

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTY-FIRST MEETING

NOVEMBER 23, 2004

A Special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, November 23, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present until 11:45 a.m.)
James Francis
Michael Jarjura
Edna Karanian
Mark Lauretti (Present until 11:45 a.m.)
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Veronica Airey-Wilson (Ad-Hoc for Mid-Connecticut Project) (Present until 11:45 a.m.)

Present from the CRRA staff:

Jim Bolduc, Chief Financial Officer
Peter Egan, Director of Environmental Affairs & Development
Laurie Hunt, Director of Legal Services
Kristen Greig, Secretary to the Board/Paralegal

Chairman Pace called the meeting to order at 11:05 a.m. and noted that a quorum was present.

EXECUTIVE SESSION

Chairman Pace requested a motion to go into Executive Session to discuss litigation matters. The motion made by Director Martland and seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session:

Chairman Michael Pace
Vice Chairman Stephen Cassano
James Francis
Michael Jarjura
Edna Karanian
Mark Lauretti
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Veronica Airey-Wilson

Jim Bolduc
Peter Egan
Laurie Hunt, Esq.
Kristen Greig

The Executive Session began at 10:08 a.m. and concluded at 11:47 a.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace reconvened the Board meeting at 11:47 a.m.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CONNECTICUT RESOURCES RECOVERY AUTHORITY TO AUTHORIZE A SETTLEMENT WITH THE ESTATE OF RESOURCE TECHNOLOGY CORPORATION

Chairman Pace requested a motion regarding the referenced item. Director Martland made the following motion:

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") entered into a certain Lease and Operating Agreement for Landfill Gas Conversion at the Shelton Landfill with Resource Recovery Associates Limited Partnership ("RRALP"), originally dated February 4, 1992 and amended February 18, 1992, May 29, 1992, and June 24, 1994, when RRALP assigned its rights and obligations to Resource Technology Corporation ("RTC"), and as further amended on June 24, 1994; and

WHEREAS, an involuntary bankruptcy proceeding was commenced against RTC in the United States Bankruptcy Court in the Northern District of Illinois Eastern Division in or about November 1999, and subsequently converted to a Chapter 11 bankruptcy proceeding, with RTC acting as a debtor in procession; and

WHEREAS, the Authority and the debtor in possession subsequently asserted and litigated various claims against each other; and

WHEREAS, a trustee (the "Trustee") for the estate of RTC (the "Estate") was appointed; and

WHEREAS, the Authority's insurer, American International Group ("AIG"), which had been paying for the Authority's defense in the matter, then disclaimed responsibility for the payment of certain outstanding legal expenses and has refused to pay additional legal expenses incurred; and

WHEREAS, the Authority's claim for damages against the Estate remains to be litigated, and the Estate currently retains the right to appeal the order and judgment entered in favor of the Authority on the Estate's adversary claim against the Authority; and

WHEREAS, the parties now wish to avoid further litigation and settle all remaining issues between them by entering into a formal settlement agreement, which, when executed, will be subject to and conditioned upon the approval of the Bankruptcy Court; and

WHEREAS, the Authority and the Estate have negotiated a letter agreement (the "Letter Agreement"), which contains the terms to be included in a formal Settlement Agreement and

which provides, among other things that: the Authority's claim against the Estate shall be a general, non-priority unsecured claim in the amount of \$2.5 million; the Authority and the Trustee will agree upon which Estate property, if any, the Trustee intends to recover and remove from the Landfill; subsequent opportunity for any lienholder claiming an interest in any Estate property remaining at the Landfill to remove such property; the requirement that the Estate sell and the Authority purchase all Estate property remaining at the Landfill thereafter for \$1,000; the Authority and the Estate will each provide a general release of all claims against the other (excluding claims arising under the Settlement Agreement); and

WHEREAS, the Board of Directors of the Authority has reviewed the proposed Letter Agreement and determined that it is in the best interests of the Authority to enter into the Letter Agreement, so as to settle all remaining matters between the Authority and the Estate and avoid further litigation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority:

Section 1. That the Board of Directors of the Authority hereby approves the Letter Agreement substantially in accordance with the terms of such Letter Agreement presented to the Board of Directors of the Authority, but subject to the agreement by AIG to pay all related legal expenses that remain unpaid, to reimburse the Authority for its payment of \$61,000.00 in legal expenses authorized by the Board's May 2004 resolution and to pay all legal expenses to be incurred in connection with bringing the proposed settlement to its conclusion.

Section 2. That the President of the Authority is authorized and shall have the discretion to defer the dispute over legal expenses with AIG by waiving this resolution's requirement that AIG agree to pay those expenses before settlement is authorized.

Section 3. That the President is authorized and shall have the discretion to compromise any aspect of CRRA's claim for legal expenses against AIG.

Section 4. That the President of the Authority is hereby authorized to take all actions and to execute any and all agreements in connection with the Letter Agreement, and to proceed with a settlement with the Estate substantially in accordance with the terms of the Letter Agreement.

Section 5. This resolution shall take effect immediately.

Director O'Brien seconded the motion.

Director O'Brien made a motion to amend Sections 2 and 3 of the resolution to read as follows:

Section 2. That the President of the Authority is authorized and shall have the discretion to defer the dispute over legal expenses with AIG by waiving this resolution's requirement that AIG agree to pay those expenses before settlement is authorized,

provided that he shall obtain the prior approval of the Chairman of the Board or of the Chairman of the Finance Committee.

Section 3. That the President is authorized and shall have the discretion to negotiate any aspect of CRRA's claim for legal expenses against AIG, provided that he shall obtain the prior approval of the Chairman of the Board or of the Chairman of the Finance Committee.

The motion to amend the resolution was seconded by Director Martland.

Director O'Brien stated that the Board thoroughly reviewed the resolution and settlement letter in Executive Session.

Director O'Brien noted that Vice-Chairman Cassano, Director Lauretti and Director Airey-Wilson expressed their support for the resolution prior to disconnecting from the conference call.

The amended motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
James Francis	X		
Michael Jarjura	X		
Edna Karanian	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		

ADJOURNMENT

Chairman Pace requested a motion to adjourn the meeting. The motion to adjourn made by Director O'Brien and seconded by Director Sullivan was approved unanimously.

There being no other business to discuss, the meeting was adjourned at 11:51 a.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal