

CONNECTICUT RESOURCES RECOVERY AUTHORITY

THREE HUNDRED EIGHTY-SECOND MEETING

DECEMBER 16, 2004

A telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thursday, December 16, 2004 at 100 Constitution Plaza, Hartford, Connecticut. Those present were:

Chairman Michael Pace

Directors: Stephen Cassano, Vice-Chairman (Present beginning at 9:42 a.m.)
Benson Cohn
Mark Cooper
James Francis
Michael Jarjura (present beginning at 10:00 a.m.)
Edna Karanian
Mark Lauretti (Present beginning at 9:40 a.m.)
Theodore Martland
Raymond O'Brien
Andrew Sullivan
Timothy Griswold (Ad-Hoc for Mid-Connecticut Project)

Present from the CRRA staff:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Bettina Bronisz, Assistant Treasurer & Director of Finance
Laurie Hunt, Director of Legal Services
Donna Tracy, Executive Assistant

Also Present: Christine Stuart of the Journal Inquirer (Present beginning at 9:42 a.m.)

Chairman Pace called the meeting to order at 9:34 a.m. and noted that a quorum was present.

RESOLUTION AUTHORIZING THE ISSUANCE OF \$30 MILLION CORPORATE CREDIT RESOURCE RECOVERY REFUNDING BONDS – 2005 SERIES (SOUTHEAST PROJECT)

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

WHEREAS, the Connecticut Resources Recovery Authority (the "Authority") has previously issued, pursuant to an Indenture of Trust, dated January 15, 1992 (the "Original Indenture"), by and between the Authority and Connecticut National Bank, as trustee, \$30,000,000 aggregate principal amount of its Corporate Credit Bonds/Tax

Exempt Interest (American REF-FUEL Company of Southeastern Connecticut Project – 1992 Series A) (“1992 Series A Bonds”)(and

WHEREAS, pursuant to a Loan Agreement, dated January 15, 1992 (the “Original Loan Agreement”), the Authority loaned the proceeds of the 1992 Series A Bonds to American REF-FUEL Company of Southeastern Connecticut (the “Company”) to reimburse the Company for a portion of the costs associated with the acquisition, construction, equipping, installation, start-up and performance testing of a solid waste disposal and resource recovery facility in the Town of Preston, Connecticut; and

WHEREAS, the 1992 Series A Bonds are secured solely by a promissory note of the Company and a Corporate Guaranty Agreement, dated April 30, 2001, from American Ref-Fuel Company LLC to the trustee, State Street Bank and Trust Company (as successor to Connecticut National Bank); and

WHEREAS, the Finance Committee, upon the advice of the [Chief Financial Officer of the Authority], recommended by motion passed at its December 9, 2004 regular meeting, the issuance of \$30,000,000 aggregate principal amount of its Corporate Credit Bonds/Tax Exempt Interest (American REF-FUEL Company of Southeastern Connecticut – 2005 Refunding Series) (“2005 Refunding Bonds”) to refund the 1992 Series A Bonds, as permitted by Chapter 446e, Section 22-269a of the Connecticut General Statutes and Board of Directors Policy No. 15 of the Authority; and

WHEREAS, pursuant to Section 501 of the Amended and Restated Bylaws of the Authority, a quorum of the Board of Directors of the Authority (the “Board”), acting with the advice of the [Chief Financial Officer] pursuant to Board of Directors Policy No. 15, has considered the matter of refunding the 1992 Series A Bonds.

NOW THEREFORE, be it

RESOLVED: That the Board hereby authorizes the issuance of \$30,000,000 aggregate principal amount of the 2005 Refunding Bonds to be [dated as the date of issue].

FURTHER RESOLVED: That the Board shall submit a copy of this resolution to the Treasurer of the State of Connecticut (the “State Treasurer”) with all deliberate speed so as to facilitate the approval of the State Treasurer, pursuant to Chapter 446e, Section 22-269a of the Connecticut General Statutes and shall take such other measures necessary to secure the approval of the State Treasurer.

FURTHER RESOLVED: That the Board authorizes the Authority to enter into certain legal agreements to permit the issuance of the 2005 Refunding Bonds, including, but not limited to, a First Supplemental Indenture of Trust (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), between the Authority and U.S. Bank National Association, as Trustee (the “Trustee”); a First Amendment to Loan Agreement (collectively, with the Original Loan Agreement, the “Loan Agreement”) a Preliminary Official Statement relating to the offering and sale of

the 2005 Refunding Bonds; a Bond Purchase Agreement among the Authority, the Company and Banc of America Securities LLC, a nationally-recognized bond dealer; and a Letter of Instructions and Indemnity from the Authority to the Trustee, U.S. Bank, National Association (as successor to State Street Bank and Trust Company).

