the 123 Parcel, the 211 Parcel or the Transfer Station Parcel.

2. Maintenance, Repair, and Replacement of Driveways.

(a) CRRA, as owner of the 211 Access Area, at its sole cost and expense, shall (i) maintain, keep in good order and repair and resurface the 211 Access Area as necessary; and (ii) keep the same reasonably free from accumulations of ice, snow and debris.

(b) Realty, as the owner of the 123 Access Area, at its sole cost and expense, shall (i) maintain, keep in good order and repair and resurface the 123 Access Area as necessary; and (ii) keep the same reasonably free from accumulations of ice, snow and debris.

(c) In the event that CRRA fails to maintain or repair the 211 Access Area in the manner provided in Section 2(a) above, or that Realty fails to maintain or repair the 123 Access Area in the manner provided in Section 2(b) above (in such case, the party failing to satisfy such obligations being, the "Breaching Party"), the other party (the "Nonbreaching Party") shall be entitled (i) in the case of an emergency situation, to immediately take action to correct the dangerous condition; and (ii) in the case of a non-emergency situation to take action to correct the default following thirty (30) days prior written notice from the Nonbreaching Party to the Breaching Party. If the Nonbreaching Party does provide such maintenance, or make any such required repairs, the Breaching Party shall pay the Nonbreaching Party, within thirty (30) days after the submission of statements therefor, an amount equal to the cost of any such maintenance or required repairs made by the Nonbreaching Party.

3. Mutual Scale Use Agreement. (a) CRRA, for itself and its successors and assigns, as the owner of the 211 Access Area and the CRRA Scale, hereby grants unto Recycling, its successors and assigns, for the Term of this Agreement, the right, in common with CRRA, to: (i) access and use the CRRA Scale; (ii) access and use the scale house facility immediately adjacent to the CRRA Scale (the "CRRA Scale House"); (iii) install computer equipment in the CRRA Scale House for the purpose of

monitoring the use of the CRRA Scale; and (iv) locate an operator inside the CRRA Scale House on a shared basis with CRRA.

(b) Realty and Recycling, for themselves and their successors and assigns, as the respective owner and operator of the 123 Access Area and the Recycling Scale, hereby grant unto CRRA, its successors and assigns, for the Term of this Agreement, the right, in common with Realty and Recycling, to access and use the Recycling Scale as a backup scale for the CRRA Scale, on an as-needed basis.

(c) CRRA (with respect to the CRRA Scale) and Realty and Recycling (with respect to the Recycling Scale) shall each maintain and repair their respective scales at their sole cost and expense. Notwithstanding the foregoing sentence, any repairs which are necessitated by the negligence of the party not otherwise responsible for such repairs shall be paid by the party causing the damage.

4. Term. (a) The term of this Agreement shall commence on the date hereof and shall end at midnight on the last day of the fifteenth (15th) year thereafter (the "Term").

(b) Notwithstanding the preceding paragraph, either party may terminate this Agreement prior to the expiration of the Term (the "Terminating Party") if the other party is in default under the terms of this Agreement (the "Defaulting Party"), provided that such default continues beyond thirty (30) days after notice from the Terminating Party to the Defaulting Party of such breach.

5. Non-Interference with Access Areas. (a) Each party mutually covenants and agrees that the 211 Access Area and the 123 Access Area shall each be maintained as a driveway and neither party shall erect or allow to be erected any structures or other obstructions on or within the 211 Access Area or the 123 Access Area which will prevent reasonably convenient continued access.

(b) Notwithstanding anything herein contained to the contrary, (i) CRRA hereby reserves the right to continue to use the land within the 211 Access Area for any uses and purposes which shall not interfere with the use thereof by Recycling as set forth herein and (ii) Realty and Recycling hereby reserve the right to continue to use the land within the 123 Access Area for any uses and purposes which shall not interfere with the use thereof by CRRA as set forth herein.

6. Disputes. All claims, controversies, and disputes concerning either party's performance of its obligations under this Agreement shall be finally decided by a single arbitrator in binding arbitration in accordance with the applicable rules of the American Arbitration Association (the "AAA"), as modified by the provisions of this Agreement. Either CRRA, Recycling or Realty 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 with jurisdiction in Hartford, Connecticut. Prior to the initiation of arbitration, the party claiming a dispute shall provide the other party with written notice of any alleged default of this Agreement and an opportunity to correct same within thirty (30) days from the date of receipt of the notice. The arbitrator shall be selected by CRRA and Recycling from a list provided by the AAA. If no arbitrator on the list is willing to serve, or CRRA or Recycling cannot agree on an arbitrator within five (5) business days of receipt of said list from the AAA, then an arbitrator shall be selected by the AAA. No individual who is, or has at any time been, an officer, employee, representative, or consultant of CRRA, Recycling, or Realty, or who is otherwise an interested party, shall be an arbitrator without the express written consent of CRRA, Recycling, and, if applicable, Realty. If CRRA and Recycling (or Realty, as applicable) are unable to agree on the designation of an arbitrator within one week of said notice, they shall each designate a representative who is not an officer, employee, official or consultant of the parties, and these representatives shall designate an arbitrator. The costs of arbitration shall be shared equally by the parties and each party shall bear its own costs 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 successful party's attorneys' fees and other costs shall be paid by the losing party. All arbitration proceedings shall be held in Connecticut, and the arbitrator shall determine the scope of discovery and the rules applicable to the proceedings. The determination of the arbitrator shall be final and binding. The determination shall be in the form of a written award, with written findings of fact, and may be entered into and specifically enforced by any court of appropriate jurisdiction. During resolution of any dispute under this provision, there shall be no interference with any of the parties rights under this Access and Scale Use Agreement. If the arbitrator does not issue a decision within sixty (60) days of his/her selection, either party, by written notice, may demand the appointment of a new arbitrator. 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.

7. Notices. Unless otherwise specifically provided herein, any notice, consent, approval, request, demand or other communication provided for by this Agreement (collectively, "Notices") shall be in writing and given by personal delivery or sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the party for which such Notice is intended, at such party's address set forth below:

If to CRRA, to:

President
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

with a copy to:

Attorney Ann Stravalle-Schmidt
Connecticut Resources Recovery Authority
100 Constitution Plaza, 17th Floor
Hartford, CT 06103-1722

(b) If to Recycling or Realty:

143 Murphy Road
Hartford, CT 06114

Attention: Mr. Frank Antonnocci

with a copy to:

John D'Amico, Esq.
Updike Kelly & Spellacy P.C.
One State Street
Hartford, CT 06123-1277

All notices shall be effective upon actual receipt. Each party hereto shall have the right to change the name of the parties to be notified on their behalf hereunder and/or to change the address to which notices to them should be sent, by notifying the other party by notice complying with this Section 7 and by recording a document in the Hartford Land Records which references this Agreement and sets forth such change.

8. Entire Agreement; Amendment. This Agreement contains the entire agreement between the parties hereto and cannot be changed, modified, waived or cancelled except by an agreement in writing executed by the party against whom enforcement of such modification, change, waiver or cancellation is sought.

9. Binding Effect. This Agreement and the covenants herein contained touch and concern, and are intended by each of the parties hereto to run with and be appurtenant to, all lands affected thereby, whether benefited or burdened, and shall bind and inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and assigns.

10. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Connecticut.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, CRRA, Realty and Recycling have caused this Access and Scale Use Agreement to be duly executed as of the day and year first above written.

Signed, Sealed and Delivered
in the Presence of:

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

_____
Printed Name:

By:_____
Printed Name
Its:

_____
Printed Name:

MURPHY ROAD RECYCLING, LLC

_____
Printed Name:

By:_____
Printed Name
Its:

_____
Printed Name:

MURPHY ROAD REALTY, LLC

_____
Printed Name:

By:_____
Printed Name
Its:

_____
Printed Name:

STATE OF CONNECTICUT)
) ss. March __, 2003
COUNTY OF HARTFORD)

Personally appeared Thomas Kirk, the President of CONNECTICUT RESOURCES RECOVERY AUTHORITY, a political subdivision of the State of Connecticut, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed, and the free act and deed of that political subdivision, before me.

_____
Commissioner of Superior Court
Notary Public
My Commission Expires:

STATE OF CONNECTICUT)
) ss. March ___, 2003
COUNTY OF HARTFORD)

Personally appeared _____, _____ of MURPHY ROAD RECYCLING, LLC, a Connecticut limited liability company, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed, and the free act and deed of that limited liability company, before me.

_____
Commissioner of Superior Court
Notary Public
My Commission Expires:

STATE OF CONNECTICUT)
) ss. March ___, 2003
COUNTY OF HARTFORD)

Personally appeared _____, _____ of MURPHY ROAD REALTY, LLC, a Connecticut limited liability company, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed, and the free act and deed of that limited liability company, before me.

_____
Commissioner of Superior Court
Notary Public
My Commission Expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE 211 PARCEL

EXHIBIT B

LEGAL DESCRIPTION OF THE 123 PARCEL

EXHIBIT C

SITE PLAN FOR 211 MURPHY ROAD SHOWING THE 211 ACCESS AREA AND THE CRRA SCALE

[See attached]

EXHIBIT D

SITE PLAN FOR 123 MURPHY ROAD SHOWING THE 123 ACCESS AREA AND THE RECYCLING SCALE

[See attached]

RESOLUTION REGARDING RECYCLING AGREEMENT WITH MURPHY ROAD RECYCLING, LLC ET AL

RESOLVED, that the President is authorized to enter into a Recycling Agreement and an Access and Scale Use Agreement with Murphy Road Recycling, LLC and Murphy Road Realty, LLC, as substantially presented at this meeting with such non-substantive changes as the President deems necessary or appropriate; provided that if these is a substantive change that outside counsel for the Connecticut Resources Recovery Authority ("CRRA") certifies in writing is for the benefit of CRRA without imposing any material, additional risk, the President may incorporate such change.

TAB 12

CONNECTICUT RESOURCES RECOVERY AUTHORITY

100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

Terrorism Risk Insurance Act (TRIA) of 2002
Interim Terrorism Endorsements
Steering Committee Actions – Ratification

Past Board Action

At its December 19, 2002 meeting the CRRA Board of Directors approved the following resolution:

RESOLVED: That the Steering Committee is authorized to bind terrorism coverage based upon advice of staff and consultants. These actions shall be ratified by the full Board at its next subsequent meeting.

In accordance with this resolution, the Steering Committee authorized the binding of certain terrorism coverage endorsements:

Property Insurance – Endorsements Accepted Effective 11/26/02 – 4/1/03

Insurer	Premium	Coverage	% of $ $450 mm Limit
• Commonwealth	$ 5,000	$ 22,500,000	5%
• ACE Global	$ 3,211	$ 22,500,000	5%
• XL Winterthur	$ 9,583	$ 67,500,000	15%
• Zurich	$ 828	$ 45,000,000	10%
• Liberty	$47,133	Declined	10%
• HSB/AIG	$30,000	Declined	55%

Ratification by CRRA Board

In accordance with the December 19, 2002 resolution, the CRRA Board of Directors hereby ratifies the actions taken by the members of the CRRA Board Steering Committee with respect to acceptance and payment for TRIA endorsements for coverage to the policies as described above and discussed at this meeting.

Lmartin/terrorismriskact

TAB 13

CONNECTICUT RESOURCES RECOVERY AUTHORITY

100 CONSTITUTION PLAZA - 17th FLOOR • HARTFORD • CONNECTICUT • 06103-1722 • TELEPHONE (860) 757-7700
FAX (860) 727-4141

Connecticut Resources Recovery Authority
All Risk Property Insurance Renewal

I. Current Policies

- Expire 4/1/03 – $450 million Blanket All Risk including Boiler & Machinery, insuring real and personal property, Business Interruption and Extra Expense
- Property damage & boiler & machinery deductible $100,000, except Mid-CT, Wallingford Facilities and Jets, which have a $250,000 deductible
- Business Interruption/Extra Expense, Time Element deductible – 45 days
- Six Insurers – 55% HSB/AIG; XL 15%; Zurich 10%; Liberty 10%; ACE 5% and Commonwealth 5%
- 4/1/02 – 4/1/03 premium was $1,100,000 plus $25,000 for Engineering Services for a total cost of $1,125,000
- Terrorism endorsements ($157,500,000 coverage limit part of $450 mm) purchased for interim period of 11/26/02 – 4/1/03

II. Renewal Policy

- Quotes received from the following insurers for the indicated percentage participation

Insurer	% Participation of $450 mm
HSB/AIG	55%
XL	15%
Zurich	15%
Liberty	10%
Commonwealth	5%

- No rate increase over last year
- Reported asset values were lower than in 2002-03 by approximately $40 million due to reduction in estimates for replacement costs
- Premium reduced to $1,037,164 from $1,125,000 in prior year, a decrease of $ 87,836.
- All other coverage terms/conditions and deductibles same as expiring policies

III. Management Summary & Recommendation

- Policy expiration on 4/1/03 requires approval in March 2003 for continuance of basic coverage
- Need to provide property insurance, business interruption and extra expense insurance on CRRA property due to ownership and/or contractual requirements
- Because terrorism acts have been excluded from the basic property policies, overall CRRA requirements for terrorism endorsements to individual policies will be prepared and reviewed as part of the April Finance Committee Meeting in advance of the overall insurance review at the June meeting.
- **We recommend securing the $450 million all risk property insurance coverage for the period 4/1/03 – 4/1/04 as follows:**

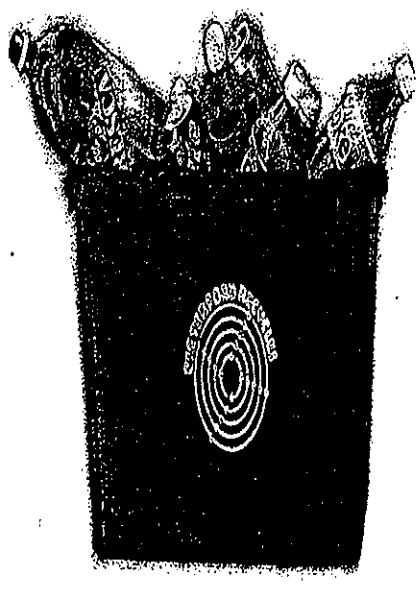
  - **HSB/AIG – 55%**
  - **XL – 15%**
  - **Zurich – 15%**
  - **Liberty – 10%**
  - **Commonwealth – 5%**

For a premium not to exceed $ 1,037,164, with terms and conditions substantially as presented and discussed at this meeting.

Terrorism coverage, if any, will be determined following the April Finance Committee meeting.

Lmartin/bulletsproperty'04

TAB 14



Huge Deposit, No Return

Pervasive recycling has made the 'Bottle Bill' not only obsolete, but costly to both consumers and taxpayers — while distributors pocket millions in unclaimed deposits

By MICHAEL A. PACE

CONNECTICUT'S "BOTTLE BILL" IS 25 years old this year, and in the quarter century since its passage into law, we have come a long, long way.

The main goal of the Bottle Bill was to protect the environment by discouraging litter and encouraging recycling. The law succeeded on both counts — particularly on the recycling end — but with an unexpected twist: Connecticut is recycling more than the Bottle Bill's authors ever imagined. Much more.

In 1978, debate on the Bottle Bill was filled with dire predictions of its impact. So to aid dislocated workers in bottle manufacturing plants, special benefits were extended by the legislature. And to help cushion the blow on the beverage industry, a system was created whereby the bottlers and distributors were allowed to hold onto your unclaimed nickels.

In the Bottle Bill's infancy, it may have made sense to allow bottlers and distributors to offset the costs of complying with a new law. But after 25 years, and with the rapid growth of recycling, it's time to wean the beverage industry off the bottle deposits.

Today, recycling bins are as common on the curbside as garbage cans. Meanwhile, Connecticut's bottlers and distributors have been "banking" on your increased recycling—to the tune of millions of dollars every year—thanks to a system in which they became the first to collect, and the last to pay back, the nickel deposit.

Ask yourself this question: What did you do with the last soda bottle or can you used? Did you bring it back to the store to get your nickel back? Or did you toss it in the bin with your recyclables? Worse yet, did you throw it in the trash as some regretfully do?

According to a recent estimate, $16.4 million worth of nickels are not making it back into your pocket. What's more, you are paying twice for those unreturned bottles and cans. How?

CRRA's four waste-to-energy facilities process very large amounts of the nickel-deposit containers. Based random counts, CRRA's Mid-Connecticut Project in Hartford receives an estimated 9 million to 12 million bottles and cans each year that could have been returned for the nickel deposit or recycled. Spread across CRRA's four resource recovery plants, that number reaches upwards of 30 million bottles and cans.

See BOTTLE BILL page C4

Michael Pace is first selectman of Old Saybrook and chairman of the Connecticut Resource Recovery Authority.

DAY (SUNDAY)
NEW LONDON, CT
SUNDAY 47,193

FEB 23 2003

New England Newsclip Agency, Inc.

