

**REQUEST FOR PROPOSALS
FOR
DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

SECTION 14

**AGREEMENT FOR DESIGN, UPGRADE,
RETROFIT, AND OPERATION/MAINTENANCE
SERVICES FOR THE STRATFORD
INTERMEDIATE PROCESSING CENTER**

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- B. Contractor's Monthly Payment To CRRA
- C. Performance Bond/Letter of Credit
- D. Guaranty
- E. Performance Guarantees of Updated IPC
- F. Acceptance Test Criteria
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- K. Bridgeport Project Permitting, Disposal and Billing Procedures

**AGREEMENT
FOR
DESIGN, UPGRADE, RETROFIT,
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STRATFORD INTERMEDIATE PROCESSING CENTER**

This **AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND OPERATION/MAINTENANCE SERVICES FOR THE STRATFORD INTERMEDIATE PROCESSING CENTER** (this "Agreement") dated as of the ___ day of _____, 2008, (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 100 Constitution Plaza, 6th Floor, Hartford, Connecticut 06103 ("CRRA") and [Name of Contractor], a [Type of Entity], having a principal place of business at [Address of Contractor] (the "Contractor").

PRELIMINARY STATEMENT

CRRA is the owner or lessee of certain pieces or parcels of real property (collectively, the "CRRA Properties") located throughout the State of Connecticut upon which CRRA Properties CRRA owns and operates certain solid waste management and/or disposal facilities constituting a solid waste management system known as the Bridgeport Project. CRRA owns and operates a certain processing facility located at 1410 Honeyspot Extension Road in Stratford, Connecticut (the "Existing IPC"). CRRA now desires to enter into this Agreement with Contractor in order to have Contractor provide after the Commencement Date the following services to upgrade the Existing IPC located at 1410 Honeyspot Road Extension, Stratford, Connecticut (the "Upgraded IPC"), as set forth herein:

- (a) Develop the following:
 - (1) Engineering plans and technical specifications to replace and upgrade both the paper and the commingled container processing operations, and to modify and upgrade the Current IPC;
 - (2) Operation and maintenance plan(s) to provide for the efficient and consistent operation of the Upgraded IPC system ("O&M Plan(s)") [(a)(1) and (a)(2) hereinafter known as "**Task 1**";
- (b) Utilizing Contractor's design plans from **Task 1**, provide all the required labor, materials, equipment, and supervisory work necessary to construct and achieve the replacement, upgrade and modification of the Current IPC as designed by the Contractor in **Task 1** [hereinafter known as "**Task 2**";

- (c) Provide the operation and maintenance services (the “O&M Services”) of CRRA’s Upgraded IPC from the day the Contractor achieves Substantial Completion of the Upgraded IPC in accordance with **Section 10.2** herein through June 30, 2018 or until this Agreement terminates [hereinafter known as “**Task 3**”]; and
- (d) Provide all services and cover all costs involved for the diversion [transporting and properly disposing] of all Acceptable Recyclables that cannot be accepted and processed at the Updated IPC during the construction period of **Task 2** because of the construction activities [hereinafter known as “**Task 4**”],

all as more completely set forth in **Exhibit A** hereto.

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

ARTICLE 1: DEFINITIONS AND REPRESENTATIONS

1.1 Definitions

“**Acceptable Recyclables**” shall mean the following types of Solid Waste generated by and collected from residential, commercial, institutional and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by CRRA in accordance with all Applicable Laws for processing by and disposal at the Current IPC/Upgraded IPC: (i) all acceptable materials listed in the Bridgeport Project Permitting, Disposal and Billing Procedures as in effect from time to time (see **Section 2.17** herein); and (ii) any other Solid Waste deemed by CRRA in its sole discretion to be Acceptable Recyclables. At CRRA’s sole discretion, CRRA shall be entitled to expand this definition of acceptable recyclables by adding additional recyclables throughout the term of this Agreement. Subject to CRRA’s sole and absolute discretion, but subject to the reasonable compensation provisions of **Section 2.8** herein, CRRA will consider any Contractor’s proposed expansion(s) of this definition of acceptable recyclables by adding additional recyclables throughout the term of this Agreement. Contractor shall not be entitled under this Agreement to process any acceptable recyclables from any entity or governmental entity without the prior written approval of CRRA.

“**Acceptance Testing**” shall mean the testing performed by the Contractor in accordance with the protocol detailed in **Section 10.1** herein to demonstrate compliance with the Acceptance Test Protocol.

“**Act of Bankruptcy**” means that (a) Contractor or Guarantor shall have commenced a voluntary case under any bankruptcy law, applied for or consented to the appointment of, or the taking of possession by, a receiver, trustee, assignee, custodian or liquidator of all or a substantial part of its assets, (b) Contractor or Guarantor shall have failed, or admitted in writing its inability generally, to pay its debts as such debts become due, (c) Contractor or Guarantor shall have made a general assignment for the benefit of creditors, (d)

Contractor or Guarantor shall have been adjudicated a bankrupt, or shall have filed a petition or an answer seeking an arrangement with creditors, (e) Contractor or Guarantor shall have taken advantage of any insolvency law, or shall have submitted an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding, (f) an order, judgment or decree for relief in respect of Contractor or Guarantor shall have been entered in an involuntary case, without the application, approval or consent of Contractor or Guarantor respectively, by any court of competent jurisdiction appointing a receiver, trustee, assignee, custodian or liquidator, for Contractor or Guarantor or for a substantial part of any of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of one hundred eighty (180) consecutive days, (g) Contractor or Guarantor shall have filed a voluntary petition in bankruptcy, (h) Contractor or Guarantor shall have failed to remove an involuntary petition in bankruptcy filed against it within one hundred eighty (180) days of the filing thereof, or (i) an order for relief shall have been entered against Contractor or Guarantor under the provisions of the United States Bankruptcy Act, 11 U.S.C.A. §301.

“Affiliate” means a Person that, directly or indirectly, controls or is controlled by, or is under common control with, Contractor.

“Agreement” means this Agreement For Design, Upgrade, Retrofit, And Operation/ Maintenance Services For The Stratford Intermediate Processing Center between CRRA and Contractor, together with **Exhibits A-K** (inclusive) attached hereto and made a part hereof and any written amendments, modifications or supplements hereto, and the RFP and its Addendums that created this Agreement. If there are any conflicts between the terms of this Agreement and the RFP or Addendums, the terms of the Agreement shall govern.

“Applicable Laws” means any applicable statute, law, constitution, charter, ordinance, resolution, judgment, order, procedures, permits (including but not limited to the Permits), decree, rule, regulation, directive, interpretation, standard or similar binding authority, which has been or shall hereinafter be enacted, promulgated, issued or enforced by any judicial or governmental authority having jurisdiction.

“Bonds” shall have the meaning set forth in **Section 9.8** herein.

“Change In Law” shall mean the adoption, promulgation, issuance, modification, or official change in interpretation, after the Commencement Date of this Agreement of a federal, state, city, or local law, ordinance, code, or regulation, rule, order or ruling by any federal, state, or local court, administrative agency or governmental body (except to the extent that such order or ruling is a result of the willful or negligent action or inaction of the party claiming such Change In Law) that imposes requirements or restrictions on: (i) the Contractor’s performance under this Agreement, provided however, that any requirement of any Permit related to Contractor’s performance under this Agreement which is based on existing law, ordinance, code, or regulation, rule, order, interpretation, or ruling by any federal, state, or local court, administrative agency or governmental body as of the

Commencement Date of this Agreement shall not be a Change In Law; or (ii) CRRA's performance of its obligations under this Agreement.

"Certificate Of Substantial Completion Of Updated IPC" shall mean the certified determination by Contractor that the **Task 1** and **Task 2** Services provided by Contractor for the construction of the Updated IPC are substantially complete in accordance with **Section 10.2** of this Agreement.

"Certificate Of Final Completion Of Updated IPC" shall mean the certified determination by Contractor that the **Task 1** and **Task 2** Services provided by Contractor for the construction of the Updated IPC are fully complete in accordance with **Section 10.3** of this Agreement.

"Commencement Date" shall mean the date Contractor begins performing Services under this Agreement, which shall be the date first written above, or such later date as provided by CRRA.

"CTDEP" shall mean the State of Connecticut's Department of Environmental Protection.

"Container" shall mean glass, metal, and plastic commingled containers.

"Day" shall mean, unless otherwise specifically designated therein, a calendar day and not a business day.

"Event of Default" shall mean any one or more of those events described in **Article 7** hereof or identified as an Event of Default elsewhere in this Agreement.

"Current IPC" shall mean the CRRA's Stratford Intermediate Processing Center's recyclables system but does not include the CRRA administrative offices, CRRA Visitor's Center and Museum, and the CRRA parking lot located at 1410 Honeyspot Road Extension, Stratford, Connecticut.

"Force Majeure" shall mean any of the following acts or events which (1) demonstrably causes (i) a delay in or prevents Contractor's performance in any way under the Agreement, or (ii) a delay in or prevention of CRRA's or Contractor's performance of any of their respective obligations hereunder; (2) is beyond the reasonable control of Contractor; and (3) continues notwithstanding Contractor's reasonable efforts to correct or eliminate such act or event thereof and Contractor's best efforts to minimize the cost consequences of such act or event:

- (a) Any destruction of or damage to, or any interruption, suspension, or interference with Contractor's performance under this Agreement caused by (i) acts of God, landslides, lightning, earthquakes, fires, explosions, floods, 100 year storms or similar occurrences, or (ii) acts of the public enemy, wars, blockades, insurrections, riots, restraints of governments and people, civil disturbances or similar occurrences;

- (b) Strikes, work stoppage, secondary boycotts or walkouts, provided that a strike, work stoppage, secondary boycott or walkout by the employees of the Contractor or employees of the Affiliates of the Contractor, shall not be an event of Force Majeure; or
- (c) The suspension, termination, interruption, denial, or failure of renewal of any Permit, license, consent, authorization, or approval essential to Contractor's performance under this Agreement, if not the result of the fault of Contractor.

"Guarantor" shall mean _____ or such entity approved by CRRA.

"Guaranty" shall mean a guaranty by Guarantor substantially in the form of **Exhibit D** hereto and which has been approved by CRRA

"Hazardous Waste" shall mean 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/or any regulations, rules or policies promulgated thereunder.

"Limited Notice To Proceed With Task 2 Services" shall mean the written notification that CRRA gives to Contractor that states that Contractor is authorized to and may begin ordering major pieces of equipment and materials necessary to construct the Updated IPC; however any foregoing purchase of equipment and/or materials must be pre-approved in writing by CRRA.

"Updated IPC" shall mean the upgraded and retrofitted Current IPC that is to be or has been achieved by Contractor in its performance under this Agreement, including the CRRA Visitor's Center and Museum, and the CRRA parking lot located at 1410 Honeyspot Road Extension, Stratford, Connecticut.

"Updated IPC Recyclables System Equipment" shall mean the new equipment and materials acquired by Contractor to perform the Services under this Agreement.

"Notice To Proceed With Task 1 Services" shall mean the written notification that CRRA gives to Contractor that states that Contractor is authorized to and may begin performing all, or a specified portion, of the **Task 1** Services under this Agreement.

"Notice To Proceed With Task 2 Services" shall mean the written notification that CRRA gives to Contractor that states that Contractor is authorized to and may begin performing all of the **Task 2** Services under this Agreement.

"Operating Year" shall mean each successive, twelve month period during the term of this Agreement beginning July 1st and ending on June 30th, except that the first Operating Year shall begin on the Commencement Date and end on June 30, 2009, and except if the final year of this Agreement terminates on a day other than June 30th of the termination year. Where this Agreement specifies amounts or quantities with respect to an Operating

Year, the amounts or quantities shall be prorated for any Operating Year which is less than a twelve-month period.

“**Paper**” shall mean old newspapers, old corrugated cardboard, old magazines, and any other paper items or materials that CRRA shall deem appropriate.

“**Participating Municipality**” shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within its corporate limits, and which has executed a municipal services agreement or made special arrangements with CRRA for the processing and disposal of MSW and/or Acceptable Recyclables at the waste facilities selected by CRRA.

“**Performance Guarantees**” shall mean the performance standards of the Updated IPC system as detailed in Exhibit E guaranteed to be achieved and maintained throughout the term of this Agreement by Contractor under this Agreement.

“**Permits**” means all permits, consents, licenses, approvals or authorizations, including Certificate of Occupancy documents, issued by any governmental body having jurisdiction over the waste facilities owned or operated by CRRA, or covering **Task 1** through **Task 4** or the Services, but does not include any permits, consents, licenses, approvals or authorizations internal to Contractor or its affiliates.

