



PROCEDURES FOR AWARDING LOANS, GRANTS AND OTHER FINANCIAL ASSISTANCE

BOARD OF DIRECTORS POLICY AND PROCEDURE No. BOD 016

1. STATUTORY DIRECTIVE

Connecticut General Statutes Section 22a-268a(6) requires the Connecticut Resources Recover Authority (the “Authority”) to adopt written procedures for “awarding loans, grants and other financial assistance, including eligibility criteria, the application process and the role played by the Authority’s staff and Board of Directors (“Directors”).”

2. PROCEDURES REGARDING AWARDING LOANS

2.1 Application Process

Subject to a two-thirds approval vote of the Directors, the Authority may award loans to municipal or regional authorities for the establishment of a solid waste project(s), disposal facility(s), volume reduction plant(s) or disposal area(s). All loans shall comply with all applicable requirements for such loans set forth in Sections 22a-267(5) and 275(f) of the Connecticut General Statutes. The Authority shall award no other loans. All loans must be recommended to the Directors by the Authority’s Chairman or its Finance Committee upon advice of the President of the Authority, bond counsel or such other advisors as the Chairman or Finance Committee deems appropriate.

2.2 Repayment of Loans

- (a) The Directors, on a case-by-case basis, will determine the maturity date for each loan awarded.
- (b) The principal repayment schedule (e.g.: equal principal, level debt service, balloon payment) for all such loans shall be at the discretion of the Directors.

- (c) Unless otherwise specified, any loan awarded shall bear interest at a monthly variable interest rate plus 50 basis points. The Authority's Chief Financial Officer shall calculate the monthly variable interest rate based on the Authority's monthly cost of funds. In no case shall the monthly variable interest rate be greater than the Authority's monthly cost of funds plus 200 basis points.
- (d) All loans shall be collateralized.

3. PROCEDURES REGARDING AWARDING GRANTS OR OTHER FINANCIAL ASSISTANCE

3.1 Application Process

- (a) Subject to a two-thirds approval vote of the Directors, the Authority may award grants or other financial assistance in amounts not to exceed \$5,000.00 per transaction.
- (b) Any potential grant or other financial assistance recipient must make a formal presentation to the Directors at a regularly scheduled Directors' Meeting.
- (c) The Authority's Chairman or its Finance Committee, upon advice of the President and the Chief Financial Officer of the Authority, must recommend any grant or other financial assistance to the Directors.

4. MISCELLANEOUS

4.1 Approval of Procedural Deviation

Any deviation from the above procedures must be approved by an affirmative vote of two-thirds of the Directors.

ORIGINAL

Approved by: Board of Directors

Effective Date: March 24, 2005