Bottle Bill becomes obsolete

From C1

The boilers that turn your household garbage into steam and electricity were not intended to process these bottles and cans. Melted cans and heated glass create slag, which can cause operational problems and outages at these plants. Cans that combust also generate fly ash. Although that ash is captured in the baghouse that cleans the facility's air emissions, the slag, ash, and glass end up having to be landfilled. The result: You pay for unclaimed bottles and cans in your disposal fees.

Thankfully, many of the unreturned bottles and cans are being recycled. Each year, CRRA's recycling centers in Hartford and Stratford accept and process very large amounts of unreturned bottles and cans. A recent audit at the Hartford recycling facility revealed that 60 to 70 percent of the recyclable plastic and 30 percent of the recyclable aluminum were nickel-deposit containers. We estimate similar numbers at our Stratford recycling center. Yet still, the bottlers hold your nickel.

As Connecticut's largest recycler, we believe that it is time to recognize this reality, repeal the "escheat cheat" system, and use the millions in unclaimed deposits to support recycling in all of Connecticut's cities and towns. That is what would happen under a bill currently before the state legislature — and the impact is substantial.

Such a system would be worth $6.20 per ton in tipping fees now paid by the towns in our Mid-Connecticut Project; $9 per ton in the Bridgeport Project; $7.50 per ton in the Southeast Project; and $6.70 per ton in the Wallingford Project.

Under the bill, CRRA — which is the only recycler in the state that does not charge a separate fee for recyclables — would receive the share of revenues for the towns we serve, funding recycling operations like our electronics recycling program, improving waste processing operations such as removing metals from your household garbage, and quality of life projects in the communities that host our facilities.

Some $5.3 million in the unclaimed deposits would be distributed to support recycling operations in the non-CRRA towns.

The arguments being made by the beverage industry to cling to the old "escheat cheat" system — along with the millions of dollars it gives them — are the echoes of a bygone era, and they ring as hollow as an empty can.

We believe that by returning your bottle or can for your 5-cent deposit — or by using the unclaimed deposits to promote recycling—the Bottle Bill's original goal of protecting the environment will be better-served.

CRRA votes to pay Covanta's bills

By Jeffrey B. Cohen
Record-Journal staff

WALLINGFORD — In a two-pronged attempt to make the town whole and avoid municipal liens, a board of the Connecticut Resources Recovery Authority voted this week to pay the town the more than $142,500 in late water and sewer bills left by its bankrupt subcontractor, Covanta Energy.

CRRA contracted Covanta to operate its Wallingford trash-to-energy plant, but when the company entered bankruptcy in April 2002, it left two quarterly bills unpaid. This came to the attention of both Mayor William W. Dickinson Jr. and Town Councilor and Democratic mayoral candidate Michael Brodinsky, the latter of whom criticized the former for letting the bill go unpaid.

The Wallingford Resource Recovery Authority Policy Board — made up of the chief executives of Cheshire, Hamden, Meriden, North Haven and Wallingford — voted unanimously at a special meeting in North Haven Monday to pay the town no more than $150,000 out of its fiscal year 2002-03 surplus. Dickinson abstained from the vote. The rationale behind the vote was discussed in an executive session.

Initially, at issue was just who exactly owed the money to the town. Ask the town, and the property owner is CRRA. Ask CRRA, and Covanta was responsible for the unpaid bill and the 1.5 percent monthly late fees.

But according to project coordinator Philip J. Hamel Jr., CRRA — by virtue of its contracts with its bondholders — cannot carry liens on its property. So, on the advice of outside bankruptcy attorney Melvin Simon, the board decided it needed to pay the debt and discussed strategies for improving its chances of recovering that money in the bankruptcy. Hence the closed-door session.

Brian Flaherty, a spokesman for CRRA and state representative from Watertown, did not return a call for comment. Covanta spokesman Kent Burton, who said his company had been speaking with CRRA about the issue since the bankruptcy filing, would only say, "We're glad for the decision that was made and think it represents an appropriate solution." Whether CRRA can recoup the $150,000 is a matter for the bankruptcy proceedings to decide, Burton said.

■ In a decision that forced the five men to balance their duties on the board with their fiduciary responsibilities as municipal leaders, the board approved its fiscal year 2003-04 budget with one condition.

At issue was whether to raise the tipping fee paid by waste haulers from $55 to $56, an increase expected to bring an extra $165,000 to CRRA next year. CRRA would then put that money into a rate stabilization fund, along with another $835,000, to prepare for the expected price hikes in 2010.

CRRA supported the hike for two reasons. The first was financial — in 2010, rates will almost certainly rise. As a result, gradual raises in the tip fees — despite CRRA's roughly $20 million in reserves — might reduce the eventual shock of a larger increase.

The second reason was operational. With a tip fee that is the lowest in the state, the Wallingford facility would run the risk of attracting haulers from outside of the five municipalities, spiking costs.

But a majority of the board was hesitant to approve a price hike that would take money from municipal budgets for control, not operational, purposes.

"In Hamden, it's getting really bad," Hamden Mayor Carl Amento said. "There are literally hundreds of budget decisions we have to make, and each one of them we keep taking on the chin."

"Seems like it," Meriden City Manager Roger L. Kemp agreed.

The board decided that the tip fee would be increased to $56 only if the roughly $135,000 would later be rebated to the five municipalities, subject to approval by CRRA's board. Should it not approve, the fee would remain at $55. The board voted 4-1 in favor of the motion, with Dickinson opposed.

In Wallingford, most residents contract privately with a hauler and the municipal budget would therefore be unaffected by the tip fee increase. In the four remaining towns, a combination of private and municipal haulers get the job done. For them, the more the town collects, the more the budgets are impacted.

After the vote, Dickinson, Amento and Cheshire Town Manager Michael Milone had what amounted to a municipal CEO's group therapy session, expressing the frustrations of balancing next year's budget while still unsure about state reimbursements in this year's budget.

"The state, in one fell swoop, can undermine years of financial planning," Milone said. The men nodded their heads in agreement.

RECORD-JOURNAL
MERIDEN, CT
DAILY & SUNDAY 29,000
THURSDAY
FEB 13 2003

HARTFORD COURANT

HARTFORD, CT
DAILY 227,792

WEDNESDAY
FEB 26 2003

ELLINGTON

Graziani To Urge Taxing CRRA

State Rep. Ted Graziani, D-Ellington, will testify before the legislature's planning and development committee today about his proposed bill that would allow municipalities to tax the Connecticut Resources Recovery Authority.

"Taxing CRRA make sense," Graziani said in a statement. "I believe local municipalities should have the right to tax CRRA on revenue it gains outside its scope, and this will would afford them that right. Taxing CRRA would empower local municipalities and protect communities from reductions in deserved funds."

The recovery authority was established in 1973 to develop and implement solid waste disposal, recovery and recycling facilities. As a quasi-public agency, the CRRA has power to raise and use funds outside the government's financial controls and is tax exempt. Graziani's bill would sanction taxation on any portion of CRRA property that is used as a revenue source outside of the solid waste management.

Graziani, whose district includes East Windsor, is scheduled to testify at 11 a.m. today.

HARTFORD BUSINESS JOURNAL

HARTFORD, CT
50-TIMES/YEAR 15,010

FEB 24 2003

CRRA finance chief named

James P. Bolduc was named CFO of the Connecticut Resources Recovery Authority (CRRA). Bolduc was selected for the post of finance division head by the CRRA board of directors and began his new duties last month, according to a statement by CRRA.

"Last June, this board began the process of rebuilding CRRA and regaining the financial strength of this organization, which serves so many Connecticut cities and towns," said Michael Pace, chair of CRRA's board of directors. "Jim Bolduc brings decades of corporate financial experience to CRRA at a time when we need those talents the most."

Bolduc spent most of his professional career at CTG Resources Inc., also known as the Connecticut Natural Gas Corp. He left the company in 2001 as executive vice president and CFO. During his 33-year career at the company, Bolduc also was vice president for consumer services, vice president for distribution and customer services and vice president for corporate, regulatory and customer service.

"I am delighted to join the CRRA organization and look forward to working with the board, [CRRA President] Tom Kirk, and the staff regaining the respect and confidence of the community," Bolduc said.

CRRA made headlines in 2002 when it lost $200 million in state funding through an unsecured loan agreement with the now bankrupt Enron. ■

HARTFORD COURANT

HARTFORD, CT
DAILY 227,792

THURSDAY
FEB 20 2003

Storm's Effects Linger In City

Pesky Snowbanks Will Be Left To Melt

By MARK PAZNIOKAS
COURANT STAFF WRITER

The Presidents' Day storm left Hartford with a wintry case of arterial sclerosis — snow banks that constricted major traffic arteries Wednesday and caused rush-hour traffic delays.

The city's plows scraped most roads to bare pavement by Tuesday morning, but the resulting snowbanks narrowed major commuting routes from two to one lane in each direction.

As a result, a single motorist stopped for a left turn could cause delays that, in some cases, backed up traffic onto the highways. But employers reported no major disruptions.

"Some people were a little late, but everything opened on schedule," said Dennis Schain, a FleetBoston spokesman in Hartford.

Schain said his own east-of-the-river commute encountered bumper-to-bumper traffic on I-84 and a backup on the Founder's Bridge. He was 15 minutes late to work.

Police limited parking on many downtown streets to one side of the street to help unsnarl traffic. Capt. Michael Fallon, commander of the traffic division, predicted a smoother drive for commuters today.

"It all comes down to the snow and getting it out of here as soon as possible," Fallon said.

But unless it melts, not much snow will be disappearing from city streets.

City crews have pushed back the heavy snow as far as it can go on most major thoroughfares, said Bhupen N. Patel, the director of public works.

Opening additional lanes on major streets would require hauling away snow with bucket loaders and dump trucks, a job that can be done safely only at night with overtime crews, Patel said.

Public works lost 54 positions in the current budget, forcing Patel to largely eliminate the night shift that the city used to run in winter.

With warm weather and rain predicted for later this week, Patel said he cannot justify the overtime to widen the city streets. A forecast of more snow probably would have forced him to begin hauling away snow, he said.

"There will be some inconveniences," Patel said. "It is a balancing act."

The last $20,000 remaining in his $389,000 snow-removal budget was spent fighting the holiday storm, whose timing required Patel to pay his crews double-pay. The total cost of the storm was still being computed Wednesday.

City officials reported receiving fewer snow-related complaints than usual, even after Wednesday's delays. City Manager Lee C. Erdmann gave the city's efforts a B-plus to an A-minus.

But some motorists complained that the city was not doing enough to tow illegal parked cars and adequately clean side streets.

"This is not fair to people who live in Hartford and work there," said Victor Zoccano, who commutes from Bloomfield to his South End shop, Orchid Florists.

Jerry Martin, a state marshal who travels the city serving legal papers, said he needed 20 minutes to travel from the Founders Bridge to CityPlace, a distance that can be covered in 5 minutes on foot.

Patel said city workers cleared a traffic lane on Asylum at Farmington, where traffic was backed up Wednesday morning. But in all, only three city plows worked the streets during the day.

Instead, he dispatched 10 trucks to take advantage of a storm-related windfall: an opportunity to save tens of thousands of dollars disposing of wood chips stockpiled at Keney Park. The wood chips from downed trees and limbs are accumulating faster than the city can use or sell them.

The Connecticut Resources Recovery Authority offered to burn them for free Wednesday at its Mid-Connecticut trash-to-energy plant. Patel said trash collections were light due to the storm, leaving the plant with too little trash to run at peak efficiency.

It was a bargain Patel could not resist. Winter is not done, and even a sustained thaw will bring its own expensive problem: Potholes.

Courant Staff Writers Matt Burgard and Kenneth R. Gosselin contributed to this story.

PLEASE SEE STORM, PAGE B9

NEW HAVEN REGISTER
NEW HAVEN, CT
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FEB 5 2003

New England Newsclip Agency, Inc.
377 DM

Bill would make all share in pollution burden

By Angela Carter
Register Staff

HARTFORD — Environmental justice advocates want the state legislature to pass a bill that would prevent pollution-generating facilities from concentrating in minority and low-income communities.

During a Public Health Committee public hearing Tuesday, a statewide coalition of individuals, nonprofits and grassroots community groups unveiled a state map that showed a correlation between the sites of power plants, transfer stations and other "pollution sources" and census tracts with the highest minority populations.

"We're trying not to overburden any one particular community or any one particular ethnic group," said state Rep. Art Feltman, D-Hartford, House co-chairman.

Feltman introduced the bill in committee. The proposed legislation would require several state entities to develop an environmental justice action plan that "identifies and addresses disproportionately high and adverse human health or environmental effects of a program, policy or activity on minority and low-income populations."

The bill names the Connecticut Siting Council, the Connecticut Resources Recovery Authority, Bristol Resources Recovery Authority and Eastern Connecticut Resources Recovery Authority and the state Departments of Environmental Protection, Public Utility Control and Motor Vehicles.

Dr. Mark A. Mitchell, a public health physician and president of the Connecticut Coalition for Environmental Justice, cited a recent study published by the University of Hartford that shows that since 1985, waste facilities have been "disproportionately closed in white suburban communities," and replaced by larger regional facilities in "urban black and Latino communities."

> **"I'm hoping we get it done this year."**
> State Rep. Art Feltman, D-Hartford

State Sen. Toni Harp, D-New Haven, said there is evidence that air pollution from treatment plants and motor vehicle exhaust are related to asthma rates and asthma attacks are the No. 1 cause of absenteeism in schools. New Haven has a 25 percent asthma rate, she said, which is three times the national average.

State Rep. Evelyn Mantilla, D-Hartford, said the capital city has the highest rate for asthma treatment in emergency rooms.

In written testimony, Christel Manning, chairwoman of the New Haven Environmental Justice Network, said New Haven residents already "bear a disproportionate share of Connecticut's pollution burden" because the Elm City has the state's largest garbage transfer station, numerous incinerators and four new transfer facilities are seeking approval.

Additionally, DEP officials have recommended that the mothballed English Station power plant be reopened.

"This is not fair. People from all over the state benefit from these facilities," but only New Haveners "breathe the dirty air," Manning said in a statement read by John Dixon, political chairman of the New Haven Sierra Club. She had to leave the hearing before her turn to speak.

The bill also calls for the state Commission on Human Rights and Opportunities to review each department's environmental justice plan, identify barriers to achieving environmental justice and then make recommendations for implementing the plans.

Richard Parmlee, a Hartford resident and member of the Connecticut Campaign for Environmental Justice, suggested amending the bill to include a mechanism for public input as the plans are being developed and a timetable for putting them into effect.

Feltman said there are some reservations about the impact of the bill on the budget. If it gets voted out of committee, then it would be voted on by the Environment and Appropriations committees, before advancing to the House, he said.

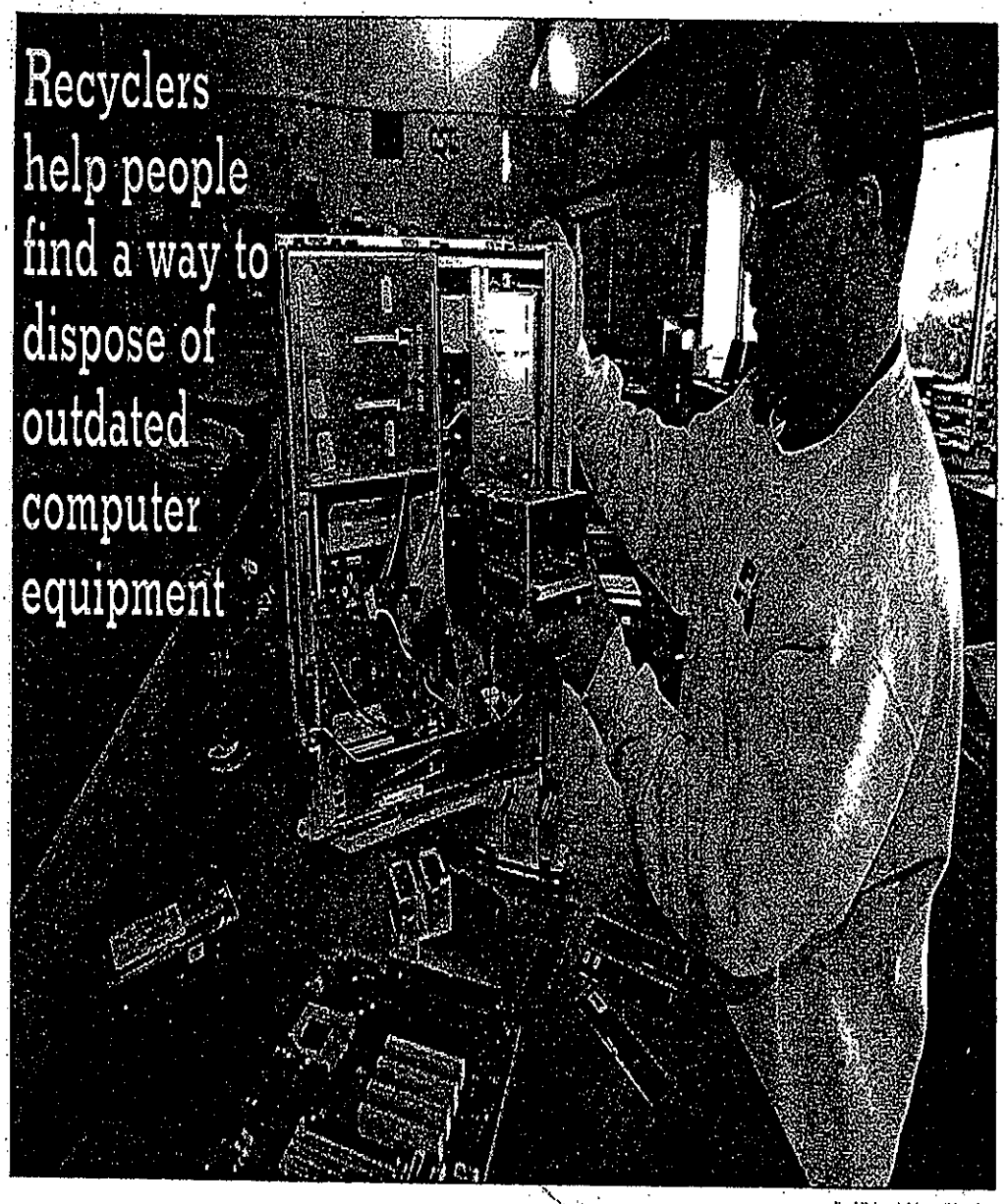
"We tried to get it through the House last year," Feltman said. "I'm hoping we get it done this year."

Angela Carter can be reached at acarter@nhregister.com, or 789-5614.

)URNAL INQUIRER
MANCHESTER, CT
DAILY 53,000
TUESDAY
FEB 25 2003

Take my computer ... please!

Recyclers help people find a way to dispose of outdated computer equipment



Jim Michaud / Journal Inquirer

Clark Holt strips the parts from a computer at PC Worldwide in Manchester, where Kaplan Computers sends the used computers it receives. Kaplan sells refurbished models at prices far less than the cost of a new computer.

By Kurt Moffett
Journal Inquirer

Remember when the Commodore 64 was an innovative piece of computer technology? Now where is it? Well, if it wasn't given away, it's probably collecting dust in the attic.

With more and more people owning computers and upgrading to keep up with the latest technology, they're finding the old computers are piling up rapidly in their homes.

It is legal for residents in Connecticut to throw computers away with regular trash, but state environmental officials would prefer they did not. The glass in computer monitors contains lead, mercury may be present in relays and switches, cadmium in batteries, and other hazardous materials in circuit boards, they say.

Careless disposal of computers and other electronics is a concern not only because they're big and bulky, but because the metals present in these materials can remain in the ash after the trash is incinerated, according to the state Department of Environmental Protection.

The problem is, there aren't a lot of places to bring old, outdated computers, state DEP environmental analyst Thomas Metzner says. And when they do find a place, they're often shocked and outraged that they have to pay a fee to get rid of it, he says.

"The No. 1 question I get is 'How do I get rid of hazardous waste?'" Metzner says. "But the No. 2 question is: 'How do I get rid of my old computer?' I'm getting more and more questions about that and, understandably, they're rather taken aback when they're told they have to pay. There's no place to go and just give it to somebody."

The disposal of old computers is an issue that's rapidly gaining attention in Connecticut and around the country, Metzner says. A recent study estimates that Americans discard 12 million to 14 million computer systems each year, and by 2005, that figure may increase to 45 million annually, according to the DEP's Web site.

Metzner says recycling computers is a very expensive process, so some states, like California and Massachusetts, are beginning to draft legislation that would require computer manufacturers to pay for the recycling costs. Most manufacturers are "not in line with that yet," he says.

"There's a lot of heated discussion in the waste management industry about how to improve recycling," Metzner says.

Winston Averill, a member of the Connecticut Recyclers' Coalition's board of directors, says Connecticut is proposing legislation similar to that in California, where computer customers would be charged a $10 fee at the point of purchase, and that money would be used to pay for the recycling of computers.

Metzer says incinerating regular trash in Connecticut costs between $50 and $70 per ton, while recycling electronic equipment costs between $300 and $500 per ton.

Connecticut's largest solid waste management authority, the Connecticut Resource Recovery Authority, does better than 50 percent of the recycling around the state, Metzer says. Since 1998, the CRRA has conducted 20 to 30 collections of electronic equipment, recycling more than 300 tons in just the last two years alone, Metzner and CRRA officials say.

Metzner and Averill note, though, that the CRRA was only able to conduct two of these collections last year because of budget deficits. And with the CRRA and state both facing economic crises this year, Averill says recycling programs are likely to be cut from budgets.

"The proposed legislation stands a better chance," Averill says. "What responsibility do manufacturers have and what responsibility do consumers have? That's the debate."

A few towns have begun their own recycling programs of electronics, such as Mansfield, Franklin, and Branford, Metzner says. But people have to be residents in those towns to participate, he says.

Finding someone or an organization to donate a computer to is difficult because computers become obsolete so quickly, Metzner says.

But the DEP Web site does provide a list of companies that recycles computers. The Web site is:

www.dep.state.ct.us/wst/recycle/comprecy.htm.

One company, with stores in Manchester and North Windham, that recycles computers is Kaplan Computers. Kaplan charges $15 for computer monitors and $10 for computers, store owner Ken Kaplan says.

"It doesn't matter where they bought the computer," Kaplan says.

Kaplan says his business refurbishes used computers and resells them at prices far less than the cost of a new computer. But if the computer cannot be reused, some of the parts often can be, and the store will sell those, too, he says. Any parts that cannot be sold are sent to recycling companies.

And computer owners who bring their equipment to Kaplan can rest assured that the personal data they have stored on the computer's hard drive will be completely erased, Kaplan says. The company uses a U.S. Department of Defense-approved system that completely "sanitizes" the hard drive, he says.

One retail store that holds collections for recycling computer goods is Best Buy.

Best Buy spokeswoman Kim Lochner says the company has held collections at various locations around the country for the last two years. This year, Best Buy is planning to hold between 13 and 20 collections, but the locations will not be set until next month, she says. Last year, there was a $15 fee for televisions and $10 for computer monitors, but no charge for computers.

But Lochner says Best Buy is also looking to expand the number of opportunities customers have for dropping off used electronic equipment by having year-round drop-off centers at its stores.

HUNTINGTON HERALD
TRUMBULL, CT
WEEKLY 7,110
FEB 19 2003
New England Newsclip Agency, Inc.

Bikers just want a place to ride

Shelton officials last week adopted a new ordinance designed to outlaw just what Adam Bucco and Tony Metz like to do — ride dirt bikes on public property in the city.

The ordinance also prohibits the use of all-terrain vehicles on city-owned open space.

Bucco, 23, and Metz, 22, are two college students who recognize people are not happy with their favorite hobby.

"We want open space just like everyone else," said Metz, who is a senior at Union College in upstate New York and studies economics. "But we want to ride. We're asking for open space to have a track."

Metz said he likes Mayor Mark A. Lauretti's suggestion to open up part of the landfill for ATV and dirt bike use.

The only problem with that idea is the Connecticut Resources Recovery Authority (CRRA), which owns the former dump, and the state Department of Environmental Protection, which oversees it, have to sign off on the plan. But with Lauretti now serving on the CRRA board, stranger things could happen.

"I don't think anyone would get mad if we were at the dump," said Metz.

Since they can't go to the dump, the young men sometimes load their bikes into a pickup truck and travel to Monroe or Newtown to ride. Metz said he was not sure if the land they use is publicly or privately-owned.

But Bucco and Metz, who live next door to each other, like to ride their dirt bikes on land behind the old intermediate school in Shelton because it is close to their homes. They fashion jumps out of already mounded-up dirt, so when they hit the jump, they can "fly."

Bucco said young men have been riding dirt bikes and ATVs behind the old school for a long time. "Guys 30, 40 years old said they go back there," he said. "It's not exactly legal, but we've never been bothered."

Bucco said he bumped into a police officer in the woods behind the old school once when someone riding an ATV got hurt. But he was not issued a ticket or a warning. That may change now that the city has a new ordinance prohibiting riding motorized bikes and ATVs on city-owned open space.

The young men on the dirt bikes wear protective gear to avoid getting injured. In addition to helmets, they wear Kevlar pants to protect their skin if they fall. Kevlar is the same material used in bullet-proof vests. They also wear goggles, gloves, special boots that prevent ankle injuries and a chest protector.

Despite all of the protective gear, which can cost more than $1,000, Bucco said he dislocated his shoulder pulling into his driveway.

"We've all fallen plenty of times," said Bucco, who is attending Housatonic Community College and holds down two jobs, working as a mechanic in Bridgeport and as a baker at night in White Hills.

The longtime friends said they ride their bikes together because the other will be there, just in case one gets hurt.

"If I get hurt on a trail, I'm not going to sue them," said Metz. He said he understands there is an inherent risk involved riding a dirt bike and said he would not blame the trail owner.

The people who pushed for the ordinance to ban dirt bikes and ATVs from public open space argue the bikes rip up the terrain, creating soil erosion, and they simply make a lot of noise.

"I know it's noisy, and kids don't ride responsibly," admitted Metz. But he said his bike has a four-stroke engine, which is not as loud as a whining, two-stroke engine.

Let's face it, the loud noise from the bikes probably upsets more people than when the bikers tear up a trail on open space.

The bikes Metz and Bucco ride can be outfitted and registered with the Department of Motor Vehicles so they can legally ride them on city streets. Bucco said he would have to install brake lights, turn signals and mirrors and then the bike, which can cost more than $4,000 when they are new, would be street legal.

Unless they make their bikes street legal, or ride them only on private property with permission, or someday the town creates a track at the landfill, Metz and Bucco could soon be slapped with a ticket from the police.

To paraphrase an old adage, unless they can pay the fine, they shouldn't ride on the open space.

This column is the opinion of Editor Marty Bodwicz and does not necessarily represent the views of Hometown Publications.

Letters to the Editor and other correspondence can be mailed to the *Huntington Herald*, 1000 Bridgeport Ave., Shelton, CT 06484.

Adam Bucco sits on his dirt bike. He wants a space dedicated to ATVs and dirt bikes.

TAB 15

Memorandum

To: John D. Clark, Operations Division Head

From: Virginia Raymond, Project Analyst

Date: March 5, 2003

Re: Monthly Customer Delivery Report - MSW

The following summarizes deliveries for the period ending February 28, 2003. Attached are individual, detailed reports on each of the four projects. The following table provides a summary of member town deliveries to each project. Member deliveries were down for the month of February for the Mid-Connecticut, Bridgeport and Wallingford Projects.

Monthly Customer Delivery Report
Member Municipal Solid Waste

Project	*February 2002 Deliveries*	*February 2003 Deliveries*	*February % Change (5)*	*FY 2003 YTD Tons*	*YTD % Change (4)*
Mid-Connecticut (1)	60,946	56,041	-8.0%	576,359	1.0%
Bridgeport-CRRA (2)	40,632	37,219	-8.4%	392,164	-6.5%
Bridgeport-Company(3)	6,911	13,131	90.0%	84,455	56.60%
Bridgeport Total	47,543	50,350	5.9%	476,620	0.7%
Southeast-Member	10,838	10,994	1.4%	111,946	-3.0%
Southeast -Company	3,911	5,280	35%	42,939	62.7%
Wallingford	11,312	10,509	-7.1%	102,250	-2.0%

1. Includes member and contract municipalities.
2. Includes member, CRRA contract, and diverted waste.
3. Includes in-state and out-of-state company customers.
4. YTD percent change compares FY02 YTD tonnage to FY03 YTD tonnage.
5. February percent change compares February 2003 tonnage with February 2002 tonnage.

The following items are noted:

1. Mid-Connecticut member deliveries were down 8% with the most significant decline being a 1910 tons drop (21%) in City of Hartford deliveries. This decline appears to be a result of the significant snowfalls in February and a general drop in deliveries due to the economy. Without the additional waste from Guilford/Madison, year-to-date deliveries for the Mid-Connecticut Project would be down by 6,000 tons or 4%.
2. Because of the lower member and contract waste deliveries at the Mid-Connecticut Project, waste diversions from the Mid-Connecticut Project to the Bridgeport Project are down 12%. As a result, Bridgeport Company waste deliveries have been increased to fill plant capacity.
3. Both member town and CRRA spot waste deliveries are down from FY02 at the Southeast Project (down 3% and 30.4% respectively). This reduction in deliveries has been offset by increased "company" deliveries that are up from the previous year by 62.7%.

Mid-Connecticut Project

Municipal Solid Waste Tonnage

Member Towns

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Beacon Falls	4,870	3,349	1,956	2,323	19%	260	240	-8%
Bethlehem	2,086	2,106	1,395	1,329	-5%	146	116	-21%
Canton	5,439	5,547	3,650	3,717	2%	390	353	-9%
Chester	2,048	1,950	1,208	1,193	-1%	136	141	4%
Clinton	10,205	11,264	7,363	7,610	3%	731	636	-13%
Colebrook	814	838	550	592	8%	49	47	-3%
Deep River	2,895	3,312	2,176	2,059	-5%	244	195	-20%
East Granby	3,731	3,451	2,342	2,129	-9%	240	233	-3%
East Hampton	6,435	8,446	5,133	6,716	31%	624	695	11%
East Hartford	40,668	42,390	28,182	27,073	-4%	3,006	2,813	-6%
Ellington	7,315	7,830	5,084	5,477	8%	543	520	-4%
Enfield	34,512	36,399	23,794	24,376	2%	2,625	2,691	3%
Essex	5,106	5,180	3,469	3,402	-2%	356	306	-14%
Farmington	17,243	16,063	10,369	10,269	-1%	876	797	-9%
Glastonbury	21,030	20,960	14,307	13,290	-7%	1,315	1,292	-2%
Goshen	1,338	1,489	991	1,183	19%	84	105	24%
Granby	5,536	5,702	3,746	3,873	3%	382	352	-8%
Hartford	115,720	124,654	81,937	73,833	-10%	9,218	7,304	-21%
Harwington	2,347	2,356	1,576	1,615	2%	154	159	3%
Killingworth	2,649	2,605	1,759	1,719	-2%	164	143	-13%
Litchfield	5,789	5,812	3,858	3,861	0%	424	351	-17%
Lyme	859	889	600	607	1%	58	56	-4%
Middlebury	3,434	3,396	2,225	2,581	16%	214	223	4%
Naugatuck	25,333	28,451	18,402	18,998	3%	1,920	1,789	-7%
Newington	34,200	29,440	19,220	19,783	3%	2,090	1,870	-11%
North Branford	8,729	8,098	5,487	5,544	1%	547	502	-8%
Old Lyme	4,337	6,367	4,134	3,131	-24%	324	206	-37%
Old Saybrook	16,765	17,733	11,966	11,986	0%	1,100	1,164	6%
Oxford	3,853	4,415	2,902	2,969	2%	340	307	-10%
RRDD#1	14,518	14,888	9,685	9,033	-7%	996	865	-13%
Rocky Hill	14,430	14,476	9,431	9,527	1%	1,004	964	-4%
Simsbury	14,743	14,823	9,782	10,083	3%	993	974	-2%
South Windsor	21,171	21,599	14,167	15,987	13%	1,444	1,656	15%
Southbury	13,280	13,389	8,909	8,755	-2%	918	816	-11%
Thomaston	6,281	6,697	4,207	3,791	-10%	581	317	-46%
Torrington	30,429	30,642	20,101	22,691	13%	2,125	2,461	16%
Vernon	21,123	20,216	13,360	13,745	3%	1,346	1,276	-5%
Watertown	17,581	17,800	11,631	11,934	3%	1,250	1,252	0%
West Hartford	45,972	47,449	31,177	32,777	5%	3,308	3,053	-8%
Westbrook	4,694	5,566	3,361	4,695	40%	425	381	-10%
Wethersfield	17,481	17,862	11,209	12,068	8%	1,181	1,082	-8%
Woodbury	5,842	5,959	3,994	3,886	-3%	405	380	-6%
Total Tonnage	**622,827**	**641,858**	**420,794**	**422,213**		**44,533**	**41,083**	
Growth Rate		**3.1%**			**0.3%**			**-7.7%**