“**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Procedures**” shall mean CRRA’s Bridgeport Procedures attached hereto as Exhibit K and detailed in Section 2.17 of this Agreement.

“**Project**” shall mean the facilities constituting the Bridgeport Project.

“**Properties**” shall mean any real property on which Contractor performs Services under this Agreement.

“**Punch List**” shall mean the list prepared (and periodically revised) by CRRA of minor items of the **Task 1** and **Task 2** Services which remain to be performed by Contractor to achieve Final Completion of the Updated IPC, but which items do not affect Contractor's ability to operate the Updated IPC safely, reliably and in accordance with Applicable Laws, applicable Permits, and this Agreement.

“**Residue**” shall mean all Solid Waste remaining after the handling and processing of the Acceptable Recyclables.

“**Services**” shall mean the services that constitute **Task 1**, **Task 2**, **Task 3**, and **Task 4**, and are more particularly described in Section 2.1 herein.

“**Solid Waste**” shall mean this term as defined in the Procedures.

“**Spot Tons**” shall mean Acceptable Recyclables generated by commercial entities that are not collected or under the control of any town, city, borough or other political subdivision of and within the State of Connecticut.

“**Task**” means any one of the following tasks detailed in **Exhibit A: Task 1, Task 2, Task 3, and Task 4.**

“**Ton**” means a "short ton", or 2,000 pounds.

“**Unacceptable Recyclables**” shall mean (i) Unacceptable Waste; (ii) any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for Acceptable Recyclables as set forth in this Agreement; and (iii) any other waste deemed by CRRA in its sole discretion to be Unacceptable Recyclables.

“**Unacceptable Waste**” shall mean (i) explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259.30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, liquid waste (other than liquid Solid Waste derived from food or food by-products), and Hazardous Waste and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. seq., 42 U.S.C. §6901 et. seq.), other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law; (ii) any item of waste that is either smoldering or on fire; (iii) waste in quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil; (iv) any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the waste facilities selected by CRRA (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or Applicable Laws; (v) any Solid Waste that is deemed by CRRA in its sole discretion to be not in conformance with the requirements for MSW or Non-Processible Waste as set forth herein; and (vi) any other waste deemed by CRRA in its sole discretion for any reason to be Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by CRRA to deliver waste to any of the waste facilities selected by CRRA.

1.2 Construction

For purposes of this Agreement:

- (a) Capitalized terms used herein shall have the meanings set forth herein;

- (b) Unless specifically provided otherwise in this Agreement, 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;
- (c) Words that have well-known technical or trade meanings are used herein in accordance with such recognized meanings unless otherwise specifically provided;
- (d) All accounting terms, not otherwise defined herein, have the meanings assigned to them in accordance with “generally accepted accounting principles”, and the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles which are generally accepted as of the Commencement Date of this Agreement;
- (e) The words “herein”, “hereof” and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or Subsection;
- (f) Reference to any particular party shall include that party's employees and the authorized agents of that party;
- (g) All references to agreements are references to the agreements as the provisions thereof may be amended, modified or waived from time to time;
- (h) 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 Agreement; and
- (i) The parties stipulate that all liquidated damages required under this Agreement are reasonable and have been agreed upon and intended by the parties because the damages expected are uncertain and difficult to prove in those instances of this Agreement where liquidated damages are specified.

1.3 Covenants and Representations

1.3.1 Covenants and Representations of Contractor

Contractor represents, warrants and covenants to CRRA that:

- (a) Contractor is a [company] duly organized and validly existing in good standing in the jurisdiction of its formation and is duly qualified to transact business in each and every jurisdiction where such qualification is required to enable Contractor to perform its obligations under the terms of this Agreement. No Act of Bankruptcy has been commenced by or against Contractor. Contractor has full power, authority and legal right to enter into and perform its obligations hereunder, and the execution and delivery of this Agreement by Contractor, and the performance of all its obligations under this Agreement have been authorized by all required actions of Contractor,

all as required by the charter or other formation document, by-laws and Applicable Laws that regulate the conduct of Contractor's affairs. The execution and delivery of this Agreement by Contractor and the performance of all its obligations set forth herein do not conflict with and will not, with the passage of time or the giving of notice, constitute a breach of or an event of default under any charter, by-laws or resolutions of Contractor or any agreement, indenture, mortgage, trust, contract, permit or instrument to which Contractor is a party or by which Contractor is bound. This Agreement has been duly executed and delivered by Contractor and, as of the date hereof, constitutes a legal, valid and binding obligation of Contractor, enforceable against Contractor in accordance with its terms, except as enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.

- (b) Contractor is not currently in breach of or in default under any Applicable Laws that would materially adversely affect Contractor's ability to perform hereunder, and Contractor will obtain all required Permits [exclusive of CTDEP permits that are required to be obtained for the performance of this Agreement], approvals, and registrations necessary to perform its obligations hereunder.
- (c) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority pending or, to the knowledge of Contractor, threatened against Contractor from which an unfavorable decision, ruling or finding would materially adversely affect or enjoin the performance by Contractor of its obligations hereunder or the other transactions contemplated hereby, or that in any way would materially adversely affect the validity or enforceability of this Agreement, Contractor's financial condition, or any other agreement or instrument entered into by Contractor in connection with the transaction contemplated hereby.
- (d) Contractor shall diligently (1) defend itself against any and all actions and causes of action pending (or threatened) against it that would, irrespective of the merits thereof, materially adversely affect the ability of Contractor to perform its obligations and observe its covenants and representations hereunder, and (2) prosecute any and all claims, which if waived or permitted to lapse, would materially adversely affect the ability of Contractor to perform its obligations and observe its covenants and representations hereunder; provided, however, that Contractor shall provide to CRRA notice of all such actions, causes of action and claims within seven (7) days of Contractor's receipt or filing thereof, as the case may be.

- (e) Although CRRA is responsible for obtaining all CTDEP permits required under this Agreement, the Contractor must procure and maintain all other Permits necessary for Contractor to perform its obligations under the terms of this Agreement.

1.3.2 Covenants and Representations of CRRA

CRRA represents, warrants and covenants to Contractor that:

- (a) At the time of the execution of this Agreement, CRRA has been duly created and is validly existing as a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut and has the power, authority and legal right, to enter into and perform its obligations set forth in this Agreement.
- (b) The execution, delivery and performance of this Agreement by CRRA (1) has been duly authorized by the governing body of CRRA, (2) does not require any consent, approval or referendum of voters, and (3) will not violate any judgment, order, law or regulation applicable to CRRA or any provisions of CRRA's enabling legislation, by-laws or resolutions.
- (c) The execution and delivery of this Agreement by CRRA, and the performance of all its obligations set forth herein do not conflict with, and will not, with the passage of time or the giving of notice, constitute a breach of or an event of default under any enabling legislation, by-laws or resolutions of CRRA or any agreement, indenture, mortgage, trust, contract, permit or instrument to which CRRA is a party or by which CRRA is bound. This Agreement has been duly executed and delivered and, as of the date hereof, constitutes a legal, valid and binding obligation of CRRA, enforceable against CRRA in accordance with its terms, except as enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights generally or by the application of general principles of equity concerning remedies.
- (d) There is no action, suit or proceeding, at law or in equity, before or by any court or similar governmental authority, pending or, to the knowledge of CRRA, threatened against CRRA that in any way would materially adversely affect the validity or enforceability of this Agreement, or any other agreement or instrument entered into by CRRA in connection with the transaction contemplated hereby.

ARTICLE 2: SCOPE OF SERVICES

2.1 Design, Upgrade, Retrofit, and Operation/ Maintenance Services for the Current IPC/Updated IPC

Contractor shall perform and complete the services set forth on Exhibit A attached hereto (hereinafter collectively referred to as the "Services") in accordance with the terms of this Agreement.

2.2 Labor, Materials and Restoration

Contractor shall, at its sole cost and expense:

- (a) Furnish all labor, materials, supplies, tools, equipment, parts, facilities and any other property in order to perform the Services hereunder; and
- (b) Restore any portion of the Properties or the improvements thereon disturbed or damaged by Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen to the same condition existing immediately prior to such disturbance or damage.

2.3 Performance of Services

Contractor shall perform and complete all Services hereunder in accordance with:

- (a) The terms and conditions of this Agreement, including all exhibits and attachments thereto;
- (b) The highest industry standards applicable to Contractor and its performance of the Services hereunder;
- (c) All Applicable Laws including, but not limited to, any successor or additional federal, state and local laws, rules or regulations that may be promulgated by any governmental authority having jurisdiction over the Properties, waste facilities or Services; and
- (d) The Bridgeport Permitting, Disposal and Billing Procedures as in effect from time to time (hereinafter collectively referred to as the "Standards").

Contractor shall make all reasonable efforts to incorporate the comments, guidance, and directions provided by CRRA regarding Contractor's performance of the Services. Contractor shall perform all Services in a manner that will maximize the economic benefit of the CRRA facilities, and the services rendered by CRRA for and on behalf of the Participating Municipalities and other third party customers of the Project.

2.4 CRRA Input on Contractor's Services

For all written submissions required to be given to CRRA by Contractor for CRRA's review under this Agreement, Contractor shall submit to CRRA for CRRA's review and comment three (3) copies and one (1) reproducible copy of said written submissions. CRRA shall have the right to review and provide the Contractor with comments on the foregoing written submissions but CRRA's foregoing comments shall not be binding or mandatory on Contractor. However, Contractor shall give good faith consideration to CRRA's foregoing comments and make all reasonable efforts to accommodate CRRA's foregoing comments. Contractor acknowledges that federal, state, and/or municipal entities, including, but not limited to, the CTDEP and the City of Hartford, may require certain Permits or administrative approvals to upgrade and retrofit the Updated IPC. The foregoing federal, state, and/or municipal Permits or administrative approvals may require said governmental entities to review and revise the Contractor's foregoing written submissions. In such cases, Contractor acknowledges and agrees that any such mandatory governmental comments and changes to the foregoing written submissions shall be adhered to by Contractor and incorporated into Contractor's foregoing written submissions and/or performance under this Agreement and be paid for at Contractor's expense.

Any review by CRRA of Contractor's foregoing written submissions and/or Services under this **Section 2.4** shall in no way be deemed to be an endorsement by CRRA of the Contractor's foregoing written submissions and/or Services. The review of the Contractor's written submissions and/or Services by CRRA under this **Section 2.4** shall not act as a waiver of liability, relieve Contractor of any of its obligations under this Agreement, or in any way affect the validity or scope of Contractor's warranties or guarantees under this Agreement.

2.5 CRRA's Inspection Rights

CRRA shall have the right at all times, with or without notice to Contractor, to inspect and observe Contractor's performance of any Services hereunder.

2.6 Access

From the Commencement Date until the Contractor receives from CRRA the Notice To Proceed With Task 2 Services, CRRA hereby grants to Contractor access to only those areas of the Properties and the Current IPC necessary for Contractor to perform the **Task 1** Services hereunder, provided that:

- (a) Contractor shall not interfere with any other activity or operations being conducted on the Properties or at the Current IPC by CRRA, CRRA's existing operator of the Current IPC, or any other person or entity; and
- (b) Contractor is in compliance with all of the terms and conditions of this Agreement.

From the day the Contractor receives from CRRA the Notice To Proceed With Task 2 Services until the termination of this Agreement, CRRA hereby grants to Contractor full access to the

Properties and the Updated IPC necessary for Contractor to perform the **Task 2, Task 3, and Task 4** Services hereunder, provided that:

- (a) Contractor shall not interfere with any activity or operations being conducted on the Properties or at the Update IPC by CRRA or CRRA's agents, including but limited to, CRRA's or CRRA's agents enforcement and inspection responsibilities at the Update IPC; and
- (b) Contractor is in compliance with all of the terms and conditions of this Agreement. CRRA reserves the right to revoke the access granted to Contractor herein if Contractor fails to comply with the foregoing conditions of access.

2.7 Contractor Cooperation

Contractor shall perform all Services in cooperation with CRRA or its agents who may be responsible for the operation of the Current IPC. Such cooperation shall include, at a minimum, routine reporting, communications with CRRA and other parties, attendance at coordination meetings, and similar activities. Such cooperation shall also involve scheduling of staff and Services hereunder, without limitation. Except as required by Applicable Laws, under no circumstances shall Contractor speak to or otherwise communicate with the press related to CRRA issues under this Agreement. In regard to all issues under this Agreement, Contractor shall direct all inquiries from the press to CRRA.