FURTHER RESOLVED: That the proceeds of the 2005 Refunding Bonds shall be made available to the Company, pursuant to the terms of the Loan Agreement, for use with other funds made available to the Company, to refund the 1992 Corporate Credit Bonds.

FURTHER RESOLVED: That the 2005 Refunding Bonds are to be issued in a single series and in book-entry only form, maturing November 15, 2022, bearing interest, subject to optional redemption prior to maturity and having the terms, all to be set forth in the First Supplemental Indenture.

FURTHER RESOLVED: That the 2005 Refunding Bonds shall be secured by a promissory note of the Company and a Parent Company Guarantee from American Ref-Fuel Company LLC to the Trustee.

FURTHER RESOLVED: That the President and other officers of the Authority be, and hereby are, authorized to take all such further actions and execute such further documents on behalf of the Authority to accomplish the issuance, sale, performance and delivery of the 2005 Refunding Series Bonds as contemplated hereby, and as otherwise might be necessary and appropriate, and of the terms and conditions of any and all the aforesaid documents.

This resolution shall take effect immediately.

Director O'Brien seconded the motion.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			

Timothy Griswold, Ad Hoc, Mid-Connecticut			
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RESOLUTION AUTHORIZING THE ISSUANCE OF SUBORDINATED INDEBTEDNESS UNDER THE GENERAL BOND RESOLUTION FOR THE FISCAL YEAR ENDING JUNE 30, 2006 FROM THE STATE OF CONNECTICUT TO BENEFIT THE MID-CONNECTICUT PROJECT

Chairman Pace requested a motion regarding the above captioned matter. Director Sullivan made the following motion:

BE IT RESOLVED by the Board of Directors of the Connecticut Resources Recovery Authority (the "Authority"), on the ___ day of December, 2004, pursuant to the General Bond Resolution adopted by the Authority on March 13, 1985 entitled "Resolution Authorizing the Issuance of Mid-Connecticut System Bonds," as supplemented and amended (hereinafter referred to as the "General Bond Resolution"), as follows:

DEFINITIONS, AUTHORITY AND PLEDGE

Short Title. This supplemental resolution may hereafter be cited by the Authority and is herein sometimes referred to as the "2006 Supplemental Resolution."

Ratification of General Bond Resolution. Except as hereby expressly supplemented, the General Bond Resolution is in all respects ratified and confirmed, and all terms, provisions and conditions thereof shall be and remain in full force and effect, and this 2006 Supplemental Resolution and all of its terms, provisions and conditions shall be deemed to be a part of the General Bond Resolution.

References. All references in the General Bond Resolution or to "this Resolution" or words of similar import and the terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in the General Bond Resolution and the 2006 Supplemental Resolution, shall be deemed to refer to the General Bond Resolution, as supplemented by this 2006 Supplemental Resolution unless the context indicates otherwise.

Definitions. (A) All terms not otherwise defined in this 2006 Supplemental Resolution shall have the same meanings in this 2006 Supplemental Resolution as those terms are given in Article I of the General Bond Resolution, unless the context otherwise requires.

(B) The following definitions in Article I of the General Bond Resolution are hereby supplemented to read as follows:

“Act” means the Connecticut Solid Waste Management Services Act, constituting Public Act No. 73-459 of the General Assembly of the State of Connecticut, January 1993 Session, codified as Chapter 446(e), Section 22a-257 (formerly Section 19-524p) *et seq.*, as amended to the date of this Supplemental Resolution.

“Business Day” means any day on which banks located in the cities of Hartford, Connecticut, New York, New York, or where the principal office the Trustee is located, are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Certificate of Interest Rate Calculation” means that certain certificate setting forth the applicable interest rate on the Loan, as executed by the State Treasurer.

“Day” means any day of the week regardless of whether it is a Business Day.

“Loan” means that certain \$20,000,000 loan, evidenced by the Promissory Note issued as Subordinated Indebtedness under the General Bond Resolution, from the State of Connecticut to the Authority for the benefit of the Mid-Connecticut Project, authorized pursuant to the Act and this 2006 Supplemental Resolution, and secured by the Loan Agreement.

“Loan Agreement” means that certain Master Loan Agreement, dated as of _____, 2005, and evidencing the Loan.

“Loan Documents” means the Loan Agreement, the Promissory Note, this 2006 Supplemental Resolution, together with any and all certificates and/or documents evidencing the Loan.

“Promissory Note” or “Note” means that certain promissory note in the maximum aggregate amount of \$20,000,000, all as more particularly set forth in Section 2.3(e) herein.

“Trustee” means U.S. Bank National Association, successor to State Street Bank and Trust Company, successor in interest to Shawmut Bank Connecticut, N.A. (formerly known as The Connecticut National Bank) and its successor or successors hereafter appointed in the manner provided in the General Bond Resolution.

“2006 Subordinated Indebtedness/Loan Repayment Account” means the account so designated in the Subordinated Indebtedness Debt Service Fund, established pursuant to Section 3.1 herein, and in accordance with the terms and provisions of Section 5.11 of the General Bond Resolution.

“2006 Supplemental Resolution” means the resolution adopted by the Authority on December ___, 2004 entitled “Resolution of the Board of Directors of the Connecticut Resource Recovery Authority to Authorize the Issuance of Subordinated Indebtedness Under the General Bond Resolution in the Form of a Loan not to Exceed \$_____ for

the Fiscal Year Ending June 30, 2006 and Subsequent Fiscal Years from the State of Connecticut for the Benefit of the Mid-Connecticut Project.”

AUTHORIZATION, TERMS AND ISSUANCE OF SUBORDINATED INDEBTEDNESS

Authorization for Loan; Determination of Necessity. In accordance with and subject to the terms, limitations and conditions established in the General Bond Resolution and in this 2006 Supplemental Resolution, the Authority hereby authorizes the borrowing of the Loan, and the issuance of the Promissory Note constituting an Additional Bond and Subordinated Indebtedness under the General Bond Resolution, to be designated Mid-Connecticut System 2006 Subordinated Note in the aggregate principal amount not to exceed \$20,000,000.

In accordance with Section 2.5(2)(iv) of the General Bond Resolution, the Authority is of the opinion and hereby determines that the borrowing of the Loan and the issuance of the Promissory Note are necessary to provide sufficient funds to be used and expended to pay a portion of the debt service payments on its outstanding Bonds issued for the Mid-Connecticut Project.

Pledge/Subordination. The Loan and the Promissory Note evidencing the same shall be secured by a pledge of the Revenues of the Mid-Connecticut Project granted, created or authorized by the General Bond Resolution (except the Special Capital Reserve Fund).

The obligations of the Authority under the Loan Agreement, including the Promissory Note, and the pledge pursuant to subsection (a) of this Section 2.2 shall be subject and subordinate to the pledge of the Authority's Revenues of the Mid-Connecticut Project granted under its 1996 Series A Bonds, 1997 Series A Bonds, and Subordinate 2001 Series A Bonds, as well as any other Bonds (including Subordinated Indebtedness), other than any Additional Bonds (including, but not limited to, that certain \$22,000,000 loan from the State in the form of Subordinated Indebtedness, dated October 29, 2003 and that certain \$20,000,000 loan from the State in the form of Subordinated Indebtedness, dated March 1, 2004) issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act.

Any Additional Bonds issued by the Authority in the form of Subordinated Indebtedness pursuant to the General Bond Resolution and in accordance with the provisions of Section 22a-268d (as the same may be amended) of the Act (including, but not limited to, that certain \$22,000,000 loan from the State in the form of Subordinated Indebtedness, dated October 29, 2003 and that certain \$20,000,000 loan from the State in the form of Subordinated Indebtedness, dated March 1, 2004) shall be issued on a parity with the Promissory Note and secured by an equal pledge of the Revenues of the Authority for the Mid-Connecticut Project, which pledge shall be subordinate to all other Bonds and Subordinated Indebtedness.

Details of the Loan.

Purpose. In accordance with the Act, and pursuant to Section 2.9(3) of the General Bond Resolution, the proceeds of the Loan shall be used for the purpose of paying debt service on the Authority's Outstanding Bonds.

Principal Amount. The Loan shall be in the maximum aggregate principal amount of TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000.00).

Maturity Date. The Loan shall mature on the earlier of (i) the date of final payment of any and all principal and interest on the Loan, or (ii) June 30, 2012 (the "Maturity Date").

Prepayment. The Authority may prepay advances on the Loan in whole or in part at any time without any prepayment penalty or fee.

Promissory Note. All advances under the Loan shall be evidenced by that certain Promissory Note, dated as of _____, in the original maximum aggregate principal amount of \$20,000,000 (the "Promissory Note").

Payment of Interest/Principal. Each advance under the Promissory Note shall bear interest from the date of such advance in accordance with an interest rate calculation set forth by the State Treasurer of the State of Connecticut in the form of a Certificate of Interest Rate Calculation, which rate shall be equal to a variable rate of interest, as determined for each calendar month, and tied to the average effective yield of the State Treasurer's Short Term Investment Fund or the interest rate of any borrowing by the State that may be required to fund the Loan, plus twenty-five basis points. Under no circumstances shall such variable rate exceed 6% per annum.

Commencing on the first Business Day of the second month after any advance hereunder, and on the first Business Day of each subsequent month thereafter during the term of the Loan, interest shall be paid in arrears on the outstanding principal balance of that advance under the Promissory Note at the Interest Rate set forth in that certain Certificate of Interest Rate Calculation.

Commencing on the first Business Day of the second calendar month following any advance hereunder, and on the first Business Day of each and every calendar month thereafter until the Maturity Date, principal shall be paid in consecutive equal monthly installments in amounts sufficient to amortize the outstanding principal balance of the advance through the Maturity Date.

Source of Loan Payments. Funds necessary to meet the Authority's payment obligations of principal and interest due under the Note shall be withdrawn by the Trustee from the 2006 Subordinated Indebtedness/Loan Repayment Account in accordance with the procedures and provisions set forth in Section 5.11 of the General Bond Resolution.

Requisitions and Advances. Advances of the Loan shall be made in compliance with the following procedure and subject to the following conditions:

For each advance request, the Authority shall be required to complete and submit to the State of Connecticut a form Requisition for Payment in the form set forth in the Loan Agreement (the "Request for Advance") setting forth the amount requested. Each Request for Advance shall be submitted by written notice to the State of Connecticut not less than five (5) Business Days prior to the date the Authority desires deposit of the same with the Trustee under the General Bond Resolution, and shall be accompanied by such documents as the State of Connecticut may reasonably require, in form and substance acceptable to State of Connecticut. Each Request for Advance shall be executed by those properly authorized officials of the Authority, that being any two of the following signatories: Chairman of the Board of Directors, Chairman of the Finance Committee, President and/or Chief Financial Officer.

In accordance with the provision of Section 2.15(B)(1) of the General Bond Resolution, advances under the Loan shall be requested by the Authority pursuant to (i) above, with the proceeds of such advance being deposited by the State of Connecticut with the Trustee under the General Bond Resolution not less than two (2) Business Days prior to the end of each calendar month, for deposit directly into the Debt Service Fund, for credit to the Interest Account and the Principal Installment Account of the Debt Service Fund as established under the General Bond Resolution.

Execution and Delivery. To the extent applicable, the Promissory Note evidencing the Loan shall be executed in the form and manner set forth in Section 2.8 of the General Bond Resolution. Subject to Trustee's receipt and/or delivery of the applicable items set forth in Section 2.7, 2.12 and 2.14 of the General Bond Resolution, the Promissory Note shall be delivered to the State of Connecticut.

The Loan shall be evidenced by the Promissory Note and the balance of the Loan Documents. The Chairman of the Board of Directors and the President of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to execute, acknowledge and deliver the Loan Documents, and the execution of the Loan Documents by the Chairman of the Board and the President of the Authority shall be conclusive evidence of the approval of the Authority.

CREATION OF SPECIAL FUNDS AND ACCOUNTS

Creation of Special Funds and Accounts. There is hereby created and established in the Subordinated Indebtedness Debt Service Fund, the 2006 Subordinated

Indebtedness/Loan Repayment Account. No Subordinated Indebtedness Reserve Fund shall be established pursuant to this 2006 Supplemental Resolution.

2006 Subordinated Indebtedness/Loan Repayment Account.

The 2006 Subordinated Indebtedness/Loan Repayment Account shall be funded from Revenues of the Authority on deposit in the Revenue Account and deposited in the Subordinated Indebtedness Debt Service Fund in accordance with the provisions of Section 5.4 of the General Bond Resolution.

Amounts on deposit in the 2006 Subordinated Indebtedness/Loan Repayment Account shall be used to fund principal and interest payments under the Loan in accordance with the provisions of Section 2.3(f) and (g) of this Supplemental Resolution.