Mid-Connecticut Project

Municipal Solid Waste Tonnage

Contract Towns

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Avon	12,265	12,183	7,976	8,227	3%	848	752	-11%
Bloomfield	11,866	13,917	8,091	9,381	16%	1,085	863	-20%
Bolton	1,950	2,039	1,363	1,311	-4%	118	123	4%
Canaan	714	757	520	496	-5%	49	39	-20%
Cornwall	732	703	459	621	35%	47	64	37%
Coventry	4,168	3,780	2,543	2,588	2%	262	257	-2%
Cromwell	13,547	13,953	8,874	8,439	-5%	902	930	3%
Durham/Middlefield	6,829	6,771	4,528	4,459	-2%	443	445	1%
East Windsor	7,427	8,912	6,781	4,077	-40%	428	389	-9%
Guilford	-	4,548	1,451	6,826	370%	688	606	-12%
Haddam	3,733	3,747	2,538	2,468	-3%	256	239	-7%
Hebron	4,009	3,999	2,806	2,624	-6%	286	273	-5%
Madison	-	4,371	1,422	6,427	352%	615	651	6%
Manchester	43,418	41,918	28,234	27,632	-2%	2,951	2,838	-4%
Marlborough	2,568	3,064	1,884	2,393	27%	219	226	3%
Norfolk	909	951	631	685	9%	76	65	-15%
North Canaan	3,076	2,975	1,991	1,960	-2%	208	200	-4%
Portland	5,694	5,507	3,679	3,328	-10%	358	283	-21%
Roxbury	992	1,035	705	694	-1%	70	64	-9%
Salisbury/Sharon	5,617	5,336	3,673	3,554	-3%	368	317	-14%
Suffield	6,866	7,239	4,843	4,813	-1%	447	458	3%
Tolland	5,834	5,918	3,913	4,137	6%	393	412	5%
Waterbury	68,919	65,302	43,523	41,463	-5%	4,550	3,997	-12%
Windsor Locks	10,887	10,745	7,408	5,541	-25%	747	467	-37%
Total Tonnage	**222,021**	**229,667**	**149,835**	**154,146**		**16,413**	**14,958**	
Growth Rate		**3.4%**			**2.9%**			**-8.9%**

Member & Contract Towns

Total Tonnage	844,848	871,526	570,629	576,359		60,946	56,041	
Growth Rate		3.2%			1.0%			-8.0%

Mid-Connecticut Project

Municipal Solid Waste Tonnage

In State Spot

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Ashford	765	199	199	-	-100%	-	-	0%
Cheshire	-	468	-	459	0%	-	-	0%
Colchester	2,802	827	827	26	-97%	-	-	0%
CRRA Wallingford	15,829	3,185	2,307	-	-100%	544	-	-100%
Eastford	582	78	78	-	-100%	-	-	0%
Hamden	-	710	-	624	0%	-	-	0%
Lebanon	6	-	-	-	0%	-	-	0%
Meriden	-	487	-	514	0%	-	-	0%
New Haven	4,469	467	338	-	-100%	-	-	0%
North Haven	-	501	-	385	0%	-	-	0%
Somers	71	-	-	28	0%	-	19	0%
Thompson	26	-	-	-	0%	-	-	0%
UConn/Storrs	7,079	7,885	5,298	3,659	-31%	651	3	-100%
Union	207	83	83	-	-100%	-	-	0%
Wallingford	-	1,332	-	1,509	0%	-	-	0%
Willington	25	11	11	-	-100%	-	-	0%
Windsor	907	-	-	88	0%	-	65	0%
Woodstock	43	-	-	-	0%	-	-	0%
Total Tonnage	**32,813**	**16,231**	**9,141**	**7,292**		**1,195**	**87**	
Growth Rate		**-50.5%**			**-20.2%**			**-92.8%**

Out of State Spot

State	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Massachusetts	3,014	-	-	62		-	25	-
New York	23	-	-	-		-	-	-
Total Tonnage	**3,037**	**-**	**-**	**62**		**-**	**25**	
Growth Rate		**-100.0%**						

Total Deliveries

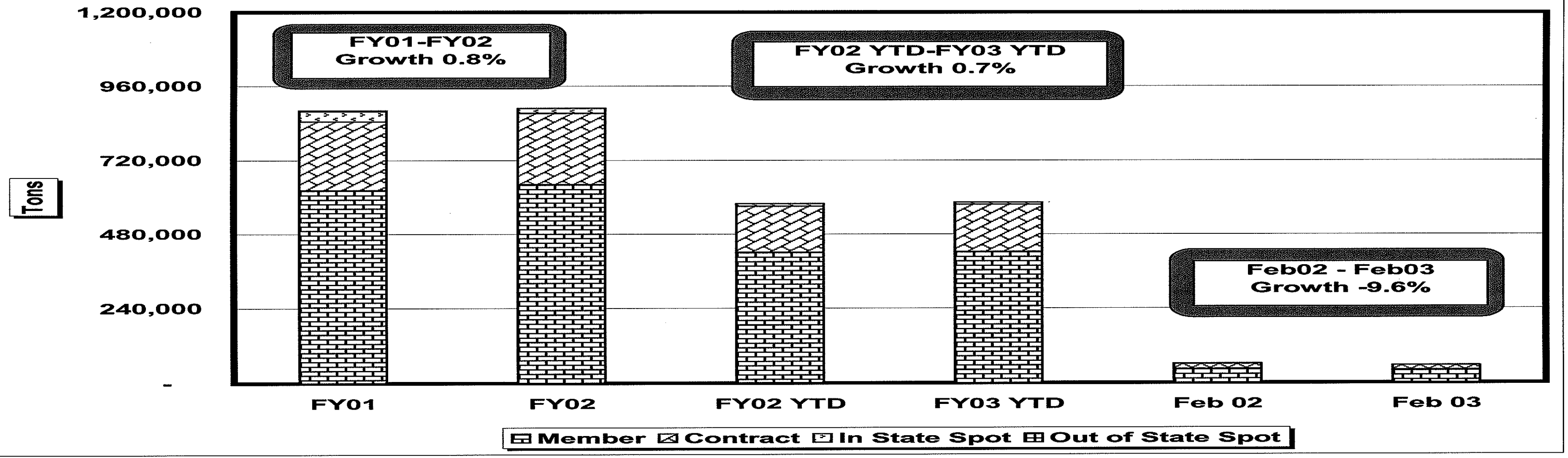
Total Tonnage	**880,698**	**887,757**	**579,770**	**583,712**		**62,141**	**56,152**	
Growth Rate		**0.8%**			**0.7%**			**-9.6%**

Total Diversions / Exports

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Diversions	51,324	61,481	43,992	33,651	-24%	7,683	1,921	-75%
Exports	7,083	31,906	14,392	25,992	81%	2,119	1,554	-27%
Total Tonnage	**58,407**	**93,386**	**58,384**	**59,643**	**2.2%**	**9,802**	**3,474**	**-64.6%**

Mid-Connecticut Project MSW Tonnage

Trends as of February 28, 2003



Bridgeport Project

Municipal Solid Waste Tonnage

Member Towns

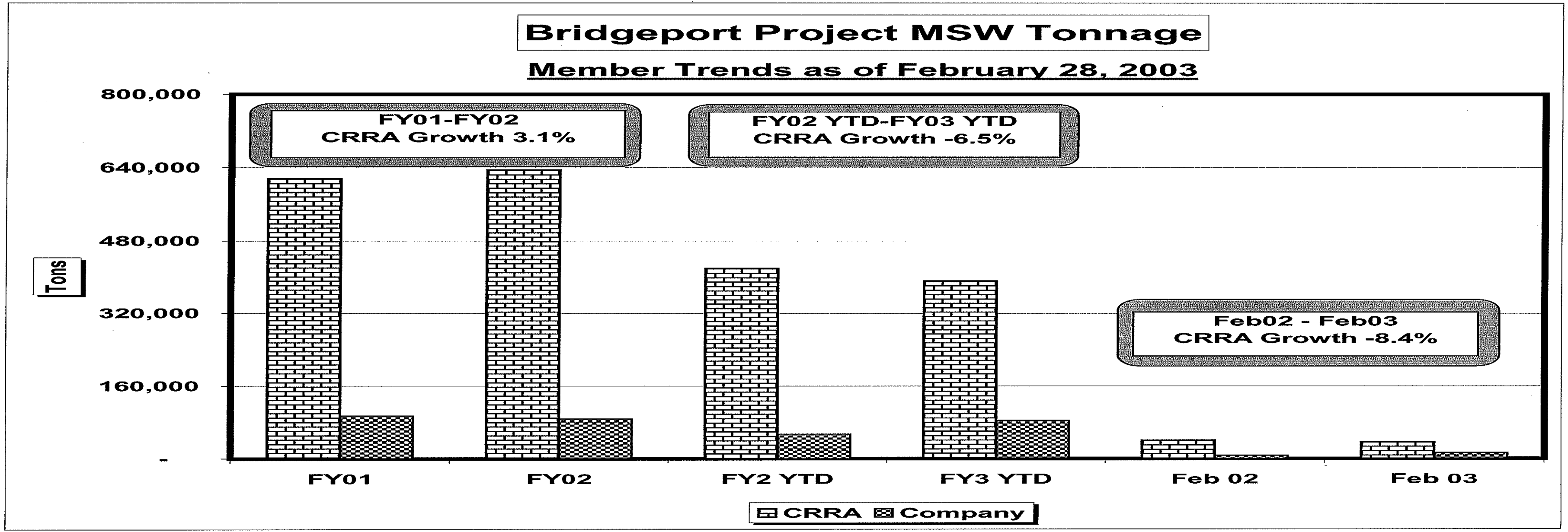
Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Bethany	1,142	1,307	930	948	2%	97	82	-16%
Bridgeport	66,688	63,676	41,689	41,257	-1%	4,189	3,739	-11%
Darien	10,438	8,929	5,541	6,798	23%	530	928	75%
East Haven	11,924	13,206	8,674	8,530	-2%	849	788	-7%
Easton	2,662	2,615	1,743	1,823	5%	171	197	15%
Fairfield	40,907	38,333	25,595	26,611	4%	2,543	2,447	-4%
Greenwich	49,096	49,261	32,545	33,581	3%	3,338	3,414	2%
Milford	30,912	37,203	23,046	28,134	22%	2,454	2,291	-7%
Monroe	14,089	12,084	7,998	8,367	5%	828	822	-1%
Norwalk	34,800	39,412	26,239	25,056	-5%	2,678	2,482	-7%
Orange	5,211	5,237	3,492	3,504	0%	319	321	1%
Shelton	17,861	18,579	12,323	12,589	2%	1,248	1,191	-5%
Stratford	24,599	24,522	15,932	16,404	3%	1,677	1,523	-9%
Trumbull	21,385	23,976	15,758	14,097	-11%	1,554	1,172	-25%
Weston	5,331	5,171	3,423	3,333	-3%	331	343	4%
Westport	15,934	16,410	11,009	10,818	-2%	1,053	982	-7%
Wilton	8,210	8,308	5,574	5,722	3%	586	587	0%
Woodbridge	3,387	3,390	2,275	2,385	5%	274	273	0%
Sub-Total Member	**364,576**	**371,618**	**243,784**	**249,957**		**24,717**	**23,581**	
Growth Rate		**1.9%**			**2.5%**			**-4.6%**
Contract Tonnage	248,692	219,507	144,361	114,631	-21%	13,459	13,354	-1%
Diverted Tonnage	2,829	43,842	31,461	27,576	-12%	2,456	283	-88%
Total CRRA Tonnage	**616,097**	**634,966**	**419,606**	**392,164**		**40,632**	**37,219**	
Growth Rate		**3.1%**			**-6.5%**			**-8.4%**

Company Spot Deliveries

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
In State Company	94,868	87,735	53,915	82,482	53%	6,911	11,158	61%
Out of State Company	-	-	-	1,974	0%	-	1,974	100%
Total Tonnage	**94,868**	**87,735**	**53,915**	**84,455**		**6,911**	**13,131**	
Growth Rate		**-7.5%**			**56.6%**			**90.0%**

Total Deliveries

Total Tonnage	**710,965**	**722,701**	**473,521**	**476,620**		**47,543**	**50,350**	
Growth Rate		**1.7%**			**0.7%**			**5.9%**


Bridgeport Project MSW Tonnage
Member Trends as of February 28, 2003
800,000
640,000
480,000
320,000
160,000
-
Tons
FY01-FY02
CRRA Growth 3.1%
FY02 YTD-FY03 YTD
CRRA Growth -6.5%
Feb02 - Feb03
CRRA Growth -8.4%
FY01
FY02
FY2 YTD
FY3 YTD
Feb 02
Feb 03
CRRA
Company

Southeast Project

Municipal Solid Waste Tonnage

Member Towns

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
East Lyme	9,956	9,619	6,371	6,993	10%	620	685	11%
Griswold	5,418	5,219	3,408	3,618	6%	351	348	-1%
Groton	30,768	31,202	20,476	21,240	4%	2,161	2,152	0%
Ledyard	7,808	8,467	5,512	5,439	-1%	550	495	-10%
Montville	10,735	10,502	6,799	7,338	8%	675	652	-3%
Radgowski/Corrigan	570	644	434	435	0%	51	49	-5%
Mohegan Sun Reso	4,369	6,796	4,221	5,906	40%	546	683	25%
New London	19,673	20,895	13,110	15,996	22%	1,394	1,584	14%
N. Stonington	2,519	3,009	2,022	2,071	2%	207	199	-4%
Norwich	27,073	28,947	18,858	21,044	12%	2,059	2,132	4%
Sprague	2,266	2,349	1,565	1,533	-2%	170	154	-9%
Stonington	13,891	13,893	9,177	9,374	2%	892	816	-8%
Waterford	15,555	15,165	10,028	9,918	-1%	1,085	940	-13%
Guilford/Madison	25,862	12,697	12,697	-	0%	-	-	0%
Fisher Island	304	301	226	257	14%	-	11	1100%
Ct Niantic	433	909	544	785	44%	78	94	94%
Total Tonnage	177,200	170,614	115,447	111,946		10,838	10,994	
Growth Rate		**-3.7%**			**-3.0%**			**1.4%**

In State Spot

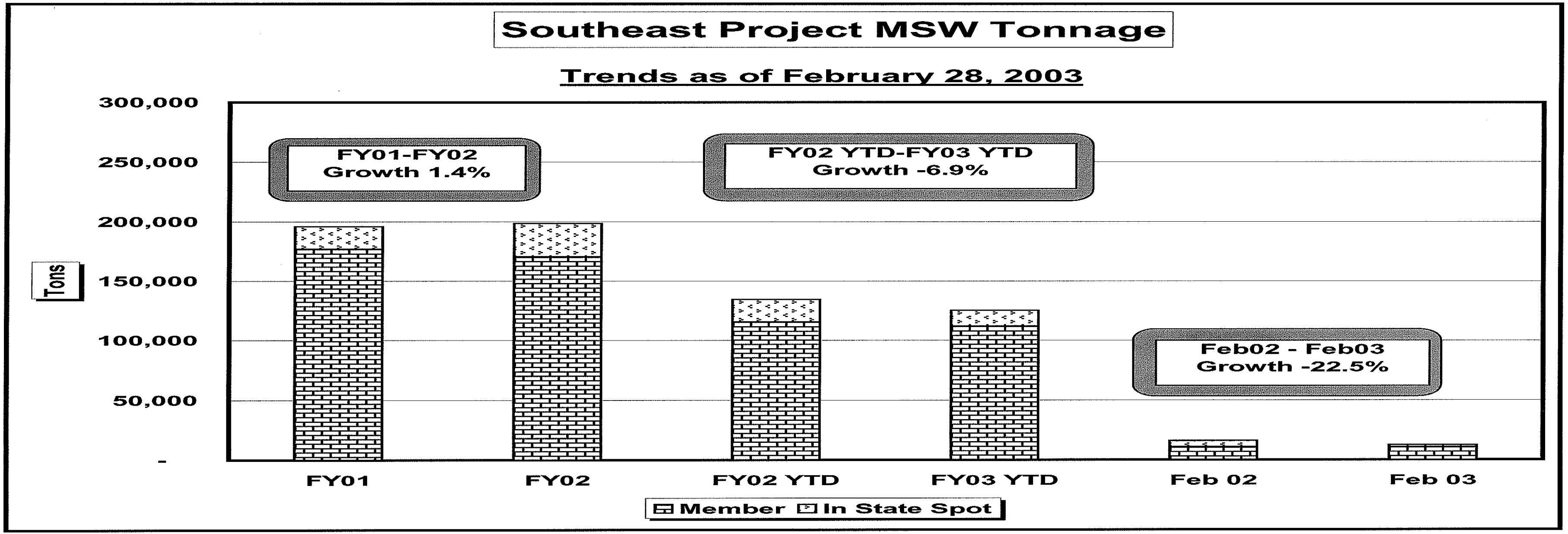
Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
CRRA	7,366	15,853	11,014	5,333	-52%	4,533	827	-82%
Mansfield	6,883	7,062	4,739	4,144	-13%	510	421	-18%
Preston	2,904	3,180	2,087	2,401	15%	201	219	9%
Salem	765	1,029	663	866	31%	84	72	-14%
Killingly	1,019	1,078	698	619	-11%	74	52	-30%
Total Tonnage	18,936	28,202	19,201	13,364		5,403	1,591	
Growth Rate		**48.9%**			**-30.4%**			**-70.6%**

Company Deliveries

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Various	43,204	47,744	26,388	42,939	63%	3,911	5,280	35%
Total Tonnage	**43,204**	**47,744**	**26,388**	**42,939**		**3,911**	**5,280**	
Growth Rate		**10.5%**			**62.7%**			**35.0%**

Total Deliveries

Total Tonnage	**239,340**	**246,560**	**161,036**	**168,249**		**20,152**	**17,865**	
Growth Rate		**3.0%**			**4.5%**			**-11.4%**


Southeast Project MSW Tonnage
Trends as of February 28, 2003
300,000
250,000
200,000
150,000
100,000
50,000
-
Tons
FY01-FY02
Growth 1.4%
FY02 YTD-FY03 YTD
Growth -6.9%
Feb02 - Feb03
Growth -22.5%
FY01
FY02
FY02 YTD
FY03 YTD
Feb 02
Feb 03
Member
In State Spot

Wallingford Project

Municipal Solid Waste Tonnage

Member Towns[1]

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Cheshire	19,472	24,484	16,039	13,742	-14%	1,772	1,148	-35%
Hamden	28,136	28,496	18,442	23,535	28%	1,944	3,103	60%
Meriden	29,633	32,761	21,555	21,883	2%	2,324	2,142	-8%
North Haven	22,124	31,665	21,961	14,985	-32%	2,292	1,564	-32%
Wallingford	37,004	37,306	23,985	28,104	17%	2,436	2,552	5%
Diverted Waste[2]	15,815	3,163	2,307	-	-100%	544	-	-100%
Total Tonnage	**152,184**	**157,876**	**104,289**	**102,250**		**11,312**	**10,509**	
Growth Rate		**3.7%**			**-2.0%**			**-7.1%**

In State Spot

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Bloomfield	0	-	-	0		-	-	0%
Enfield	27	65	42	15	-64%	-	7	0%
Hartford	9	1	1	2	133%	0	0	-96%
Covanta Spot	-	153	98	63	-35%	11	-	-100%
Havervill Plant	188	-	-	-	0%	-	-	0%
Manchester	-	-	-	0	0%	-	-	0%
Mid-Ct By Pass	1,748	-	-	155	0%	-	155	0%
New Haven	4,064	3,270	2,049	1,171	-43%	267	102	-62%
Rocky Hill	0	1	-	0	0%	-	-	0%
Waterbury	-	10	10	-	-100%	-	-	0%
Total Tonnage	**6,036**	**3,500**	**2,200**	**1,408**		**279**	**264**	
Growth Rate		**-42.0%**			**-36.0%**			**-5.1%**

Out of State Spot

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Massachusetts	-	1	0	0	5%	-	-	0%
New York	-	-	-	-	0%	-	-	0%
Total Tonnage	**-**	**1**	**0**	**0**		**-**	**-**	
Growth Rate				**5.4%**	**-100.0%**			

Total Deliveries

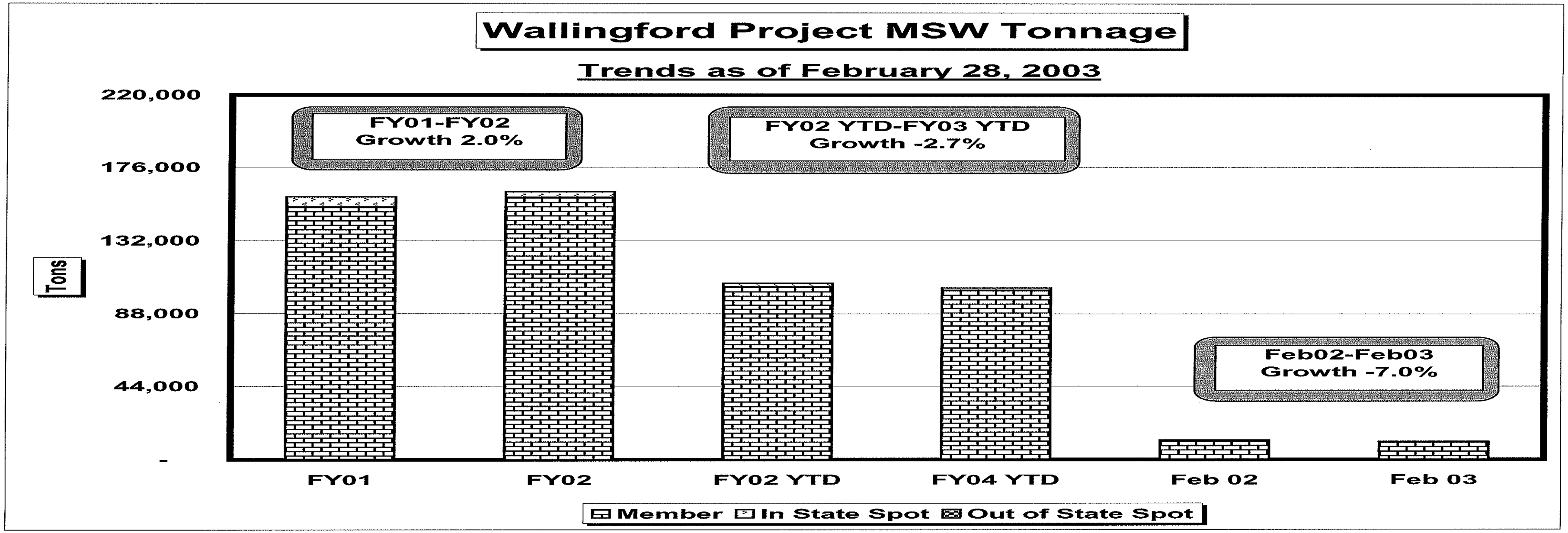
Total Tonnage	**158,221**	**161,376**	**106,489**	**103,658**		**11,590**	**10,774**	
Growth Rate		**2.0%**			**-2.7%**			**-7.0%**

(1) As of March 2002, member tonnage includes deliveries diverted to other projects.

(2) Accounts for member deliveries diverted to other projects.

Total Diversions / Exports

Towns	Fiscal Year		Fiscal Year-To-Date			Monthly		
	2001	2002	Feb 02	Feb 03	Variance	Feb 02	Feb 03	Variance
Diversions	15,815	6,660	2,307	3,490	51%	544	-	-100%
Exports	5,606	10,166	7,147	2,575	-64%	402	-	-100%
Total Tonnage	**21,421**	**16,826**	**9,454**	**6,065**	**-35.8%**	**947**	**-**	**-100.0%**


Wallingford Project MSW Tonnage
Trends as of February 28, 2003
220,000
176,000
132,000
88,000
44,000
-
Tons
FY01-FY02
Growth 2.0%
FY02 YTD-FY03 YTD
Growth -2.7%
Feb02-Feb03
Growth -7.0%
FY01
FY02
FY02 YTD
FY04 YTD
Feb 02
Feb 03
Member
In State Spot
Out of State Spot

TAB 16

Memorandum

To: John D. Clark, Operations Division Head

From: Christopher J. Fancher, Facilities Engineer

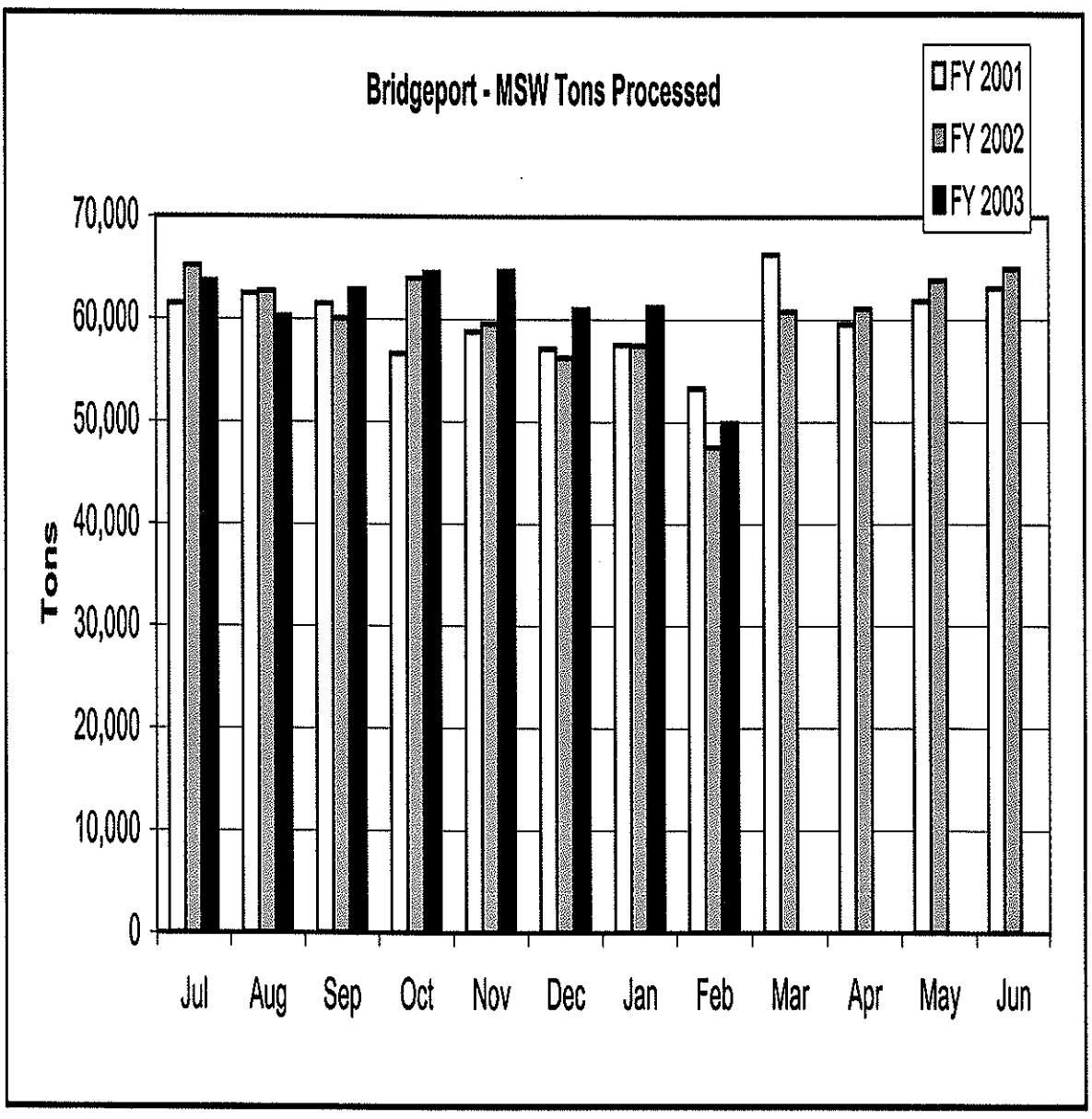
Date: March 10, 2003

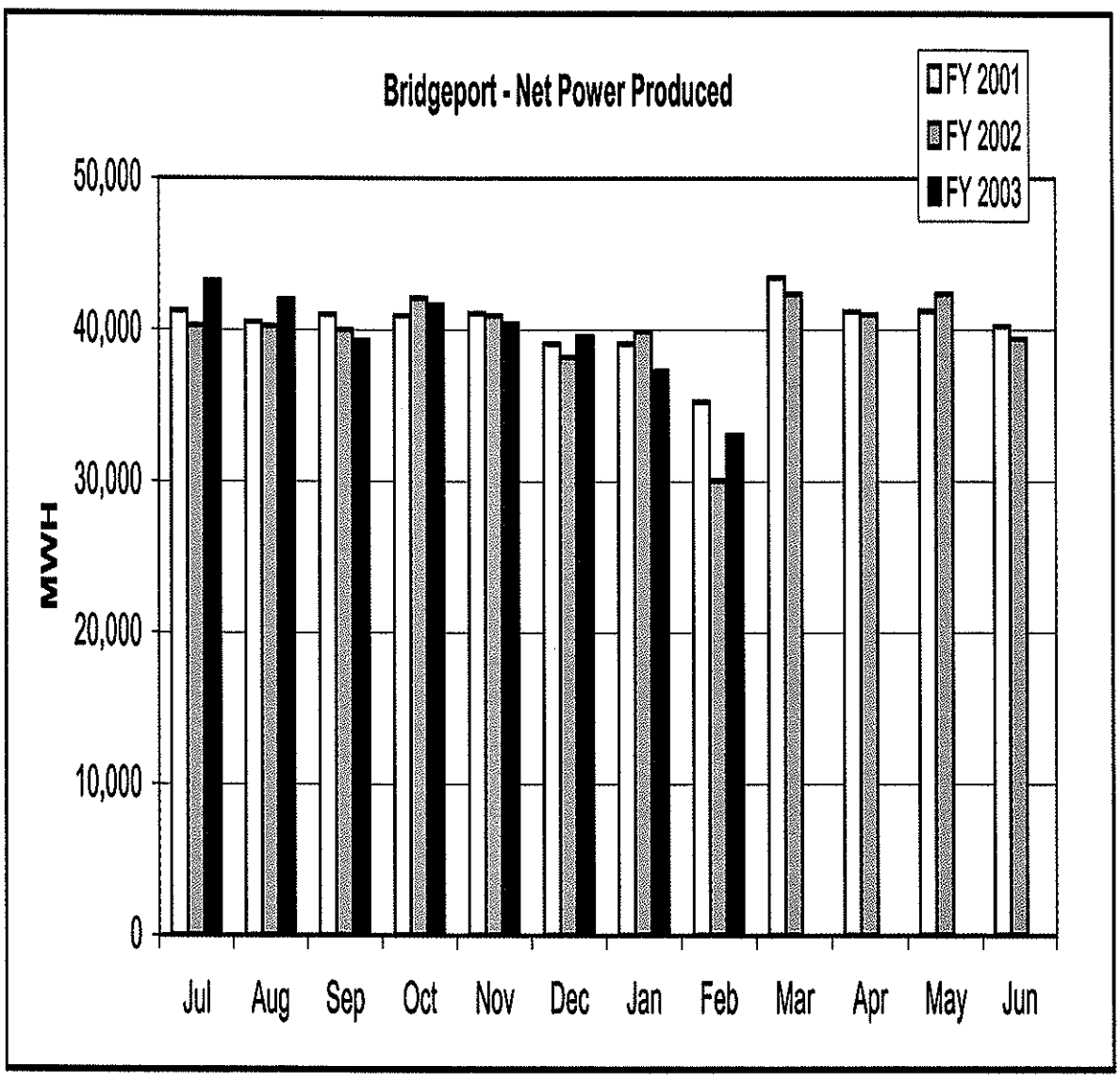
Re: February 2003 Monthly Operational Summary

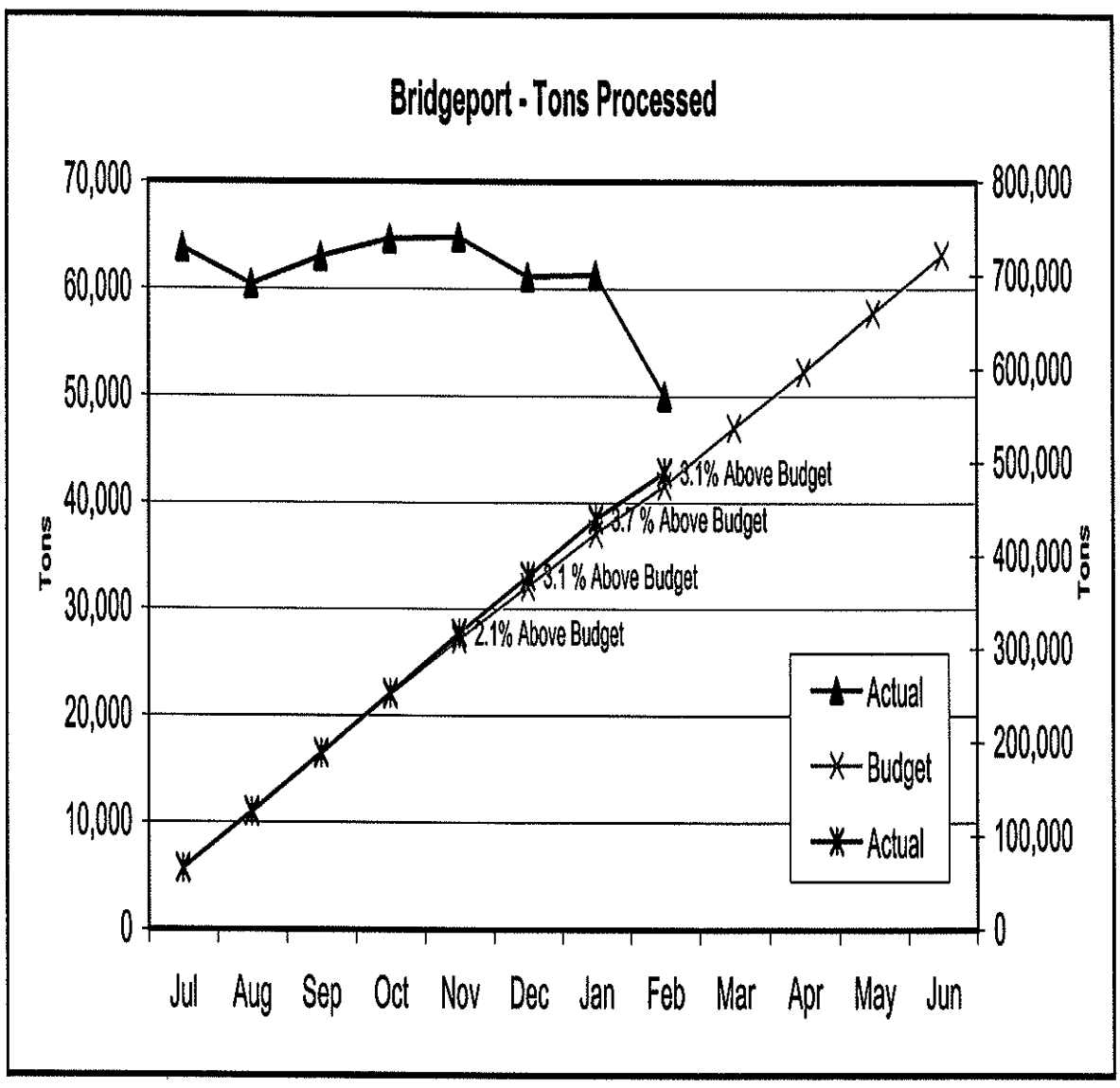
The following provides a summary of the operations of the four waste-to energy projects and the South Meadow Station's jet turbines for the period ending Feburary 28, 2003. The tables provide monthly summaries of key operating parameters for each of the projects. The most recent 12-month total operating data is also provided for the period March 2002 through February 2003. The information presented in these tables has been obtained from daily and monthly reports provided to CRRA by facility operators.