2.8 Change in Scope of Services or Acceptable Recyclables

During the term of this Agreement, CRRA reserves the right to determine whether revisions, modifications or changes to the Scope of Services as set forth in **Section 2.1** above, are necessary. In such event, and pursuant to CRRA's request, the Contractor shall promptly commence and perform the work required to accommodate such revisions, modifications or changes, which work shall be performed by Contractor in accordance with the Standards unless otherwise agreed to in writing by CRRA and Contractor. If any adjustment(s) to the Contractor's Per Ton Monthly Payment is required, CRRA and Contractor shall mutually agree in writing on the amount of such adjustment(s). If Contractor and CRRA cannot mutually agree on the amount of any such foregoing adjustment, the parties agree to submit the dispute regarding the amount of such adjustment to binding arbitration under the auspices of the American Arbitration Association or such other mediation services as the parties agree upon, and the arbitration process shall determine the final adjustment(s) that shall be binding upon CRRA and the Contractor. During any such arbitration process, Contractor shall proceed with the work required to complete the revisions, modifications, or changes, requested by CRRA to the Scope of Services.

2.9 CRRA Processing Equipment

Under the Lease Agreement with the current operator, the operator has the right to purchase all of the processing equipment in the Current IPC. If the operator does not exercise it option to

purchase this equipment, the Contractor will have to remove the processing equipment per the following terms:

[To be included in Agreement only if Contractor must remove processing system equipment of the Existing IPC]

As part of the books and accounts of the costs incurred by the Contractor, a separate reconciliation of the total costs and sales proceeds associated with the disposition of the processing system equipment of the Existing IPC shall be prepared by Contractor and provided to CRRA. Contractor must dismantle the processing system equipment of the Existing IPC and sell as much as possible of said processing system equipment of the Existing IPC in bona fide, arms' length transactions so as to maximize the net proceeds there from, and dispose of the remaining foregoing processing system equipment of the Existing IPC as cheaply as commercially possible in accordance with all Applicable Laws. Any net gain from the sale of the processing system equipment of the Existing IPC as a whole after the dismantling, transportation, and disposal costs of the non-marketable processing system equipment of the Existing IPC are considered, shall be credited to CRRA under the terms of this Agreement. Contractor must itemize, verify, and certify in writing the breakdown of all costs and revenues in connection with the foregoing dismantling, transportation, and disposition of the processing system equipment of the Existing IPC through written invoices and other similar written documentation provided to CRRA. If there is no foregoing net gain from the sale and disposal of the processing system equipment of the Existing IPC, then Contractor shall absorb any such net loss in its performance of the Services and not charge CRRA for any such costs/net loss.

2.10 Progress Reporting and Meetings

Throughout the term of this Agreement, Contractor shall prepare and submit to CRRA by the tenth (10th) day of each calendar month a written report, including an updated project schedule if applicable, that describes the percentages of the Services that have been completed up to and including the last day of the immediately preceding calendar month, the Services planned to be performed in the upcoming calendar month, and any potential interferences such Services may have on CRRA'S operations. Within seven (7) days of the delivery of such written report, representatives of CRRA and Contractor shall meet to review progress made to date and resolve any potential problems foreseen by Contractor or CRRA. Either party shall have the right to require the presence of particular persons affiliated with the other (including, without limitation, subcontractors, equipment vendors and designers) to participate in one or more of such meetings, provided that such participation does not unreasonably increase the cost to or time of performance of either party in performing this Agreement. In addition to the foregoing reporting responsibilities, Contractor shall also simultaneously file with the foregoing report the following three specific task reports:

- (a) **Task 2 Construction Report** – throughout the duration of Contractor's performance of **Task 2** Services, Contractor shall provide a report that shall

explicitly detail on a monthly basis the status of the construction plans and actual construction Services achieved;

- (b) **Task 3 Monthly Operation and Maintenance Report** – throughout the duration of Contractor’s performance of **Task 3 Services**, Contractor shall provide a report that shall explicitly detail on a monthly basis the prior month’s operation and maintenance figures, including but not limited to, the tons of Acceptable Recyclables received at the Current IPC/Updated IPC, revenues received from the Paper, and any other related financial information [For informational purposes only, see **Exhibit J** for sample form of Task 3 Monthly Operation and Maintenance Report];
- (c) **Task 3 Quarterly Reconciliation Operation and Maintenance Report** – throughout the duration of Contractor’s performance of **Task 3 Services**, Contractor shall provide a report on a quarterly basis that shall explicitly detail a comparison of the monthly operation and maintenance figures provided to CRRA by Contractor in its Task 3 Monthly Operation and Maintenance Reports and the monthly Acceptable Recyclables tonnage figures generated by the CRRA scales. At its discretion, CRRA shall draft and produce the forms for all reports required under this **Section 2.10**. At CRRA’s discretion, CRRA may revise and change the reporting responsibilities of Contractor under this **Section 2.10**.

2.11 CRRA Guaranteed Minimum Commitment of Recyclables

The current daily capacity of Acceptable Recyclables for the Current IPC is as follows:

- (a) ONE HUNDRED THRITY FOUR (134) tons of Containers; and
- (b) THREE HUNDRED SIXTY SIX (366) tons of Paper.

Through an Inter-Community Agreement (the “Inter-Community Agreement”), nineteen (19) Connecticut municipalities (the “Participating Municipalities”) created the Southwest Connecticut Regional Recycling Operating Committee (“SWEROC”). The Inter-Community Agreement obligates the Participating Municipalities to bring all residential actable recyclables generated within the legal boundaries of said municipalities to the Current IPC. Subsequently SWEROC and CRRA signed a 1990 Agreement (the “1990 Agreement”) that explicitly confers administrative and contract enforcement responsibilities to CRRA on behalf of SWEROC. The 1990 Agreement gives CRRA the right to establish a contract(s) with the Contractor to operate the Current IPC/Updated IPC and is scheduled to expire on June 30, 2018. CRRA shall have the sole responsibility to enforce all provisions of the 1990 Agreement against the Participating Municipalities, and CRRA shall exercise the foregoing enforcement powers against the Participating Municipalities at CRRA’s sole and absolute discretion. For each Operating Year after the issuance of the Notice To Proceed With Task 2 Services, CRRA shall guarantee to the Contractor the following minimum annual commitments of Acceptable Recyclables to the Current IPC/Updated IPC and/or the Transfer Stations:

- (a) SEVENTEEN THOUSAND ONE HUNDRED (17,100) tons of Containers; and
- (b) TWENTY SEVEN THOUSAND FOUR HUNDRED (27,400) tons of Paper (in each such case the “Minimum Commitment”).

The Minimum Commitment shall be delivered to the Contractor by CRRA, the Participating Municipalities, or the agents of CRRA and/or the Participating Municipalities. If CRRA shall fall short in any Operating Year under this Agreement its Minimum Commitment to the Contractor, then CRRA shall credit Contractor for Contractor’s unrealized sales minus costs.

2.12 Contractor Obligation to Process Acceptable Recyclables

Upon Contractor’s receipt of the Notice To Proceed With Task 2 Services, Contractor shall process all Acceptable Recyclables provided to the Contractor by CRRA under this Agreement at the Current IPC/Updated IPC, including but not limited to CRRA’s Minimum Commitment, pursuant to the Bridgeport Project Permitting, Disposal And Billing Procedures as in effect from time to time.

2.13 Updated IPC Recyclables System

Contractor is required to prepare engineering plans and technical specifications for the upgrade and retrofit of the Current IPC recyclables system. Contractor’s foregoing plans and specifications will provide detailed plans for a Updated IPC recyclables system that contains new equipment and related new materials that are necessary to construct the Updated IPC recyclables system (the “Updated IPC Recyclables System Equipment”). In addition, Contractor will have to purchase additional equipment and materials to complete the Services under this Agreement (“Updated IPC Recyclables System Equipment”). Throughout the term of this Agreement, the Updated IPC Recyclables System Equipment shall be owned, insured, operated, and maintained by the Contractor. Contractor shall maintain the Updated IPC Recyclables System Equipment in accordance with the standards and requirements of Exhibit A and this Agreement. Contractor agrees to supply all additional equipment, including replacement equipment, that may be necessary at any time to perform the Services required hereunder in accordance with the Standards provided in this Agreement. At the end of the term of this Agreement or at the earlier termination of this Agreement by CRRA, CRRA shall have the option, at CRRA’s sole and absolute discretion, to purchase the Updated IPC Recyclables System Equipment, free and clear of all liens and encumbrances, from the Contractor for One (\$1.00) DOLLAR and NO/100. If CRRA decides not to exercise its foregoing option, the Contractor shall remove the Updated IPC Recyclables System Equipment from the IPC site within thirty days after CRRA notifies the Contractor in writing of its decision not to exercise its foregoing purchase option, and Contractor shall leave the Updated IPC in a commercially reasonable condition.

2.14 Schedule for and Completion of Services

Contractor shall begin performing the below Services as follows:

- (a) **Task 1 Services** – upon CRRA issuing to Contractor a Notice To Proceed With Task 1 Services
- (b) **Task 2 Services** – upon CRRA issuing to Contractor a Notice To Proceed With Task 2 Services. An important consideration for CRRA prior to issuing a Notice To Proceed With Task 2 Services is the status of the Permit process for the Updated IPC with federal, state, and local governmental entities. However, upon CRRA’s issuance and Contractor’s receipt of the Limited Notice To Proceed With Task 2 Services, Contractor shall be authorized to begin purchasing major pieces of equipment and materials necessary to construct the Updated IPC after Contractor obtains advance written pre-authorization from CRRA for each major piece of equipment and materials. CRRA’s foregoing written pre-authorization to purchase will be deemed authorized by CRRA if CRRA does not respond in writing, e-mail, or facsimile to Contractor within ten days of CRRA receiving from Contractor a written request to purchase any major piece of equipment and/or materials. If Contractor is reasonably financially harmed as a result of its foregoing authorized purchase(s) of major equipment and/or materials caused by changes ordered by CTDEP and/or a delay(s) in CRRA obtaining, or not obtaining, the requisite CTDEP permits as detailed in **Section 4.4** herein, CRRA shall reimburse Contractor for its reasonable financial harm.
- (c) **Task 3 Services** – upon Contractor achieving Substantial Completion Of Updated IPC in accordance with **Section 10.2** herein.
- (d) **Task 4 Services** – upon CRRA issuing to Contractor a Notice To Proceed With Task 2 Services.

CRRA and Contractor hereby acknowledge and agree that time is of the essence with respect to Contractor's performance and completion of the Services hereunder.

The following milestone schedule provides a breakdown of the schedule for Contractor’s performance of the Services:

MILESTONE	TIME (Weeks)
FROM receipt of Notice To Proceed With Task 2 Services TO Date of Achievement of Substantial Completion Of Updated IPC	
FROM Date of Achievement of Substantial Completion of Updated IPC TO Date of Achievement of Final Completion Of Updated IPC	

Contractor guarantees that each above Milestone shall be achieved on or before the corresponding Milestone Date and Contractor agrees to rebate CRRA if the foregoing Milestone Date is not achieved through no substantial fault of CRRA. See **Sections 10.2.4** and **10.3.4** of this Agreement.

2.15 Conditions of Current IPC Property

All information and data shown or indicated in this Agreement with respect to underground facilities, surface conditions, subsurface conditions or other conditions at or contiguous to the Current IPC property are furnished for information only and CRRA does not assume any responsibility for the accuracy or completeness of such information and data. Contractor acknowledges and agrees that CRRA does not assume any responsibility for such information and data and that Contractor is solely responsible for investigating and satisfying itself as to all actual and existing Current IPC property conditions, including but not limited to surface conditions, subsurface conditions and underground facilities. Contractor has carefully studied all such information and data and Contractor has obtained and carefully studied (or assumes responsibility for having done so) all such additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (including but not limited to surface conditions, subsurface conditions and underground facilities) at or contiguous to the Current IPC property and all other conditions or factors which may affect cost, progress, performance, furnishing or completion of the Services or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction or performance of the Services to be employed by Contractor and safety precautions and programs incident thereto. Contractor does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for Contractor to conclusively determine, and Contractor has so determined, that the Services can be performed, furnished and completed in accordance with the terms of this Agreement. In the event that the information or data shown or indicated in this Agreement with respect to underground facilities or surface, subsurface or other conditions at or contiguous to the Current IPC Property differs from conditions encountered by Contractor during performance of the Services, Contractor shall be responsible for all such additional costs and no extension of time as a result of such differing conditions, unless CRRA, in its sole and absolute discretion, agrees to such increase and/or extension.