EVENTS OF DEFAULT

Events of Default. Notwithstanding anything to the contrary contained in Section 8.2 of the General Bond Resolution, failure of the Authority to: (i) pay, when due, any installment of principal or interest due under the Note or the other Loan Documents, or pay any other amount due to the State of Connecticut under any document, agreement or instrument delivered pursuant to the Loan, or (ii) observe or perform any other term, covenant or agreement to be observed or performed by it under the Loan Documents, or any other agreements or instruments or documents required in connection with the Loan, or as a condition to making advances under the Loan, shall not constitute an event of default under Section 8.2 of the General Bond Resolution unless such default shall continue for a period of forty-five (45) days after receipt by the Authority of notice of such default from the State of Connecticut.

MISCELLANEOUS

Notices. All notices shall be deemed given when delivered or four Business Days after mailing by registered mail, return receipt requested, postage prepaid, or sent by telegram, addressed as follows:

to the Authority, to the President, Connecticut Resources Recovery Authority, 100 Constitution Plaza, 6th Floor, Hartford, Connecticut 06103;

to the Trustee, to U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103, Attention: Corporate Trust Administration;

to the State of Connecticut, to State of Connecticut Office of the State Treasurer, 55 Elm Street, Hartford, Connecticut 06106, Attention: State Treasurer; and State of Connecticut, Office of Policy and Management, 450 Capitol Avenue, Hartford, Connecticut 06106, Attention: Secretary OPM.

Any notice party may by like notice, designate in writing any further or different addresses to which subsequent notices, demands, directions, certificates, opinions of counsel, requests, instruments or other communications hereunder shall be sent.

Conflict. All resolutions or parts of resolutions or other proceedings of the Authority in conflict herewith be and the same are repealed insofar as such conflict exists.

Trustee Self-Dealing. The Trustee is hereby authorized, in making or disposing of any investment permitted by the General Bond Resolution, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

No Recourse. No recourse shall be had for the payment of the principal of or interest on the Loan or for any claim based thereon or on this 2006 Supplemental Resolution against any member or officer of the Authority or any person executing the Loan Documents and neither the members of the Authority nor any person executing the Loan Documents shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Amendment to the General Bond Resolution. Subsequent to the initial adoption of the General Bond Resolution, in 1985, there have become effective certain amendments such that the following provisions of the General Bond Resolution are of no further force or effect:

- (a) Section 2.12(2)
- (b) Section 7.11(E)
- (c) Section 7.17
- (d) Section 7.20(B)
- (e) Section 7.24 (with the exception of the first sentence thereof)
- (f) the third and fourth sentences of Section 7.25
- (g) Section 7.27(C)

Effective Date. This 2006 Supplemental Resolution shall take effect immediately upon its adoption.

The motion was seconded by Director O'Brien.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		

Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Timothy Griswold	X		
Non Eligible Voters			

RESOLUTION FOR APPOINTMENT OF CORPORATE SECRETARY

Chairman Pace requested a motion regarding the above captioned matter. Director Martland made the following motion:

RESOLVED: That the Chairman, with the approval of the CRRA Board of Directors, hereby appoints Laurie Hunt, Esq., Corporate Secretary of the Authority, to be the custodian of the Seal of the Authority, to keep or cause to be kept minutes of all meetings of the Directors and Ad Hoc members, and to perform all such other functions and duties as the President or Board may delegate to her from time to time.

The motion was seconded by Director O'Brien.

The motion previously made and seconded was approved unanimously.

Eligible Voters	Aye	Nay	Abstain
Michael Pace, Chairman	X		
Stephen Cassano	X		
Benson Cohn	X		
Mark Cooper	X		
James Francis	X		
Edna Karanian	X		
Mark Lauretti	X		
Theodore Martland	X		
Raymond O'Brien	X		
Andrew Sullivan	X		
Non Eligible Voters			
Timothy Griswold, Ad Hoc, Mid-Connecticut			

EXECUTIVE SESSION

Chairman Pace made a motion to go into Executive Session to discuss pending litigation, contract negotiations and personnel matters with appropriate staff. The motion, which was

seconded by Director O'Brien was approved unanimously. Chairman Pace requested that the following people remain for the Executive Session in addition to the Directors:

Tom Kirk
Jim Bolduc
Laurie Hunt, Esq.
Bettina Bronisz

The Executive Session began at 9:52 a.m. and concluded at 10:20 a.m. Chairman Pace noted that no votes were taken in Executive Session.

Chairman Pace reconvened the Board meeting at 10:20 a.m.

ADJOURNMENT

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

There being no other business to discuss, the meeting was adjourned at 10:21 a.m.

Respectfully submitted,

Donna Tracy
Executive Assistant