BRIDGEPORT PROJECT

Item	February			12-Month Total Ending February 28, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	47,471	49,870	5.1%	723,433	738,698	2.1%
Steam (klbs)	341,791	324,158	-5.2%	4,710,946	4,709,557	0.0%
(% MCR)	88.5%	83.9%		93.6%	93.5%	
Power (Net MWhr)	30,050	33,033	9.9%	477,745	481,532	0.8%







Unscheduled Downtime

February	Boiler	Duration	Reason
6 - 7	2	25 Hrs.	Superheater leak
24 - 26	3	37 Hrs.	Superheater leak

Scheduled Downtime

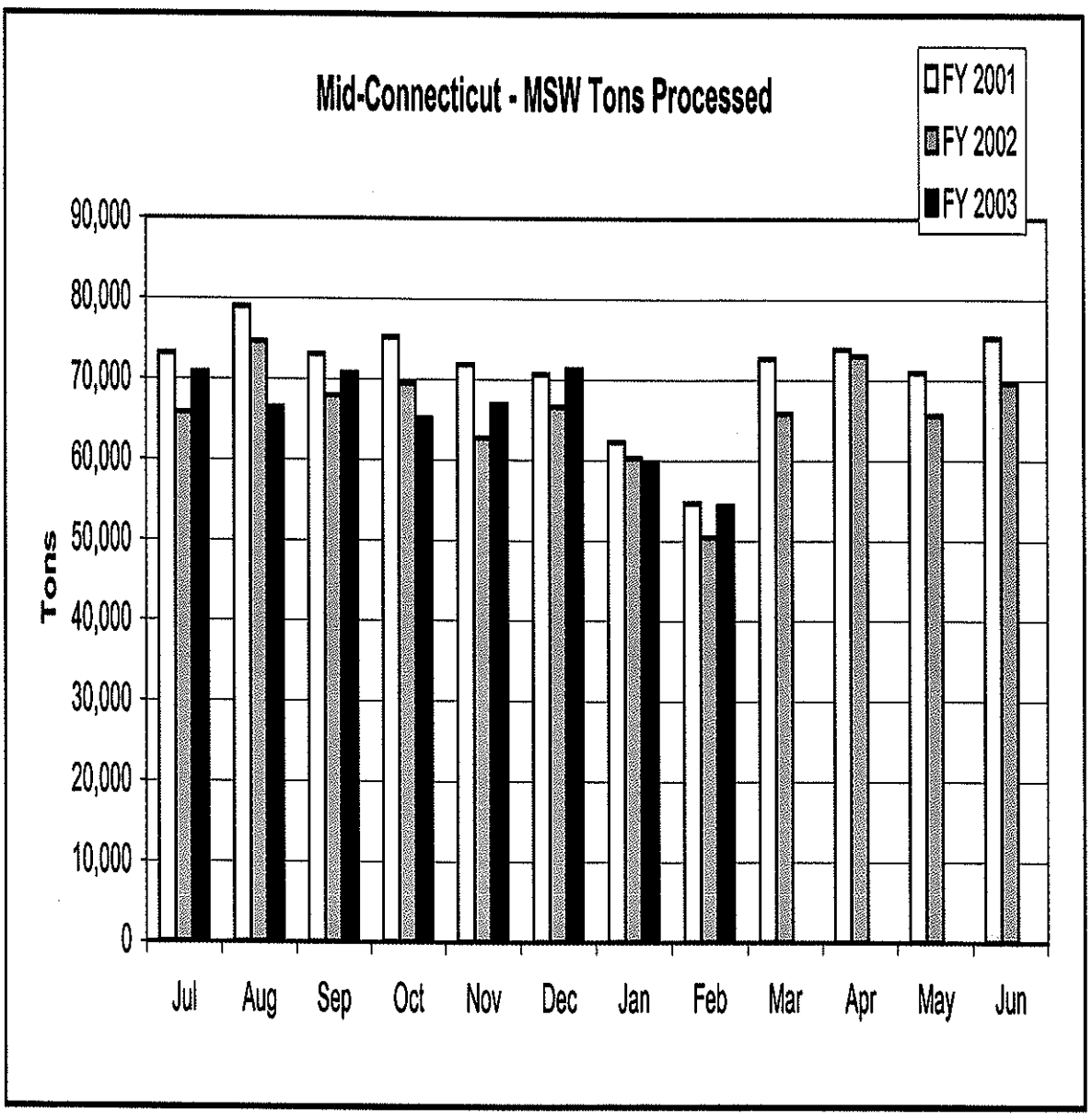
February	Boiler	Duration	Work Performed
9 - 19	2	246 Hrs.	Scheduled outage maintenance

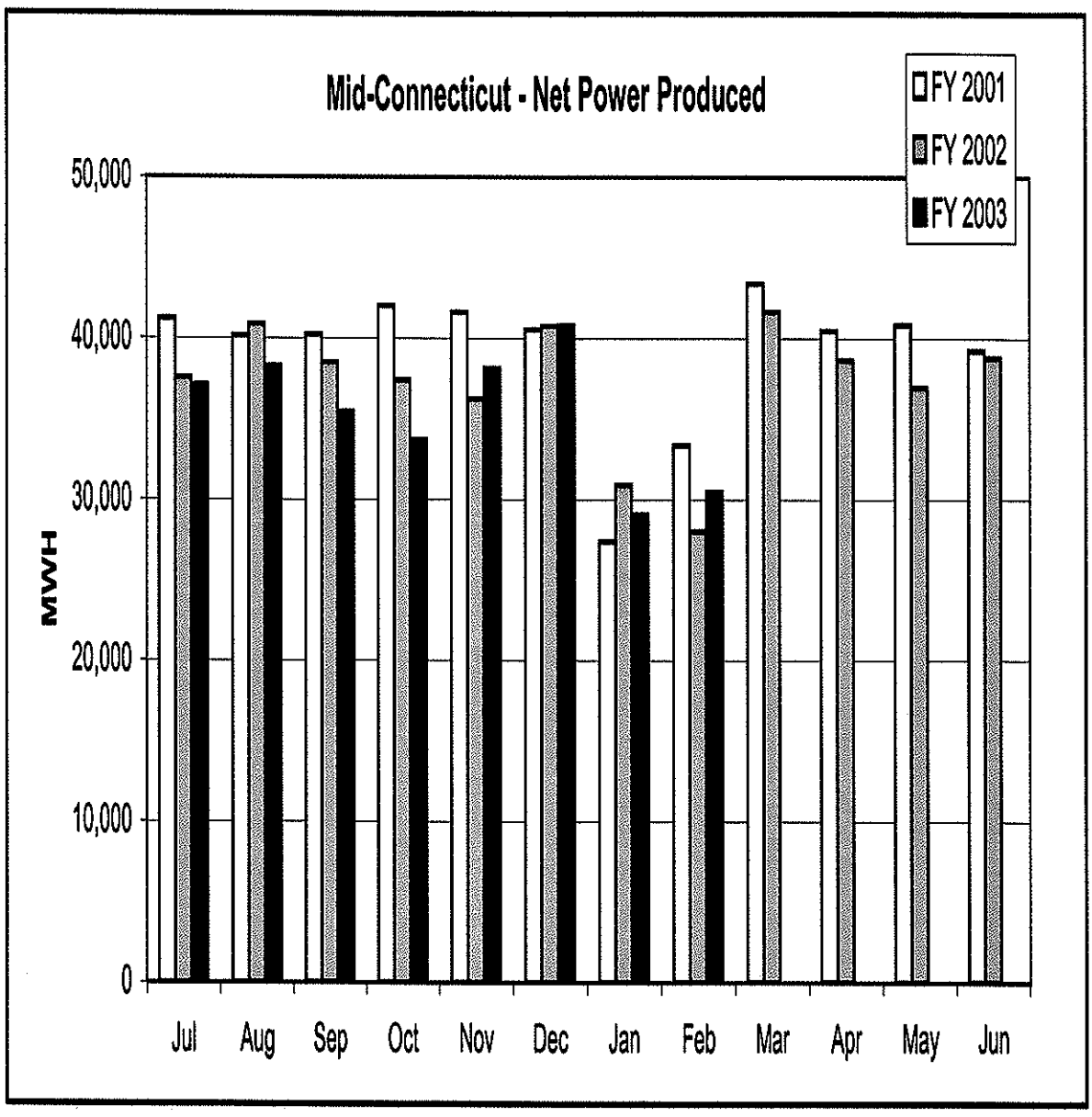
Unit Capacity Factors

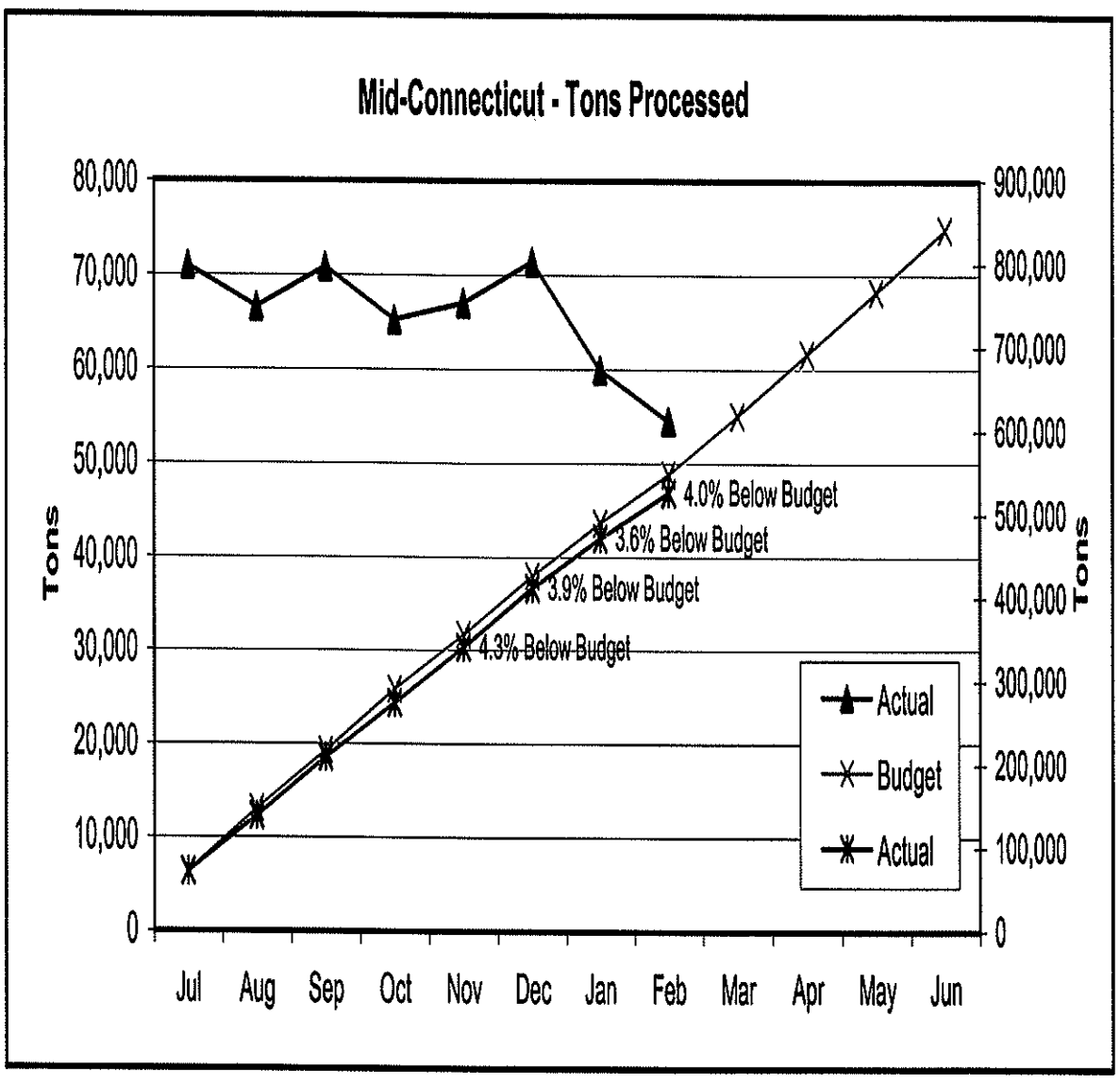
February	Boiler 1	Boiler2	Boiler 3
	99%	59%	93%

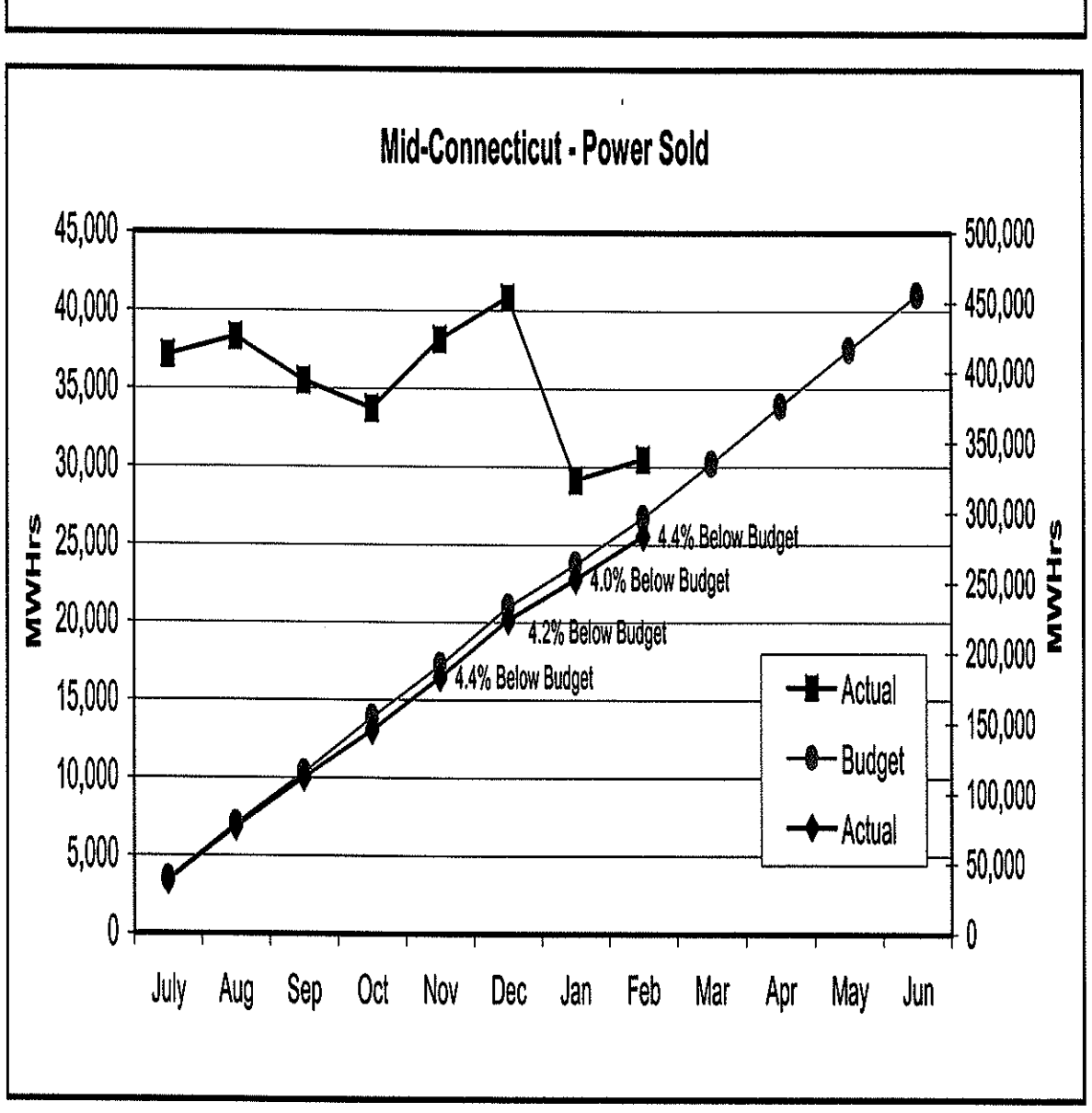
MID-CONNECTICUT PROJECT

Item	February			12-Month Total Ending February 28, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	50,374	54,384	8.0%	810,303	799,409	-1.3%
Steam (klbs)	346,315	361,643	4.4%	5,402,319	5,314,865	-1.6%
(% MCR)	74.4%	77.7%		89.0%	87.5%	
Power (Net MWhr)	28,012	30,444	8.7%	454,144	438,908	-3.4%









Unscheduled Downtime

February	Boiler	Duration	Reason
2	13	2 Hrs.	Submerged Scraper Conveyor
12-13	13	36 Hrs.	Boiler Cleaning
12	12	4 Hrs.	Boiler Durm Level Instrumentation
13	11,12	2 Hrs.	RDF Feed System Plug.