2.16 Maintenance and Security of Current IPC /Updated IPC Real Property

From the day of its receipt of the Notice To Proceed With Task 2 Services from CRRA, Contractor shall be legally and financially responsible for all maintenance costs and all costs associated with security and protection of the Current IPC/Updated IPC real property, equipment, and buildings throughout the term of this Agreement. Contractor shall be legally responsible to protect and secure all of its equipment and CRRA Equipment, if any, used in its performance of the Services under this Agreement. Contractor shall provide the level of security, including but not limited to twenty-four hour security personnel, Contractor deems necessary to secure the Current IPC/Updated IPC real property during Contractor's performance under this Agreement.

2.17 Bridgeport Procedures

Throughout its performance of the Services under this Agreement, Contractor must conform to all the terms and conditions of the Procedures as amended from time to time by CRRA at CRRA's sole discretion. For a copy of the current Procedures, see **Exhibit K** attached hereto

and made a part hereof. In addition, Contractor agrees to design and construct the Updated IPC so the Updated IPC accommodates and conforms to the terms of the these Procedures

ARTICLE 3: CONTRACTOR'S COMPENSATION

3.1 Contractor's Compensation

Contractor acknowledges that the acceptance, processing, and marketing of the Acceptable Recyclables, including but not limited to Containers and Paper from the Bridgeport Project under this Agreement, will generate substantial revenue for the Contractor. Effective upon Contractor's receipt from CRRA of the Notice To Proceed With Task 2 Services, Contractor agrees to provide CRRA with a monthly per ton payment for all the Acceptable Recyclables delivered by CRRA to Contractor under this Agreement as detailed in **Exhibit B** ("Contractor's Per Ton Monthly Payment"). The Contractor's Per Ton Monthly Payment shall compensate CRRA for the revenue generated from the acceptance, processing, and marketing of the Acceptable Recyclables to Contractor less Contractor's expenses to perform the Services under this Agreement. Contractor acknowledges and anticipates that its anticipated receipts resulting from its performance of this Agreement will cover all of its expenses and costs of performing under this Agreement, including the Contractor's Per Ton Monthly Payment. In addition to paying the foregoing Contractor's Per Ton Monthly Payment, Contractor must share equally with CRRA any revenues generated from Contractor's sale of Acceptable Recyclables that exceed the per ton figures detailed in **Exhibit B** for each ton of Acceptable Recyclables sold above the per ton figures detailed in **Exhibit B** (the "Contractor's Revenue Sharing Payment"). Contractor is entitled to and shall retain all commodity sales revenues, a portion of which will be utilized to pay CRRA the Contractor's Per Ton Monthly Payment and the Contractor's Revenue Sharing Payment. Contractor acknowledges and agrees that it is responsible for all its costs and expenses for providing all Services under this Agreement, including but not limited to, any and all costs for labor, materials, design costs, insurance, rolling stock, equipment, and the operation and maintenance of all rolling stock and equipment..

The Contractor's Per Ton Monthly Payment and Contractor's Revenue Sharing Payment are due no later than the first calendar day of each calendar month of each Operating Year. If CRRA receives the Contractor's Per Ton Monthly Payment and/or the Contractor's Revenue Sharing Payment after the first day of any calendar month, CRRA shall impose, and Contractor shall be responsible for, a five (5%) percent late payment charge for the late Contractor's Per Ton Monthly Payment and/or the late Contractor's Revenue Sharing Payment. If CRRA does not receive a Contractor's Per Ton Monthly Payment and/or a Contractor's Revenue Sharing Payment by the twentieth (20) days of any calendar month in any Operating Year, such conduct shall constitute an Event of Default which shall give CRRA an immediate right to terminate this agreement without the right to cure under **Section 7.3** hereunder.

3.2 Payment Schedule

On the day Contractor receives from CRRA the Notice To Proceed With Task 2 Services, Contractor shall immediately be liable for the duration of the term of this Agreement to pay

CRRA the Contractor's Per Ton Monthly Payment on the first day of each month or partial month.

3.3 Weighing Of Vehicles

In its performance of Services under this Agreement, Contractor shall use only the CRRA scales located at the Current IPC/Updated IPC for all inbound and outbound weighing of Acceptable Recyclables.

3.4 Accounting Obligations

Contractor shall maintain books and accounts of the costs incurred by Contractor in performing the Services pursuant to this Agreement in accordance with generally accepted accounting principles and practices. During Contractor's normal business hours for the duration of this Agreement, CRRA shall have access to such books and accounts to verify such costs incurred. CRRA shall also have the right to audit the Contractor's books and accounts with respect to Contractor's performance under this Agreement. Contractor shall maintain the foregoing books and records for six years after the last day that Contractor completes its performance of the Services under this Agreement. The language in this **Section 3.4** shall survive the expiration or termination of this Agreement for six years after such expiration or termination.

ARTICLE 4: TERM OF AGREEMENT

4.1 Initial Term

The term of this Agreement shall commence on the Commencement Date and shall operate as follows:

- (a) For **Task 1, Task 2, and Task 4** Services – the performance of the foregoing services shall be completed and accepted by CRRA no later than the dates specified in the Milestone Schedule of **Section 2.14** herein unless otherwise terminated or extended in accordance with the terms and conditions hereof.
- (b) For **Task 3** O&M Services – the performance of the O&M Services shall begin on the day that Contractor achieves Substantial Completion Of Updated IPC in accordance with **Section 10.2** herein, and continue through June 30, 2018, unless otherwise terminated or extended in accordance with the terms and conditions of this Agreement. At CRRA's sole and absolute discretion, CRRA shall have one (1) five (5) year option to extend the term of the **Task 3** O&M Services through June 30, 2023.

4.2 Time is of the Essence

CRRA and Contractor hereby acknowledge and agree that time is of the essence with respect to Contractor's performance and completion of the Services hereunder. Accordingly,

Contractor shall perform and complete all Services hereunder during the term of this Agreement in accordance with any time schedule set forth in this Agreement or mutually agreed upon, in writing, by CRRA and Contractor for such Services.

ARTICLE 5: INSURANCE

5.1 Required Insurance

Contractor shall procure and maintain, at its own cost and expense, throughout the term of this Agreement and any extension thereof, the following insurance, including any required endorsements thereto and amendments thereof:

- (a) Commercial general liability insurance alone or in combination with commercial umbrella insurance with a limit of at least twenty-five million (\$25,000,000.00) dollars each occurrence covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).
- (b) Commercial automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto with a limit of at least five million (\$5,000,000.00) each accident and including pollution liability coverage equivalent to that provided under the ISO pollution liability broadened coverage for covered autos endorsement (CA 99 48), and the Motor Carrier Act endorsement (MCS 90).
- (c) Workers compensation with statutory limits and employers liability limits of at least one million (\$1,000,000.00) dollars each accident for bodily injury by accident and one million (\$1,000,000.00) dollars for each employee for bodily injury by disease.
- (d) Contractor's property and equipment insurance covering all property and equipment owned by the Contractor and used in performing any of the services in an amount equal to one hundred (100%) percent of actual cash value.
- (e) Professional liability insurance with a limit of at least one million (\$1,000,000.00) dollars. Three (3) years after the day the Contractor achieves Final Completion in accordance with **Section 10.3** herein, Contractor shall be permitted to terminate the foregoing Professional liability insurance requirement of this Agreement.
- (f) By a date not later than the date of the Notice To Proceed With Task 2 Services, Contractor shall purchase and maintain builder's risk insurance in the amount of at \$ _____ [shall be the amount of Contractor's proposed cost for **Task 2** Services]. Such builder's risk insurance shall be maintained until Contractor has achieved Final Completion in accordance with **Section 10.3** herein. This insurance shall include the interests of the CRRA, the Contractor, Subcontractors and Sub-subcontractors in the Task 2 Services.

This insurance will:

- (1) Be written on an "all-risk" policy form that shall insure at least the following perils or causes of loss: fire, lightning, the extended coverage perils, the boiler & machinery perils, theft, vandalism, malicious mischief, earthquake, collapse, debris removal, flood, loss resulting from faulty workmanship or faulty materials or error in design and acceptance/hot testing.
- (2) Include insurance for physical loss or damage to: false-work, temporary buildings, materials and equipment in transit and materials and equipment stored at the Site or at another location prior to being incorporated in the Services.
- (3) Include coverage for demolition occasioned by enforcement of any applicable laws or regulations; expenses, including, but not limited to, reasonable compensation for architects' and engineers' services, required as a result of an insured loss; loss of profits and soft cost coverage including, without limitation, fixed expenses and debt service for a minimum of 12 months; the additional cost associated with diverting Acceptable Recyclables that can not be accepted at the Updated IPC by the scheduled completion date as a result of a delay in start-up that is the direct result of an insured loss.
- (4) Not have a coinsurance clause.
- (5) Provide permission to occupy.

CRRA shall have the option to insure the building under such builder's risk insurance. Contractor will provide CRRA with the additional premium cost associated with insuring the building under such builder's risk insurance by a date not later than thirty (30) days prior to the date that the builder's risk insurance needs to be bound.

- (g) By a date not later than the date the Contractor achieves Substantial Completion in accordance with **Section 10.2** herein, Contractor shall purchase and maintain property insurance in the amount at least equal to the full cost of replacement of the Updated IPC (note: this to include Update IPC Recyclables System, but not the building) at the site on a replacement cost basis. Such property insurance shall be maintained through June 30, 2018, or the termination date of this Agreement. This insurance shall include the interests of the CRRA and the Contractor in the Updated IPC.

This insurance will:

- (1) Be on an all-risk policy form and the perils insured against shall include fire and extended coverage, flood, earthquake, the boiler & machinery

perils, theft, vandalism, malicious mischief, collapse, and loss resulting from faulty workmanship or faulty materials or error in design.

(2) Include coverage for the following:

- property in transit;
- off-site storage of property;
- debris removal including demolition occasioned by enforcement of any applicable legal requirements;
- business interruption coverage including, without limitation, fixed expenses and profit for a minimum of 12 months;
- the additional cost associated with diverting Acceptable Recyclables that can not be accepted at the Updated IPC by the scheduled completion date as a result of a delay in start-up that is the direct result of an insured loss.

(3) Not have a coinsurance clause.

CRRA shall have the option to insure the building under such property insurance. Contractor will provide CRRA with the additional premium cost associated with insuring the building under such property insurance by a date not later than thirty (30) days prior to the date that the property insurance needs to be bound.

5.2 Certificates of Insurance

Upon Contractor's execution of this Agreement, Contractor shall submit to CRRA a certificate or certificates for the required insurance referenced in subsection (a) through (e) of **Section 5.1** above certifying that such insurance is in full force and effect and setting forth the information required by **Section 5.3** below. A minimum thirty (30) days prior to Contractor beginning to perform **Task 2** Services, Contractor shall submit to CRRA a certificate or certificates for the required insurance referenced in subsection (f) of **Section 5.1** above certifying that such insurance is in full force and effect and setting forth the information required by **Section 5.3** below. A minimum thirty (30) days prior to Contractor achieving Substantial Completion, Contractor shall submit to CRRA a certificate or certificates for the required insurance referenced in subsection (g) of **Section 5.1** above certifying that such insurance is in full force and effect and setting forth the information required by **Section 5.3** below. Additionally, Contractor shall furnish to CRRA within thirty (30) days before the expiration date of the coverage of each required insurance set forth in **Section 5.1** above, a certificate or certificates containing the information required by **Section 5.3** below and certifying that such insurance has been renewed and remains in full force and effect.

5.3 Specific Requirements

All policies for each insurance required hereunder shall:

- (a) Name CRRA as an additional insured (this requirement shall not apply to workers compensation/employers liability insurance, professional liability insurance or contractor's property and equipment insurance);
- (b) Include a standard severability of interest clause;
- (c) Provide for not less than thirty (30) days' prior written notice to CRRA by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage;
- (d) Hold CRRA free and harmless from all subrogation rights of the insurer; and
- (e) 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.

5.4 Issuing Companies

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 A-VII or better, or are otherwise deemed acceptable by CRRA in its sole discretion.

5.5 Other Conditions

CRRA shall not, because of accepting, rejecting, approving, or receiving any certificate of insurance required hereunder, incur any liability for:

- (a) The existence, non-existence, form or legal sufficiency of the insurance described on such certificate,
- (b) The solvency of any insurer, or
- (c) The payment of losses.

5.6 Contractor's Subcontractors

Contractor shall either have its subcontractors covered under the insurance required hereunder, or require such subcontractors to procure and maintain the insurance that Contractor is required to procure and maintain under this Agreement.

5.7 Deductibles

All insurance policies required to be purchased by Contractor under this Article V may be subject to a commercially reasonable deductible provided that if any person is owed, pursuant

to any policy required hereunder, any sum that is subject to a deductible, Contractor shall pay such deductible. In the case of builder's risk insurance, any deductible shall be commercially reasonable but in no case greater than \$25,000 and shall be the Contractor's sole responsibility.

5.8 Payment by CRRA

Should Contractor fail to obtain, maintain or renew any of the insurance required by this Article 5, or to pay the premium therefore, then and in any of said events CRRA may, at its option, but without obligation to do so, upon ten (10) days prior notice to Contractor of CRRA's intention to do so, procure such insurance, and the amounts paid shall be added to amounts owed to CRRA by Contractor under this Agreement.

5.9 No Limitation on Liability

No provision of this Article 5 shall be construed or deemed to limit Contractor's obligations under this Agreement to pay damages or other costs and expenses.

ARTICLE 6: INDEMNIFICATION

6.1 Contractor's Indemnification

Contractor shall at all times defend, indemnify and hold harmless CRRA and its directors, officers, agents and employees from and against any and all claims, damages, losses, judgments, fines, workers' compensation payments and expenses (including but not limited to attorneys' fees), in all cases actually and reasonably incurred by CRRA and/or its directors, officers, agents and employees, 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, employees, agents or other contractors, (b) Contractor 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 Contractor or any of its directors, officers, employees, agents, subcontractors or materialmen. Contractor further undertakes to reimburse CRRA for damage to property of CRRA and fines and penalties assessed against CRRA caused by Contractor 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. The existence of insurance shall in no way limit the scope of this indemnification.

ARTICLE 7: EVENTS OF DEFAULT

7.1 Events of Default by Contractor

Each of the following shall constitute an Event of Default on the part of Contractor:

- (a) An Act of Bankruptcy with respect to the Contractor or the Guarantor occurs.
- (b) Contractor's breach of any of its covenants or representations hereunder.

- (c) Failure of Contractor to accept at the Current IPC/Updated IPC any amounts of Acceptable Recyclables or any other waste that Contractor is required to accept.
- (d) Failure of Contractor to promptly process all Acceptable Recyclables provided to Contractor in accordance with this Agreement.
- (e) Failure of the Contractor to properly maintain all CRRA Equipment, property and vehicles in accordance with the standards set forth in the Scope of Services in **Exhibit A**.
- (f) Contractor's use of the CRRA Equipment for any purpose other than those expressly authorized in this Agreement.
- (g) Contractor's allowing or conducting any activities on any of the Properties, the Current IPC/Updated IPC, or at any of the CRRA facilities not expressly authorized by this Agreement.
- (h) Contractor's failure to comply with any and all Applicable laws as relating to this Agreement and Contractor's performance hereunder.
- (i) Contractor's failure to provide or maintain the Bonds as required hereunder.
- (j) The failure by Contractor to fulfill any of Contractor's other material obligations under this Agreement.
- (k) The Guarantor shall fail to perform its obligations under the Guaranty
- (l) The Guarantor shall not be in full force and effect and enforceable against the Guarantor in accordance with its terms
- (m) Contractor's failure to comply with any of the terms of the CTDEP's Permits that CRRA is required to obtain and maintain to operate the Current IPC/Updated IPC.
- (n) Contractor abandons performance of the Services, or persistently fails to provide sufficient materials or qualified workers to adequately perform the Services.
- (o) Pursuant to **Section 3.1** herein, Contractor's failure to provide CRRA any Contractor's Per Ton Monthly Payment and/or any Contractor's Revenue Sharing Payment by the twentieth (20) day of any calendar month in any Operating Year that such payment is due.

7.2 Events of Default by CRRA

Each of the following shall constitute an Event of Default on the part of CRRA:

- (a) The failure by CRRA to fulfill, substantially in accordance with this Agreement, CRRA's material obligations under this Agreement; and

- (b) CRRA's breach of any of its covenants or representations hereunder;

provided, however, that no such failure or breach shall constitute an Event of Default giving Contractor the right to damages or to terminate this Agreement under **Article 8** unless and until:

- (a) Contractor has given written notice to CRRA by overnight express mail or certified mail, return receipt requested, specifying that a particular default or defaults exist which will, unless corrected, constitute an Event of Default on the part of CRRA; and
- (b) In the case in which an Event of Default is reasonably capable of being cured, CRRA has not corrected such default within thirty (30) days from the date of its receipt of the notice, or if such default cannot reasonably be cured within thirty (30) days, CRRA has not diligently initiated reasonable steps to correct the same within such longer period as Contractor and CRRA shall agree in writing is reasonably necessary to complete the cure.

7.3 Contractor's Right to Cure

Assuming that the Contractor provides the continuous operation of the Updated IPC system and Contractor's payment obligations are current under Article III of this Agreement, Contractor shall have a thirty (30) calendar day cure period from the date Contractor receives from CRRA written notice of its breach of any provision of subsections (b), (c), (d), (e), (f), (g), (i), (j), (k), (l), and (n) of **Section 7.1** of this Agreement to remedy its breach of the Agreement. Notwithstanding the foregoing, CRRA may terminate this Agreement without providing the above required written notice and Contractor shall have no right to cure if the Contractor's breach is one of the following:

- (a) An Act of Bankruptcy occurs with respect to Contractor or Guarantor;
- (b) Contractor has not satisfied its payment obligations under Article III of this Agreement; and/or
- (c) The continuous operation of the Updated IPC system is not maintained by Contractor.

7.4 Force Majeure

If Contractor shall be unable to perform or shall be delayed in its performance of any of the terms of this Agreement by reason of Force Majeure or a Change In Law, and provided that Contractor shall have provided CRRA with written notice of said Force Majeure and/or Change In Law within five (5) business days of any event of Force Majeure and/or Change In Law, Contractor shall be excused from any failure or delay in its performance of Task 1 Services, Task 2 Services, and/or Task 3 Services subject to the conditions of this Section. Pursuant to **Section 3.23** of the Scope of Services [see **Exhibit A**], operational failure of the Contractor's equipment shall not constitute Force Majeure. However, throughout the term of

the Agreement and in the foregoing event whereby Contractor is excused from its failure or delay in its performance, Contractor must continually do the following at Contractor's sole expense throughout the term of the Agreement and during any such excused failure or delay period:

- (a) Be and remain current on its payment obligations to CRRA under Article III of this Agreement (Force Majeure shall in no event excuse failure or delay of Contractor to make a Contractor's Per Ton Monthly Payment, Contractor's Revenue Sharing Payment, or any other amount due to CRRA from Contractor hereunder);
- (b) Continue to accept and process at the Updated IPC, or divert to a Diversion Facility, and market, all in a timely basis and in accordance with all Applicable Laws and required governmental Permits, all of CRRA's Acceptable Recyclables that Contractor is obligated to accept under this Agreement; and
- (c) If applicable and at CRRA's discretion, proceed within a commercially reasonable timeframe to rebuild/complete the construction of the Updated IPC facility as required under **Task 2**, with due regard to the Force Majeure event.

Pursuant to subsection (b) of this **Section 7.4**, if Contractor must divert CRRA's Acceptable Recyclables to another facility ("Diversion Facility"), such Diversion Facility(s) must be a currently permitted facility(s) operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting requirements, and any other such requirements. Prior to its transportation and disposal of any Acceptable Recyclables to a Diversion Facility, Contractor shall provide CRRA with written evidence of its authorization to dispose of Acceptable Recyclables at the Diversion Facility(s). At its sole and absolute discretion, CRRA reserves its right to approve or disapprove any such Diversion Facility(s) that is deemed satisfactory to CRRA at CRRA's sole and absolute discretion. At CRRA's sole discretion, Contractor shall coordinate and obtain permission of the owner/ operator of the Diversion Facility(s) to allow CRRA, or its agents, to inspect the Diversion Facility(s) at any time during the term of this Agreement.

ARTICLE 8: REMEDIES

8.1 Selection of Remedies

- (a) Subject to **Section 7.2** and **7.3** herein, each party shall have the right to terminate this Agreement when there is an Event of Default on the part of the other party. Absent an Event of Default, neither party may terminate this Agreement unless it is otherwise specifically provided for in this Agreement.
- (b) If a party declares an Event of Default by the other party, the non-defaulting party may elect not to immediately terminate this Agreement, but to collect actual damages. The failure of a party to immediately terminate this Agreement shall not limit or restrict in any way such party's right to terminate this Agreement at a later time.

- (c) If the Contractor fails to perform any of its obligations hereunder, or if there is an Event of Default by Contractor, CRRA shall have the right, but not the obligation, to cure such failure or Event of Default without notice to the Contractor. Contractor shall fully reimburse CRRA for any and all reasonable costs and expenses incurred by CRRA in taking such curative action, including, but not limited to, reasonable attorneys' fees and court costs, within twenty (20) days after Contractor's receipt of an invoice for such costs and expenses.
- (d) Upon the occurrence of an Event of Default by the Contractor, CRRA shall have the right to make a claim against the Bonds and/ or Guaranty.
- (e) All of the remedies provided in this Agreement are the exclusive remedies available at law, but this Agreement shall not limit any equitable remedies available to a party. All the remedies hereunder shall be deemed cumulative and the election of one shall not be deemed a waiver of any other or further rights or remedies.

8.2 Mitigation

Contractor and CRRA agree that in the event one party terminates or seeks damages pursuant to this Agreement due to an Event of Default, 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 there from to any damages, costs and expenses otherwise payable by the defaulting party.

8.3 Termination by CRRA

If CRRA terminates this Agreement for an Event of Default on the part of Contractor pursuant to **Section 8.1** hereof:

- (a) If requested to do so by CRRA, Contractor shall vacate the Updated IPC and Properties within twenty-four (24) hours and turn over ownership of the Updated IPC to CRRA;
- (b) Contractor shall pay actual damages, to the extent such damages can be calculated, resulting from the Event of Default by Contractor and subsequent termination of this Agreement by CRRA. Contractor agrees that all of the actual damages caused by an Event of Default by the Contractor and subsequent termination of this Agreement by CRRA are not capable of calculation. Accordingly, the Contractor shall also pay to CRRA upon such termination a one time lump sum payment as liquidated damages (but not as a penalty) of Five Hundred Thousand dollars and 00/100 (\$500,000) dollars, as available under Applicable Laws.
- (c) At CRRA's discretion, Contractor shall provide restoration services to the Updated IPC.
- (d) Contractor shall immediately return to CRRA all CRRA Equipment, parts, property, vehicles and materials provided to Contractor for use in performing the

Services hereunder. Contractor shall be responsible for any cost associated with restoring the condition of such CRRA Equipment, parts, property, vehicles and materials to the condition present as of the Commencement Date, in accordance with the repair, maintenance, and replacement standards called for in **Exhibit A** or shall provide replacement equipment, parts, property, vehicles and materials to CRRA having a value equivalent to the value of the replaced equipment, parts, property, vehicles and materials as of the Commencement Date.

- (e) Upon payment of amounts due in **Subsections 8.3(b)** and **8.3(c)**, as well as any other amounts required to be paid to CRRA hereunder and in compliance with all provisions of **Subsections 8.3(a), (d)** and **(e)**, all rights and obligations of the parties, except as otherwise specifically provided herein, shall cease with respect to this Agreement.

8.4 Consequential Damages

Contractor acknowledges that the failure of Contractor to perform Contractor's obligations hereunder may have a substantial impact on the Project and the ability of CRRA to provide solid waste disposal services to the Participating Municipalities on a cost effective basis. Accordingly, Contractor agrees that the actual damages owed to CRRA for such failure to perform by Contractor includes indirect and consequential damages, as available under Applicable Laws, as well as direct damages.

ARTICLE 9: MISCELLANEOUS

9.1 Notices

9.1.1 General

All notices, demands, requests, proposals, consents or other communications whatsoever which this Agreement contemplates, authorizes, requires or permits any party to give to the other party, except as provided in subsection (b) of this **Section 9.1**, shall be in writing and shall be personally delivered or sent by overnight express mail service or certified mail return receipt requested, addressed to the respective party as specified in this subsection (a). Any notice shall be deemed delivered on the date of personal delivery, the day after such notice is sent via overnight express mail service or, if by certified mail, on the date set forth on the return receipt. In the event the party to whom such certified mailing is sent refuses or otherwise does not sign for it, then such notice shall be deemed delivered on the fifth (5th) business day after deposit in the mail.

Notices to CRRA shall be addressed and sent to:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, Connecticut 06103
Attention: President

With a copy to:

Connecticut Resources Recovery Authority
100 Constitution Plaza, 6th Floor
Hartford, Connecticut 06103
Attention: Director of Operations

Notices to Contractor shall be addressed and sent to:

Attention: _____

Any party may from time to time designate an alternative address by notice to the other party given in accordance with this subsection.