Scheduled Downtime

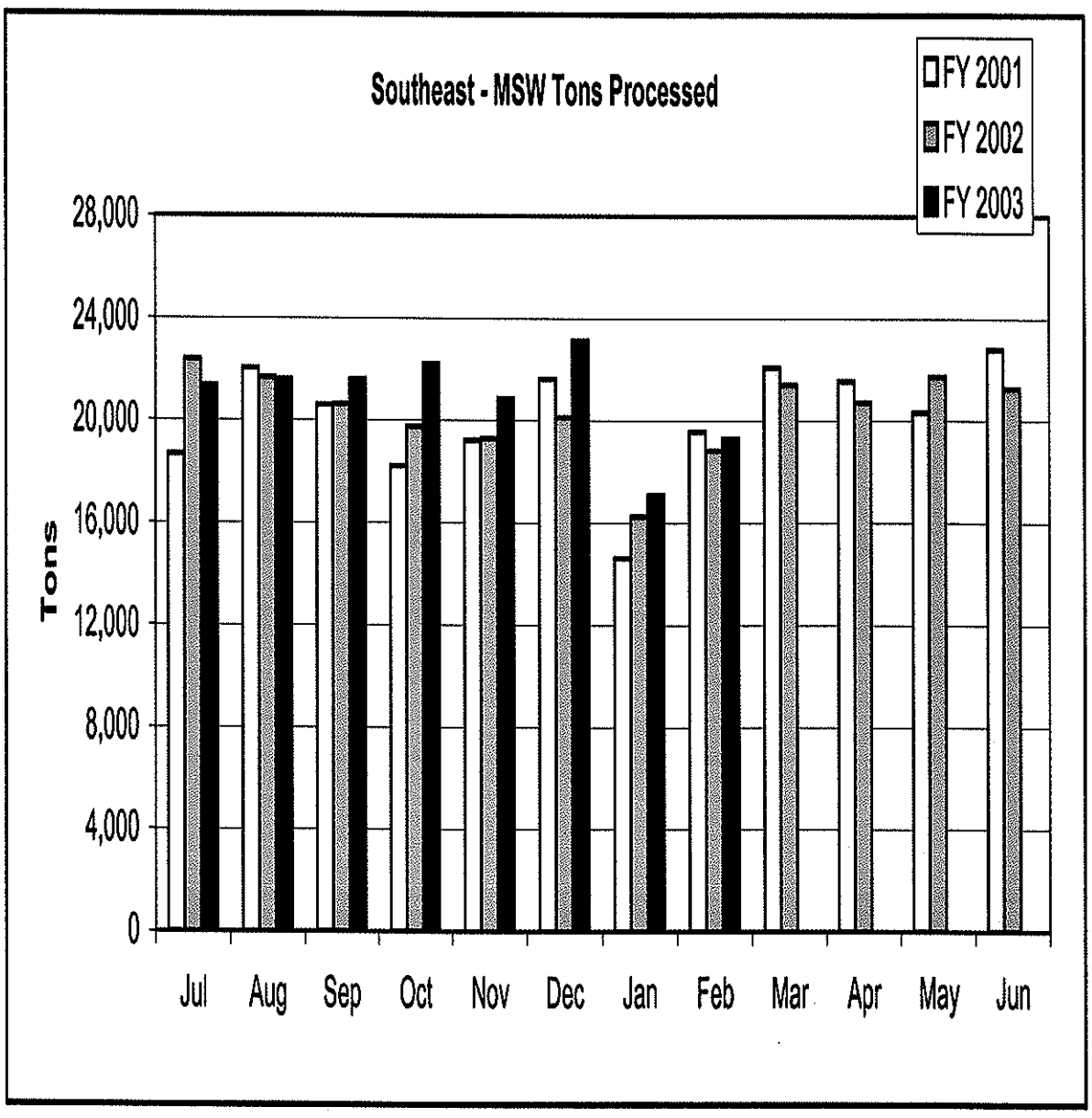
February	Boiler	Duration	Work Performed
1-10	11	228 Hrs.	Scheduled outage maintenance
27-28	13	33 Hrs.	Scheduled outage maintenance

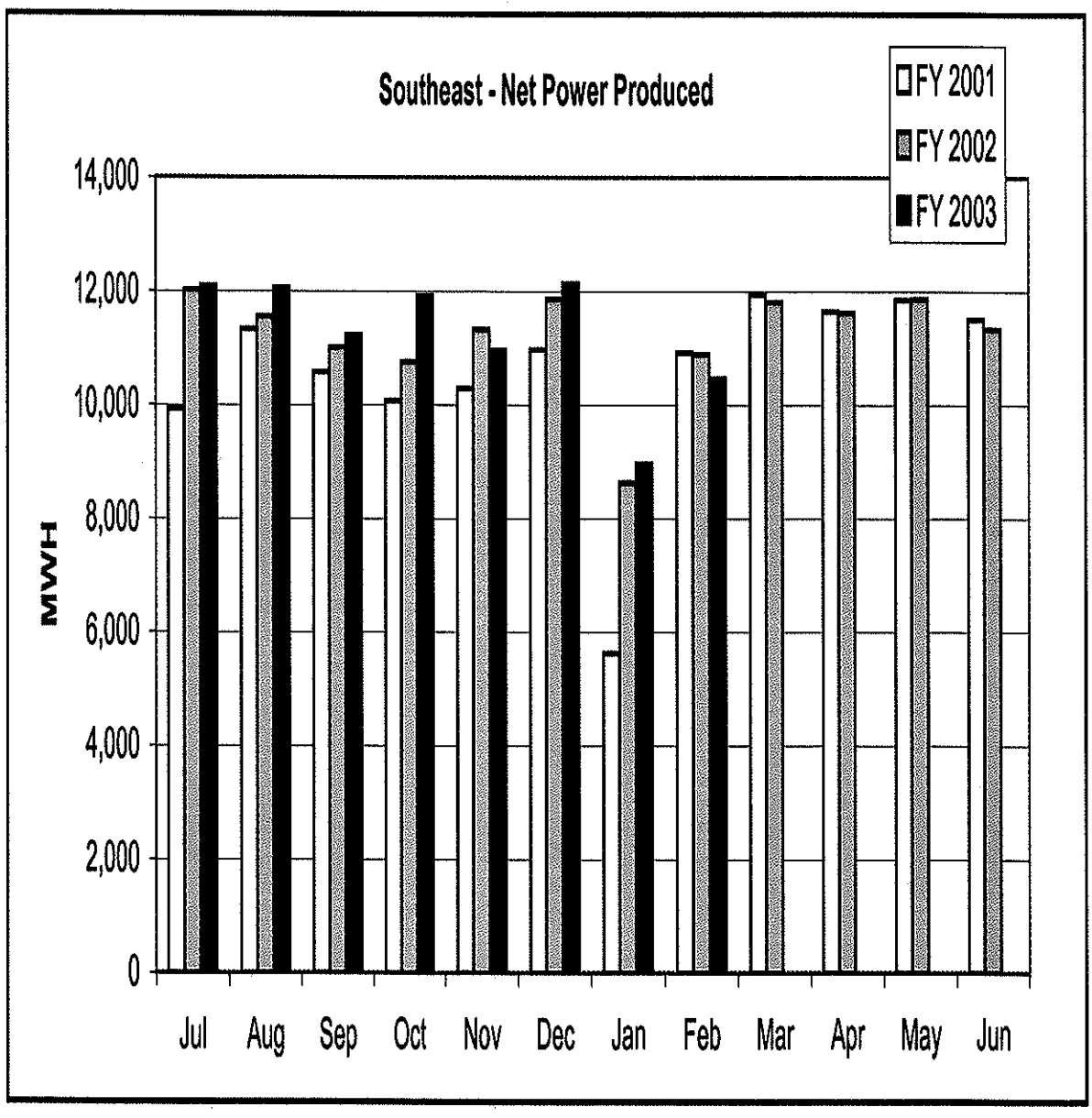
Unit Capacity Factors (%)

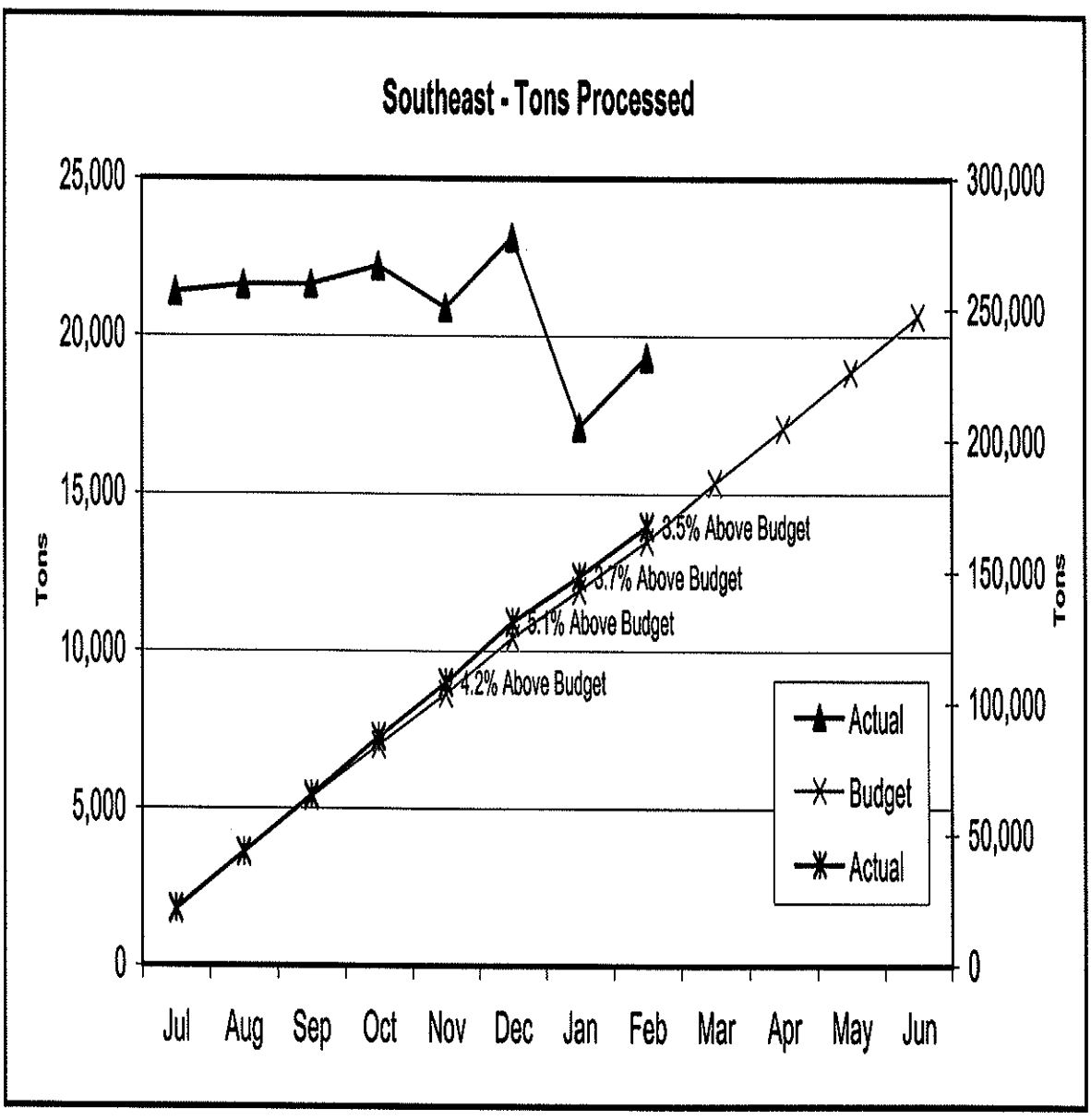
February	Boiler 1	Boiler2	Boiler 3
	59%	98%	75%

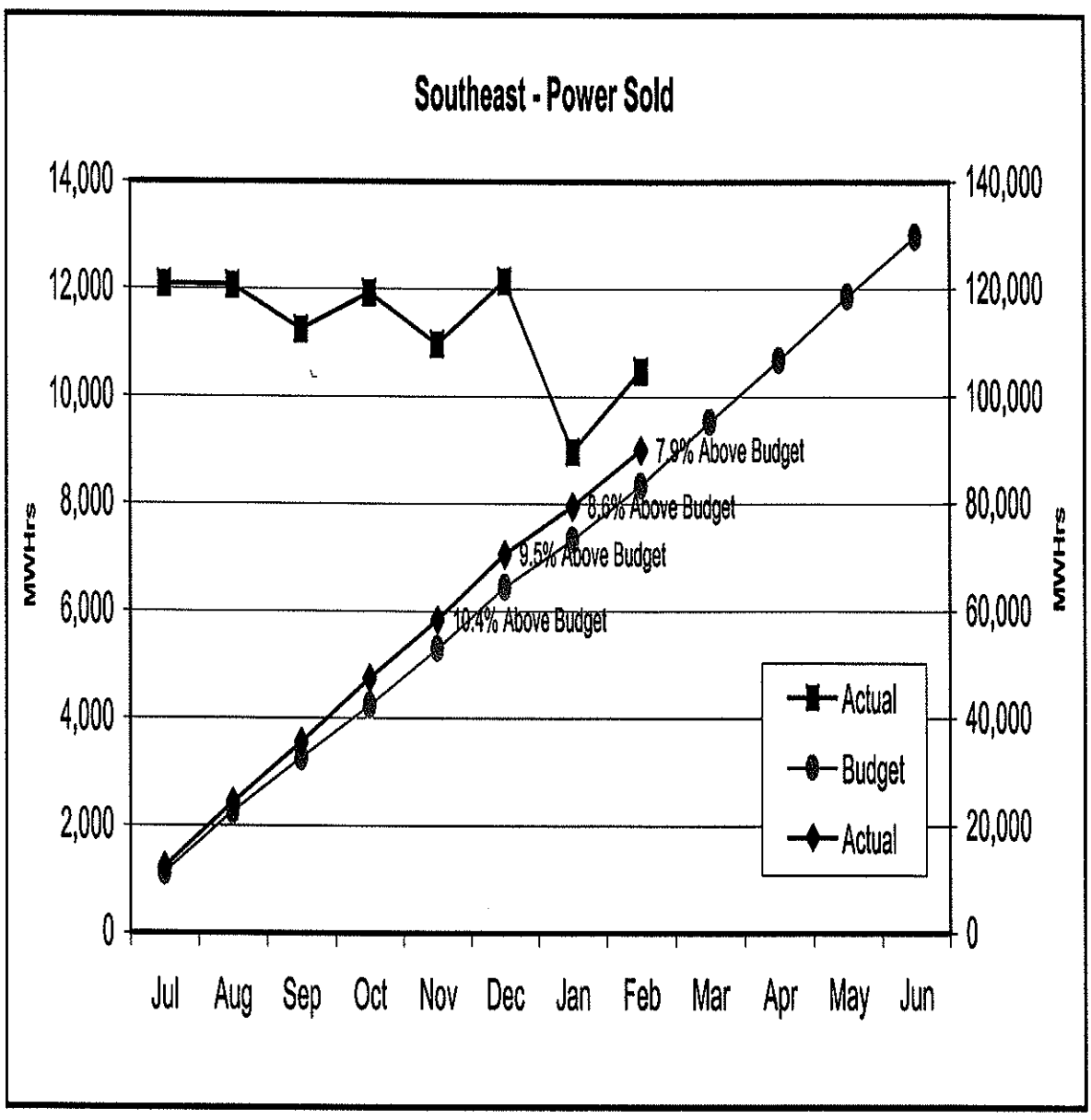
SOUTHEAST (PRESTON) PROJECT

Item	February			12-Month Total Ending February 28, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	18,836	19,304	2.5%	245,744	252,274	2.7%
Steam (klbs)	118,645	117,049	-1.3%	1,485,200	1,505,968	1.4%
(% MCR)	96.2%	94.9%		92.4%	93.7%	
Power (Net MWhr)	10,889	10,464	-3.9%	135,003	136,462	1.1%