9.1.2 Routine Notices

Except when expressly required by this Agreement to be in writing, routine communications and advises relating to day to day operations of the parties hereunder may be given orally or in writing, but need not be in the form of a formal written notice to be operative.

9.1.3 Emergency Notification

Contractor shall immediately notify CRRA by telephone and telecopier facsimile of the occurrence of a property lien, spill, fire, explosion or other emergency or accident requiring notification of any governmental entity, and Contractor shall be responsible for complying with all Applicable Laws concerning notification with respect to such event. Contractor shall notify CRRA immediately of the occurrence of a notice of violation or other regulatory action at the Current IPC/Updated IPC. Such notification shall be made formally by written notice to CRRA indicating the nature of any action affecting the subject Permits issued with respect to the Existing Current IPC/Updated IPC and describing all corrective and remedial action undertaken or planned.

9.2 **Campaign Contribution Restrictions**

This **Section 9.2** is included here pursuant to CGS §9-333n and, without limiting its applicability, is made applicable to State Contracts, bid solicitations, request for proposals and prequalification certificates as the context requires. This **Section 9.2**, without limiting its applicability, is also made applicable to State Agencies, Quasi-Public Agencies, the General

Assembly, State Contractors, Prospective State Contractors and the holders of valid prequalification certificates, as the context requires.

(a) For purposes of this **Section 9.2** only:

- (1) “Quasi-Public Agency” means the Connecticut Development Authority, Connecticut Innovations, Incorporated, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Housing Authority, Connecticut Resources Recovery Authority, Capital City Economic Development Authority, Connecticut Lottery Corporation, or as this definition may otherwise be modified by Title 1, Chapter 12 of the Connecticut General Statutes concerning quasi-public agencies.
- (2) “State Agency” means any office, department, board, council, commission, institution or other agency in the executive, legislative or judicial branch of State government, or as this definition may otherwise be modified by Title 9, Chapter 150 of the Connecticut General Statutes concerning campaign financing.
- (3) “State Contract” means an agreement or contract with the State or any State Agency or any Quasi-public Agency, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a fiscal year, for (A) the rendition of personal services, (B) the furnishing of any material, supplies or equipment, (C) the construction, alteration or repair of any public building or public work, (D) the acquisition, sale or lease of any land or building, (E) a licensing arrangement, or (F) a grant, loan or loan guarantee, or as this definition may otherwise be modified by Title 9, Chapter 150 of the Connecticut General Statutes concerning campaign financing.
- (4) “State Contractor” means a person, business entity or nonprofit organization that enters into a State Contract. Such person, business entity or nonprofit organization shall be deemed to be a State Contractor until the termination of said contract. “State contractor” does not include a municipality or any other political subdivision of the State or an employee in the executive, legislative or judicial branch of State government or a Quasi-public Agency, whether in the classified or unclassified service and full or part-time, and only in such person’s capacity as a State or Quasi-public Agency employee, or as this definition may otherwise be modified by Title 9, Chapter 150 of the Connecticut General Statutes concerning campaign financing.
- (5) “Prospective State Contractor” means a person, business entity or nonprofit organization that (A) submits a bid in response to a bid solicitation by the State, a State Agency or a Quasi-public Agency, or a proposal in response to a request for proposals by the State, a State Agency or a Quasi-public Agency, until the State Contract has been entered into, or (B) holds a valid prequalification certificate

issued by the Commissioner of Administrative Services under Section 4a-100 of the Connecticut General Statutes. "Prospective State Contractor" does not include a municipality or any other political subdivision of the State or an employee in the executive, legislative or judicial branch of State government or a Quasi-public Agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a State or Quasi-public Agency employee. Title 9, Chapter 150 of the Connecticut General Statutes concerning campaign financing may modify this definition, which modification shall control.

- (6) "Principal of a State Contractor or Prospective State Contractor" (collectively referred to in this **Section 9.2** as "Principal") means (A) an individual who is a member of the board of directors of, or has an ownership interest in, a State Contractor or Prospective State Contractor, which is a business entity, except for an individual who (i) owns less than five per cent of the shares of any such State Contractor or Prospective State Contractor that is a publicly traded corporation, or (ii) is a member of the board of directors of a nonprofit organization qualified under Section 501 (c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, (B) an individual who is employed by a State Contractor or Prospective State Contractor, which is a business entity, as president, treasurer or executive or senior vice president, (C) an individual who is chief executive officer of a State Contractor or Prospective State Contractor, which is not a business entity, (D) an employee of any State Contractor, or Prospective State Contractor who has managerial or discretionary responsibilities with respect to a State Contract, (E) the spouse or a dependent child of an individual described in this subparagraph, or (F) a political committee established by or on behalf of an individual described in this subparagraph, or as this definition may otherwise be modified by Title 9, Chapter 105 of the Connecticut General Statutes concerning campaign financing.
- (b) No State Contractor, Prospective State Contractor or Principal, with regard to a State Contract, bid solicitation or request for proposals with or from a State Agency in the executive branch or a Quasi-public Agency, and no Principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (1) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (2) a political committee authorized to make contributions or expenditure to or for the benefit of such candidates, or (3) a party committee.
- (c) No State Contractor, Prospective State Contractor or Principal, with regard to a State Contract, bid solicitation or request for proposals with or from the General Assembly, and no Principal of a holder of a valid prequalification certificate, shall make a contribution to, or solicit contributions on behalf of (1) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (2) a political committee authorized to make

contributions or expenditures to or for the benefit of such candidates, or (3) a party committee.

- (d) If a State Contractor or a Principal of a State Contractor makes or solicits a contribution prohibited under this **Section 9.2**, the contracting State Agency or Quasi-public Agency may void the existing contract with said contractor, and no State Agency or Quasi-public Agency shall award the State Contractor a State Contract or an extension or an amendment to a State Contract for one year after the election for which such contribution is made or solicited.
- (e) If a Prospective State Contractor or a Principal of a Prospective State Contractor makes or solicits a contribution prohibited under this **Section 9.2**, no State Agency or Quasi-public Agency shall award the Prospective State Contractor the contract described in the bid solicitation or request for proposals, or any other State Contract for one year after the election for which such contribution is made or solicited.
- (f) The chief executive officer of each State Contractor and Prospective State Contractor, or if a State Contractor or Prospective State Contractor has no such officer, then the officer who duly possesses and exercise comparable powers and duties, shall certify, in the form of an affidavit executed subject to the penalties of false statement, that:
 - (1) Such officer has informed each individual described in subsection (a)(6) of this **Section 9.2** with regard to said State Contractor or Prospective State Contractor concerning the provisions of subsection (b) or (c) of this **Section 9.2**, whichever is applicable, and this subsection (f),
 - (2) No such individual will make or solicit a contribution in violation of the provisions of subsection (b) or (c) of this **Section 9.2**, whichever is applicable, and this subsection (f), and
 - (3) If any such contribution is made or solicited, the State Contractor or Prospective State Contractor, as the context requires, shall not be awarded the contract described in the bid solicitation or request for proposals and shall not be awarded any other State Contract for one year after the election for which such contribution is made or solicited.

Such officer shall submit the affidavit to the contracting State Agency or Quasi-Public Agency prior to, in the case of a request for proposals, executing a negotiated contract or prior to, in the case of an invitation to bid, the award and acceptance of a contract. In the case of an application for prequalification to the Connecticut Department of Administrative Services ("DAS"), the application shall not be deemed to be complete until DAS receives the affidavit. The State Contractor or Prospective Contractor shall submit the affidavit on a form which the State Elections Enforcement Commission ("SEEC") prescribes.

- (g) The person executing the affidavit referenced in subsection (f) shall submit to the SEEC a list of Principals in accordance with the requirements set forth on a form that the SEEC shall have prescribed for this purpose. The complete list of Principals shall be submitted to the SEEC at the same time that the affidavit is submitted to the State Agency, Quasi-Public Agency or, in the case of a prequalification application, DAS. Notwithstanding any other provision in any applicable document or instrument, no party to the Contract, or a contract awarded pursuant to a non-competitive procurement, may begin performing in any way until the contracting State Agency or Quasi-Public Agency has received the affidavit referenced in subsection (f) and the SEEC has received the Principals list.
- (h) Notwithstanding any other provision in the Contract, invitation to bid, request for proposals and prequalification application:
- (1) The State Contractor and Prospective State Contractor shall report to the SEEC, on a form which the SEEC prescribes, any changes in Principals occurring from and after the date of the previous Principals list by submitting and delivering such form to the SEEC no later than the fifteenth day of each month following the month when a change in Principals occurs, or the next succeeding business day, whichever is later. If the Contractor or Prospective State Contractor fails to submit and deliver the appropriately completed form by its due date, then the SEEC shall notify the State Agency or Quasi-Public Agency and the Contractor of the failure in writing. The State Agency or Quasi-Public Agency shall then review all relevant information and determine whether such failure constitutes a breach of this Contract. If the State Agency or Quasi-Public Agency determines that a breach of this Contract has occurred, then the State Agency or Quasi-Public Agency shall deliver a notice of breach to the Contractor, affording the Contractor an opportunity to cure the breach within ten (10) days from the date that the Contractor receives the notice. The State Agency or Quasi-Public Agency may extend the right to cure period if, and continuing so long as, the State Agency or Quasi-Public Agency is satisfied that the Contractor is making a good faith effort to cure the breach, but the nature of the breach is such that it cannot be cured within the right to cure period. The SEEC may, if it deems it to be appropriate, send to the Contractor electronic reminders of the Contractor's obligation to report changes in Principals. The undertaking of this reminder is permissive and shall not be construed to be a condition precedent to the Contractor's obligation to submit and deliver the form timely.
 - (2) If the State Agency or Quasi-Public Agency determines that the Contractor has breached the Contract by failing to comply with the requirements of this **Section 9.2** provision, then the State Agency or Quasi-Public Agency may, after expiration of the right to cure period, direct all appropriate State entities using the Contract to withhold any payment, in whole or in part, that may be due and owing to the Contractor under this Contract until such time as the Contractor submits and delivers an appropriately completed form to the SEEC.

- (3) If the Contractor fails to submit and deliver the Principals list form timely three times in any 12-month period, then the SEEC may recommend to the State Agency or Quasi-Public Agency that it take these failures into account for purposes of evaluating the Contractor's responsibility in future procurements. The SEEC may recommend that the State Agency or Quasi-Public Agency make a determination that the Contractor is not responsible.
- (4) The Contractor's failure to submit and deliver the Principals list form timely for the third time in any 12-month period shall, upon the SEEC's recommendation, entitle the State Agency or Quasi-Public Agency to Cancel the Contract. Accordingly, the third notice of breach to the Contractor from the State Agency or Quasi-Public Agency in any 12-month period may include an effective Contract Cancellation date, in which case no further action shall be required of any party to effect the Cancellation of the Contract as of the stated date. If the notice does not set forth an effective Contract Cancellation date, then the State Agency or Quasi-Public Agency may Cancel the Contract by giving the Contractor no less than twenty four (24) hours' prior written notice.
- (5) Noting the absence of the SEEC's signature on the Contract, the State Agency or Quasi-Public Agency represents that the SEEC has previously agreed in writing to assume the rights and responsibilities attaching to the SEEC and set forth in this Section 9.2. The State Agency or Quasi-Public Agency shall provide a copy of that document to the Contractor upon request.

9.3 Status of Contractor

CRRA and Contractor acknowledge and agree that Contractor is acting as an independent contractor in performing the Services for CRRA hereunder and that Contractor shall perform such Services in its own manner and method subject to the terms of this Agreement. Nothing in this 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 Contractor other than that of an owner and independent contractor. Contractor is expressly forbidden from transacting any business in the name of or on account of CRRA, and Contractor has no power or authority to assume or create any obligation or responsibility for or on behalf of CRRA in any manner whatsoever. Notwithstanding Contractor's ownership of the Updated IPC Recyclables System Equipment, CRRA and Contractor further acknowledge and agree that this Agreement does not confer upon Contractor in any manner whatsoever any ownership or proprietary rights to or interests in any of the Properties, CRRA facilities, the Current IPC/Updated IPC, or the CRRA owned vehicles or CRRA Equipment that Contractor is permitted to use hereunder in performing the Services; and that Contractor has no right under this Agreement to, and the Contractor shall not, depreciate any of such Properties, CRRA facilities, vehicles, CRRA Equipment or any part thereof for any purposes whatsoever.

9.4 Contractor's Employees

All persons employed by Contractor shall be subject and responsible solely to the direction of Contractor and shall not be deemed to be employees of CRRA.

9.5 Mechanic's Liens

Contractor shall claim no interest in the Properties, CRRA Properties, or any structures, equipment, fixtures, materials or improvements located or to be located on such Properties, CRRA Properties, or any other vehicles, equipment, materials, parts and supplies made available to Contractor hereunder, and Contractor shall not file any mechanic's liens or other liens or security interests against CRRA or any of CRRA Properties whatsoever. Contractor shall defend, indemnify and hold harmless CRRA against all costs associated with the filing of such liens or security interests by Contractor or any of its subcontractors or materialmen. Before any subcontractor or materialman of Contractor commences any Services hereunder, Contractor shall deliver to CRRA an original waiver of mechanic's liens properly executed by such subcontractor or materialman. If any mechanic's lien is filed against CRRA or any of CRRA Properties in connection with the Services hereunder, Contractor shall cause the same to be canceled and discharged of record within fifteen (15) days after the filing of such lien and, if Contractor 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 Contractor hereunder or reimbursed to CRRA promptly upon demand by CRRA to Contractor. This **Section 9.5** shall survive termination of this Agreement.

9.6 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 Contractor, nor be withheld from payment to Contractor by CRRA. No workers' compensation insurance has been or will be obtained by CRRA on account of the Services to be performed hereunder by Contractor or Contractor's employees, agents, subcontractors or materialmen. Contractor shall be responsible for paying or providing for all of the taxes, insurance and other payments described in this **Section 9.6** and Contractor hereby agrees to indemnify and hold CRRA harmless against any and all such taxes, insurance or related payments which CRRA may be required to pay in the event that Contractor's status hereunder is determined to be other than that of an independent contractor. This **Section 9.6** shall survive termination of this Agreement.

9.7 Forum Selection

The parties hereby agree that any controversy arising out of this Agreement or breach thereof shall be resolved in a court of law in the State of Connecticut without a jury.

9.8 Performance Security

(a) Contractor shall be required to provide CRRA with the following performance security:

- (1) At the Commencement Date of this Agreement, Contractor shall furnish CRRA with a Performance Bond or a Letter Of Credit in the amount of FIVE HUNDRED THOUSAND AND NO/100 (\$500,000.00) DOLLARS (“**Task 1 Bond**”).
- (2) Upon Contractor’s completion of **Task 1** Services and prior to its initiation of **Task 2** and **Task 4** Services, Contractor shall furnish CRRA with the following security: (a) a Construction Performance Bond and a Construction Payment Bond both in the amount of the larger of FIVE MILLION AND NO/100 (\$5,000,000.00) or the amount of Contractor’s proposed cost for **Task 2** in Proposal Form 3 or a Letter Of Credit in the amount of the larger of FIVE MILLION AND NO/100 (\$5,000,000.00) or the amount of Contractor’s proposed cost for **Task 2** in Proposal Form 3 to guarantee Contractor’s performance of **Task 2** Services (“**Task 2 Bond**”); and (b) a Performance Bond or a Letter Of Credit in the amount of FIVE MILLION AND NO/100 (\$5,000,000.00) DOLLARS to guarantee Contractor’s performance of **Task 4** Services (“**Task 4 Bond**”).
- (3) Immediately after Contractor has achieved the Substantial Completion of the Updated IPC in accordance with Section 10.2 herein, Contractor shall furnish CRRA with a Performance Bond or a Letter Of Credit in the amount of TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS to guarantee Contractor’s performance of the **Task 3** services (“**Task 3 Bond**”).

Task 1 Bond, Task 2 Bond, Task 3 Bond, and Task 4 Bond are hereinafter collectively known as the “Bonds.”

- (b) The Bonds shall be in one of the forms set forth in Exhibit C and shall be issued and executed by a surety acceptable to CRRA. Contractor shall maintain the Bonds in full force and effect during the term of this Agreement for the specific periods hereunder to which each Bond relates. Contractor shall automatically renew the Bonds on an annual basis, unless not later than ninety (90) days prior to the then current expiration date of the Bonds, Contractor notifies CRRA by certified mail that the surety of the Bonds elects not to renew such Bonds. Failure to maintain, substitute, or renew the Bonds under the aforesaid terms shall constitute an Event of Default by Contractor under this Agreement. If the surety on the Bonds furnished by Contractor is declared a bankrupt or becomes insolvent or its right to do business is terminated in the State of Connecticut or it ceases to meet the above requirements or the surety elects not to renew the Bonds due to no fault of Contractor, Contractor shall immediately substitute another bond(s) (or letter of credit) and surety, subject to the requirements set forth in this Section 9.8. In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Bonds.

- (c) Upon Contractor's execution of this Agreement, Contractor shall cause the Guarantor to furnish CRRA with the executed Guaranty.

9.9 Governing Law

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.

9.10 Non-Discrimination

Contractor agrees to the following:

- (a) Contractor agrees and warrants that in the performance of the services for CRRA Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, including civil union status, national origin, ancestry, sex, sexual orientation, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the services involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, including civil union status, national origin, ancestry, sex, sexual orientation, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by Contractor that such disability prevents performance of the services involved;
- (b) Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of Contractor, 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) Contractor agrees to provide each labor union or representative of workers with which Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union, workers' representative and vendor of Contractor'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) Contractor 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*; and

- (e) Contractor 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 Contractor as related to the applicable provisions of Sections 4a-60, 4a-60a and 46a-56 of the *Connecticut General Statutes*. If this Agreement is a public works contract, Contractor agrees and warrants that it will make good faith efforts to employ minority business enterprises as sub-Contractors and suppliers of materials in such public works project.

9.11 State of Connecticut Taxes

Contractor agrees that, pursuant to CGS § 22a-270 (as the same may be amended or superseded from time to time) CRRA is exempt from all State of Connecticut taxes and assessments. Without limiting the generality of the preceding sentence, Contractor also agrees that, pursuant to CGS § 12-412(92) (as the same may be amended or superseded from time to time), “[t]he sales and use of any services or tangible personal property to be incorporated into or used or otherwise consumed in the operation of any project of [CRRA] . . . whether such purchases are made directly by [CRRA] or are reimbursed by [CRRA] to the lessee or operator of such project” is not subject to Connecticut Sales and Use Taxes. Accordingly, Contractor shall not charge CRRA any State of Connecticut taxes or assessments at any time in connection with Contractor’s performance of this Agreement, nor shall Contractor include any State of Connecticut taxes or assessments in any rates, costs, prices or other charges to CRRA hereunder. The obligations of Contractor contained in the preceding sentence are absolute and shall apply notwithstanding any payment by Contractor of any State of Connecticut taxes or assessments in connection with its performance of this Agreement. Contractor represents and warrants that no State of Connecticut taxes or assessments were included in any rates, costs, prices or other charges presented to CRRA in its RFP or other submittal or proposal to CRRA in connection with this Agreement.

Accordingly, Contractor hereby represents that no such foregoing Connecticut tax is included in the Contractor’s Per Ton Monthly Payment as set forth in **Exhibit B** hereof, and Contractor shall not charge or pass through any such tax to CRRA. In addition, the costs of all materials used by Contractor in its performance of Services under this Agreement shall not be taxable and therefore Contractor shall cooperate with CRRA to ensure that no such taxes are charged under this Agreement.

9.12 Proprietary Information

Contractor shall not use, publish, distribute, sell or divulge any information obtained from CRRA by virtue of this Agreement Contractor’s own purposes or for the benefit of any person, firm, corporation or other entity without the prior written consent of CRRA. Any reports, analyses, or other work product prepared by Contractor connection with the performance of any Services hereunder shall be solely and exclusively by CRRA and cannot be used by Contractor for any purpose beyond the scope of this Agreement without the prior written consent of CRRA. Unless required by law, CRRA shall not publish, distribute, sell or divulge any or work product developed by Contractor specifically for CRRA under this Agreement for

the benefit of any employee, firm, corporation or other entity, other than CRRA. The term "Contractor", as used in this **Section 9.12**, shall include Contractor's agents, contractors and consultants.

9.13 Subcontractors

Contractor shall not hire any subcontractors to perform any of the Services without the prior written consent of CRRA. Contractor shall require, in a manner satisfactory to CRRA, all of its subcontractors for the Services to abide by the terms and conditions of this Agreement. Moreover, Contractor's subcontracts with such subcontractors shall specifically provide that, in the event of a default by Contractor under this Agreement, CRRA may directly enforce such subcontracts. Contractor shall provide CRRA with all contracts, amendments, books, records, accounts, correspondence and other materials necessary to enforce such subcontracts. Also, Contractor'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 claim, setoffs, or other rights whatsoever that they may have with or against Contractor by any reason other than through such subcontracts.

9.14 Entire Agreement

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

9.15 Modification

This Agreement may not be amended, modified or supplemented except by a writing signed by both parties hereto that specifically refers to this Agreement. Any oral representations, letters or any accommodation by any of the parties, shall not in any way create a course of dealing, which changes the terms of this Agreement or modifies this Agreement.

9.16 Benefit and Burden

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

9.17 Severability

CRRA and Contractor hereby understand and agree that if any part, term or provision of this 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 Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular part, term or provision held to be invalid, illegal or in conflict with any applicable law.

9.18 No Waiver

Failure to enforce any provision of this 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 Agreement or the right of any party to enforce each and every provision in accordance with the terms hereof. No waiver of any provision of this Agreement shall affect the right of CRRA or Contractor thereafter to enforce such provision or to exercise any right or remedy available to it in the event of any other default involving such provision or any other provision. Making payment or performing pursuant to this Agreement during the existence of a dispute shall not be deemed to be and shall not constitute a waiver of any claims or defenses of the party so paying or performing.

9.19 Assignment

This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other party, and any such assignment without such prior written consent shall be void, provided, however, CRRA may assign this Agreement without the consent of the Contractor as security to any trustee for the benefit of the holders of any bonds issued in connection with the Project or the CRRA facilities. Any transfer (including a series of transfers over any period of time) of ten percent (10%) or more of the shares, assets or other disposition, including but not limited to such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency, or other proceedings, shall be deemed an assignment of this Agreement and therefore necessitate the consent of CRRA under Section 9.19 Contractor shall provide CRRA with written notice of any such proposed event, which would constitute an assignment hereunder at least thirty (30) days prior to the date of such proposed event. The assignor under any assignment of this Agreement shall remain responsible for the performance of its obligations hereunder as though no assignment shall have occurred.

9.20 Agent for Service

Subject to CRRA's rights in Section 9.7 hereof, Contractor irrevocably: (a) agrees that any suit, action or other legal proceeding arising out of this Agreement must be brought in the courts of record 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 such 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 of such courts. During the term of this Agreement, Contractor designates the Secretary of State for the State of Connecticut, whose business address is 30 Trinity Street, Hartford, Connecticut 06106, as its agent (the "Agent") to accept and acknowledge on Contractor's behalf service of any and all process in any such suit, action or proceeding brought in any such court, and Contractor agrees and consents that any such service of process upon Agent shall be taken and held to be valid personal service upon Contractor whether or not Contractor 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 Contractor according to the laws governing the validity and requirements of such service in the State of Connecticut, and Contractor waives all claims of error by reason of service on the Agent instead of Contractor.

Agent 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.

9.21 Adverse Parties

CRRA and Contractor desire that no Person or other entity with which CRRA has had an adverse business relationship and no corporation or other business entity directly or indirectly controlling or controlled by or under direct or indirect common control with such Person or entity (any of the foregoing Persons, corporations or entities is hereinafter referred to as an "Adverse Party"), have any direct or indirect financial or ownership interest in or managerial influence over Contractor's performance under this Agreement. If any Person or entity seeks to participate in the performance of Contractor's obligations under this Agreement, Contractor shall notify CRRA of Contractor's intent to enter into such relationship promptly after Contractor becomes actually aware that such Person or entity is an Adverse Party. Contractor shall not enter into such relationship if CRRA disapproves of such relationship because the proposed Person or entity is an Adverse Party. CRRA shall notify Contractor of its disapproval, if at all, no later than fifteen (15) days after CRRA's receipt of written notice from Contractor intent to enter into such relationship. Any failure by Contractor to comply with the terms of this **Section 9.21** shall constitute an Event of Default by Contractor under this Agreement.

9.22 Compliance with Law

Contractor shall comply with all Applicable Laws, including but not limited to federal, state, and local laws or regulations governing the Services, payment of wages and equal opportunity and fair employment practices.

9.23 Counterparts

The parties may execute this Agreement in any number of counterparts 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.