Unscheduled Downtime

February	Boiler	Duration	Reason
17 - 18	2	24	Repair superheater tube leak

Scheduled Downtime

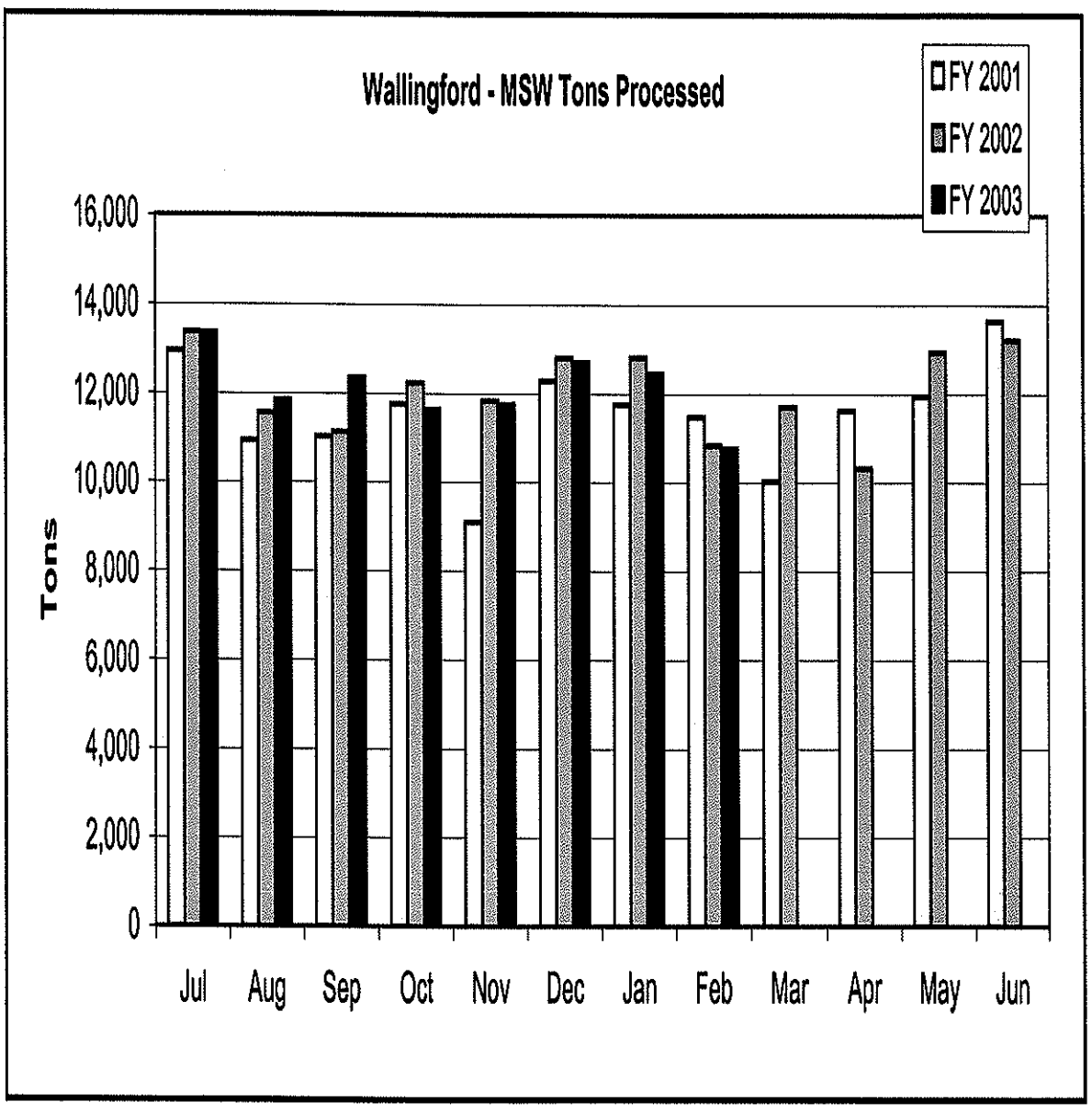
February	Boiler	Duration	Work Performed
1	1	14 Hrs.	End of scheduled outage

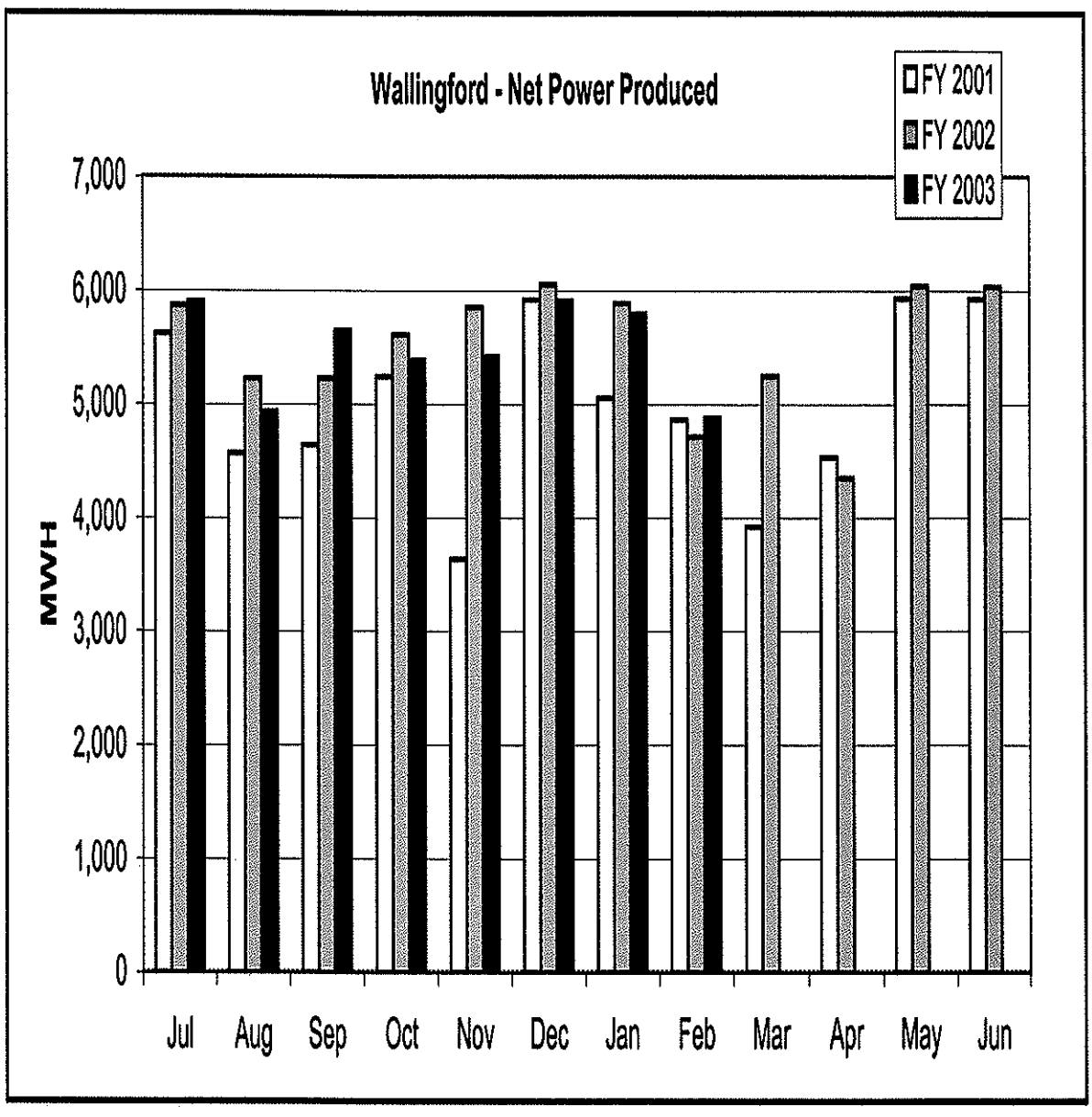
Unit Capacity Factors (%)

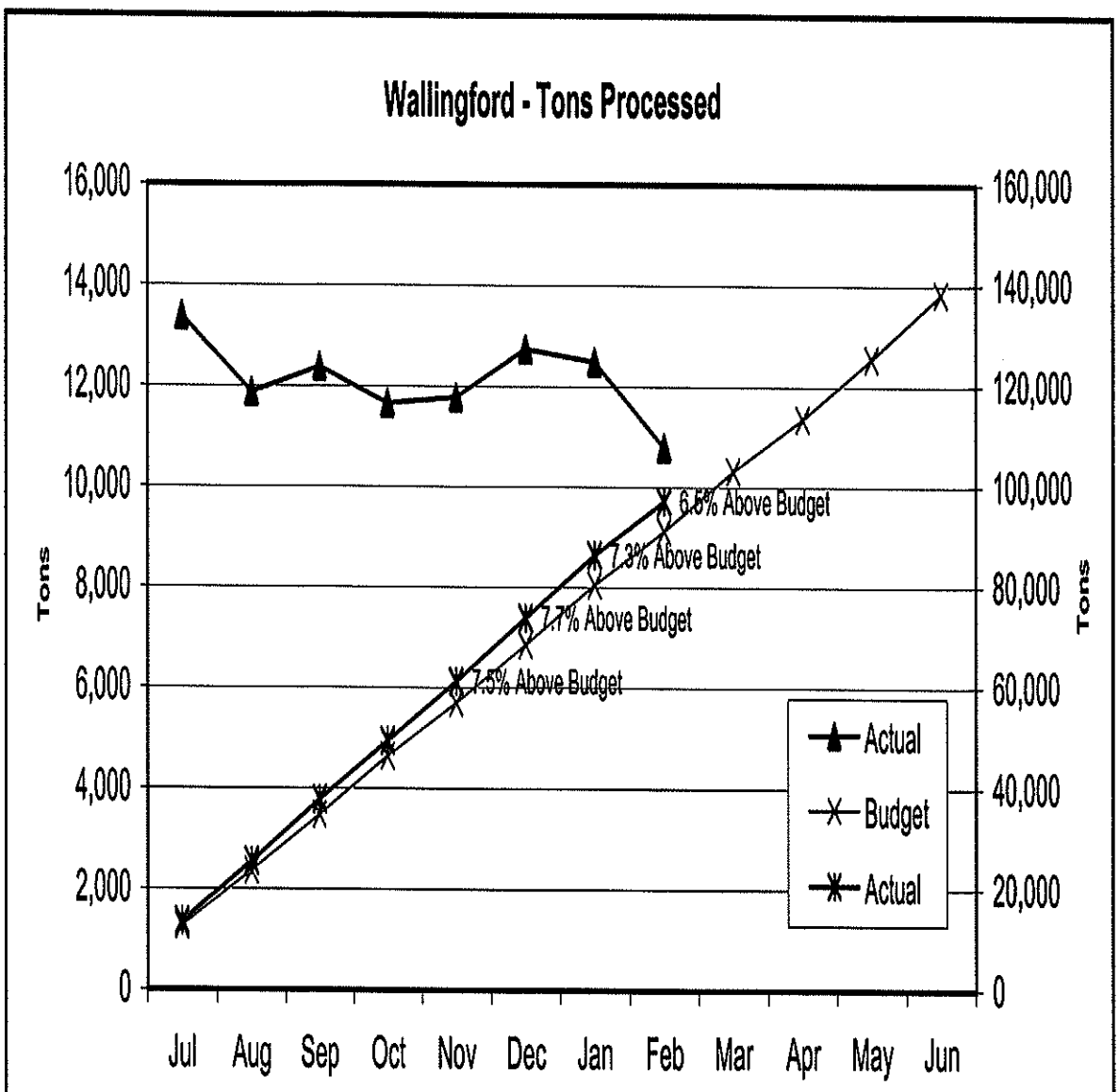
February	Boiler 1	Boiler2
	97%	93%

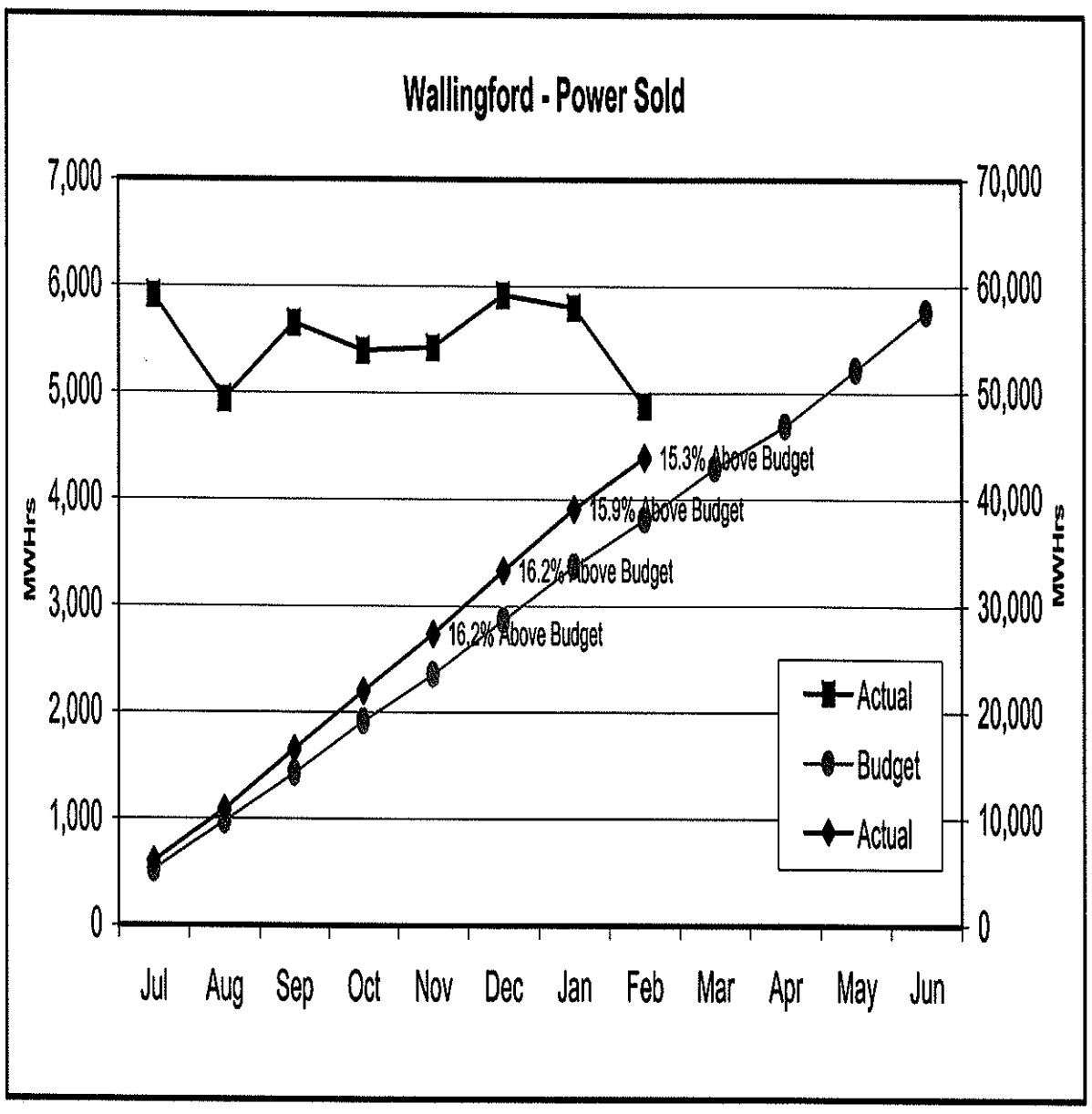
WALLINGFORD PROJECT

Item	February			12-Month Total Ending February 28, 2003		
	2002	2003	Change	2002	2003	Change
Tons MSW Processed	10,836	10,772	-0.6%	143,818	145,064	0.9%
Steam (klbs)	63,578	66,685	4.9%	876,290	890,685	1.6%
(% MCR)	88.2%	92.5%		93.3%	94.8%	
Power (Net MWhr)	4,712	4,877	3.5%	64,755	65,565	1.3%









Unscheduled Downtime

February	Boiler	Duration	Reason
None			

Scheduled Downtime

February	Boiler	Duration	Work Performed
12 - 21	1	217 Hrs.	Boiler cleaning, inspections and minor work

Unit Capacity Factors (%)

February	Boiler 1	Boiler2	Boiler 3
	71%	102%	104%

SOUTH MEADOW JETS

During the month of February, the units were called to operate on four occasions. The jets produced a total of 1,253 MWH while operating approximately 8.5 hours. For February, the units generated net revenue of approximately $159,000 compared to initial projections of approximately $80,000.