9.24 Obligation to Deliver Project Waste

If Contractor or any of its Affiliates or other agents is engaged in the business of waste collection, transportation or disposal, Contractor or any of its Affiliates shall, and Contractor shall cause all such other agents, with respect to whom Contractor has contracted the collection, transportation, or disposal of waste and in such case only as to the applicable contracts with Contractor, to deliver to the CRRA facilities all Acceptable Solid Waste, as defined in the Procedures, generated within the corporate boundaries of any of the Participating Municipalities that Contractor or any such applicable Affiliate or agent collects pursuant to an agreement or otherwise, or that comes into Contractor's or such Affiliate's or agent's possession through other means. In the event that Contractor fails to comply with any of its obligations under this **Section 9.24**, then such failure shall constitute an Event of Default on the part of Contractor hereunder.

9.25 Corporate Guaranty

Contractor shall furnish CRRA with and maintain in full force and effect during the term of this Agreement a corporate guaranty [**from an entity CRRA, in its sole discretion, deems to be adequately capitalized**], which guaranty shall be in the form set forth in **Exhibit D** (the "Guaranty"). In the event Contractor fails to perform any of its obligations under this Agreement, CRRA shall have the right, in addition to all other rights and remedies available to CRRA hereunder or otherwise, to exercise any or all of CRRA's rights and remedies under the Guaranty.

9.26 Prevailing Wages for Task 2 Services

Contractor hereby represents that the Contractor's Wage Certification Form, as executed by Contractor and attached hereto as **Exhibit I** and made a part hereof, has been submitted by Contractor to the State of Connecticut's Department of Labor for Contractor's performance of the **Task 2 Services**. Contractor shall pay wages on an hourly basis to any mechanic, laborer or workman employed upon the Task 2 Services herein and the amount of payment or contribution paid or payable on behalf of each such employee to an employee welfare fund, as defined in Section 31-53(h) of the Connecticut General Statutes, at rates equal to the rates customary or prevailing for the same work in the same trade or occupation in the town in which the **Task 2 Services** are being conducted, which rates are more specifically set forth in **Exhibit G** attached hereto and made a part hereof. If Contractor is not obligated by agreement to make payment or contribution on behalf of such employees to any such employee welfare fund, Contractor shall pay to each employee as part of his or her wages the amount of payment or contribution for his or her classification on each payday. Contractor shall keep, maintain and preserve records relating to the wages and hours worked by each employee and a schedule of the occupation or work classification at which each mechanic, laborer, or workman under this Agreement is employed during each work day and week in such manner and form as the labor commissioner establishes to assure the proper payments due to such employees or employee welfare funds under Sections 31-53 and 31-54 of the Connecticut General Statutes. Pursuant to Section 31-53(f) of the Connecticut General Statutes, Contractor shall complete and submit to CRRA on a weekly basis during the term of this Agreement and any extension thereof the payroll certification forms set forth in **Exhibit H** attached hereto and made a part hereof. Contractor hereby represents and covenants that it is not now, and has not been for at least three (3) years previous to the date of this Agreement, listed by the labor commissioner as a person who has violated laws and regulations relating to prevailing wages.

9.27 Whistleblower Protection

If any officer, employee or appointing authority of the Contractor takes or threatens to take any personnel action against any employee of the Contractor in retaliation for such employee's disclosure of information to the Auditors of Public Accounts or the Attorney General under the provisions of Conn. Gen. Stat. sec. 4-61 dd, the Contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to

be a separate and direct offense. The Contractor shall post a notice in a conspicuous place which is readily available for viewing by employees of the provisions of Conn. General Statutes Section 4-61dd relating to large state contractors.

9.28 Order of Precedent of Agreement

If there are any conflicts between the terms of this Agreement, the Exhibits of this Agreement, and/or the Procedures, then the order of precedent when there are conflicts between the foregoing documents shall be as follows:

- (a) The terms of the Agreement, exclusive of the Exhibits of the Agreement shall first prevail;
- (b) The terms of **Exhibit A** – Scope of Services of the Agreement shall next prevail;
- (c) The terms of the Procedures **Exhibit K** shall next prevail; and
- (d) The terms of **Exhibits B-J** of the Agreement.

ARTICLE 10: TESTING AND ACCEPTANCE OF THE UPDATED IPC

10.1 Acceptance Testing

Acceptance Testing shall be scheduled and performed by Contractor, and shall be performed in accordance with the Acceptance Test Protocol that shall demonstrate to CRRA that the Updated IPC is capable of accepting and processing all Acceptable Recyclables delivered to Contractor under this Agreement. Not less than thirty (30) days prior to the scheduled start of Acceptance Testing, the Contractor shall prepare and submit a test plan to CRRA for CRRA's review and comment ("Acceptance Test Protocol"). The foregoing Acceptance Test Protocol shall detail the processing capacity of the Updated IPC and detail the scope and type of testing to be conducted. Notwithstanding **Section 2.4** of this Agreement, CRRA shall have the right to amend and revise Contractor's proposed Acceptance Test Protocol. The Contractor shall provide CRRA written notice fourteen (14) days prior to the expected start date of the Acceptance Testing. Contractor shall confirm the start date of Acceptance Testing seven (7) days prior to the start of Acceptance Testing. With CRRA or its agents present, the Contractor shall conduct the Acceptance Testing in accordance with the Acceptance Test Protocol. CRRA and/or its agents shall have the right to verify the conduct of the Acceptance Testing pursuant to the Acceptance Test Protocol and Contractor shall cooperate fully with CRRA and/or its agents. Contractor shall provide to CRRA for its review and approval a written report ("Acceptance Test Report") of the results of each Acceptance Test attempted or completed prior to Substantial Completion. The Acceptance Test Report shall include:

- (a) A statement that the Acceptance Testing has been completed;
- (b) The accuracy of all results of the Acceptance Testing; and

- (c) A statement that the Updated IPC has met or exceeded the Acceptance Test Protocol, or if the results show that the Acceptance Testing did not achieve the Acceptance Test Protocol, Contractor shall provide an estimate of the date of the initiation of the next Acceptance Testing.

At its sole cost and option, CRRA may procure an independent engineer to assist itself in its observation of Acceptance Testing and CRRA's review of the Contractor's written report(s) of the results of each Performance Test conducted by Contractor. In the event of Contractor's failure to achieve the Acceptance Test Protocol, the Contractor shall at its sole cost:

- (a) Immediately resolve all operational problems and/or causes for the failure to achieve the Acceptance Test Protocol;
- (b) Immediately undertake all repairs, modifications, and/or improvements necessary; and
- (c) Retest the Updated IPC until Contractor achieves the Acceptance Test Protocol.

10.2 Contractor's Issuance of the Certificate of Substantial Completion of Updated IPC

Substantial Completion shall be achieved hereunder pursuant to this **Section 10.2** herein.

10.2.1 Conditions For Substantial Completion

Substantial Completion shall be achieved hereunder if all of the following conditions have been met:

- (a) **Task 1** and **Task 2** Services have been completed in accordance with the terms of this Agreement (with the exception of completing the Punch List, and delivery of Final Drawings and Documentation); (ii) Contractor has provided and CRRA has accepted the Punch List; (iii) the Updated IPC is structurally sound, mechanically and electrically functional and capable of operating as intended free of defects and deficiencies; and (iv) all instrumentation and control systems have been calibrated and are functional and operating as for the intended purpose.
- (b) Contractor has carried out all the Acceptance Tests required under **Section 10.1** hereunder, and the Updated IPC has achieved the Acceptance Test Protocol;
- (c) All portions of the Updated IPC can be used for their intended purposes and are capable of being used safely in accordance with all Applicable Laws, Permits, good industry and engineering practices, and this Agreement and are free from defects and deficiencies;

- (d) All equipment and facilities necessary for the full and safe reliable operation of the Updated IPC have been properly constructed, installed, insulated and protected where required for such operation, and correctly calibrated and adjusted, all as provided in this Agreement;
- (e) All quality assurance documentation has been provided to, and reviewed by CRRA in accordance with the terms of this Agreement and Contractor shall have otherwise complied with the terms of this Agreement;
- (f) Contractor shall have obtained all Permits, approvals and licenses which it is required to obtain hereunder (including without limitation those relating to the equipment and machines which are part of the Updated IPC) and the same are nonappealable and in full force and effect; and
- (g) Contractor shall deliver to CRRA its written certification that the conditions for Substantial Completion set forth in clauses (a) through (f) of this **Section 10.2** have been satisfied.

10.2.2 Notice and Report of Substantial Completion

When Contractor believes that it has achieved Substantial Completion, it shall deliver to CRRA a Certificate of Substantial Completion of Updated IPC. Contractor shall include with the Certificate of Substantial Completion of Updated IPC the written results of the Acceptance Tests which Contractor performed pursuant to **Section 10.1** herein.

10.2.3 Achievement of Substantial Completion

CRRA shall, within twenty (20) Business Days following its receipt of the Certificate of Substantial Completion of Updated IPC from Contractor, inspect the Updated IPC and all of Contractor's **Task 1** and **Task 2** Services hereunder and shall, (a) if the requirements of **Section 10.2** herein have been satisfied, acknowledge through a notice in writing to Contractor that Substantial Completion has been achieved, or (b) if reasonable cause exists for doing so, notify Contractor in writing that Substantial Completion has not been achieved, stating the reasons therefore. At its sole cost and option, CRRA may procure an independent engineer to assist itself in its review of the Contractor's Certificate of Substantial Completion of Updated IPC submission. In the event CRRA determines that Substantial Completion has not been achieved, Contractor shall promptly take such reasonable action, including the performance of additional Services as required herein and the completion of additional Performance Tests, as will achieve Substantial Completion, and shall issue to CRRA another Notice of Substantial Completion pursuant to **Section 10.2** herein. Such procedure shall be repeated as often as necessary until Substantial Completion has been achieved. For all purposes of this Agreement, the date of achievement of Substantial Completion shall be the date on which CRRA issues a notice in writing to Contractor acknowledging that the requirements of **Section 10.2** herein have been satisfied which shall relate back

to the actual date that the Updated IPC achieved Substantial Completion (“Date of Achievement of Substantial Completion”).

10.2.4 Delay in Achievement of Substantial Completion

Time is of the essence in the performance by Contractor of its obligations to achieve the Date of Achievement of Substantial Completion. Contractor guarantees that the Date of Achievement of Substantial Completion shall be achieved pursuant to **Section 10.2** herein on or before the Milestone Date set for the Date of Achievement of Substantial Completion in **Section 2.14** herein. If the Date of Achievement of Substantial Completion is not achieved pursuant to **Section 10.2** herein on or before the Milestone Date set for the Date of Achievement of Substantial Completion in **Section 2.14** herein, Contractor hereby agrees to pay CRRA, as rebate, and not as a penalty, and as part of the consideration for awarding this Agreement to the Contractor, the sum of TWO HUNDRED FIFTY AND NO/100 (\$250.00) per calendar day for each day of delay until the Date of Achievement of Substantial Completion has been achieved (the “Late Substantial Completion Payments”).

10.3 **Contractor’s Issuance of the Certificate of Final Completion Of Updated IPC**

Final Completion shall be achieved hereunder pursuant to this **Section 10.3** herein.

10.3.1 Conditions For Final Completion

Final Completion shall be achieved hereunder if all of the following conditions have been met:

- (a) Substantial Completion has been achieved and acknowledged by CRRA and the requirements for Substantial Completion set forth in **Section 10.2** hereof continue to be satisfied;
- (b) The Punch List has been completed by Contractor and acknowledged to be completed and acceptable by CRRA;
- (c) Final Lien waivers have been delivered to CRRA by Contractor stating that all payments due under this Agreement and under any subcontracts have been made by Contractor and that all Contractor and subcontractor liens against CRRA or CRRA Properties have been released.
- (d) Contractor has carried out all of its obligations under this Agreement, except for those which are to be carried out after Final Completion;
- (e) The final drawings and documentation and the final design documents have been delivered to CRRA and are satisfactory to CRRA;

- (f) Contractor has achieved 100% of all Performance Guarantees, and Contractor has paid any damages as may be owed to CRRA under this Agreement; and
- (g) If Contractor failed to achieve Substantial Completion by the Guaranteed Substantial Completion Date, Contractor has paid CRRA all Late Substantial Completion Payments and any damages that may be owed to CRRA under this Agreement

provided, that this **Section 10.3** in no way detracts from or limits any of Contractor's obligations hereunder to comply and cause the Updated IPC to comply with all Applicable Laws, all Permits, and to perform its other obligations in this Agreement.

10.3.2 Notice and Report of Final Completion

When Contractor believes that it has achieved Final Completion, it shall deliver to CRRA a Certificate of Final Completion of Updated IPC.

10.3.3 Achievement of Final Completion

CRRA shall, within twenty (20) Business Days following its receipt of the Certificate of Final Completion of Updated IPC from Contractor, inspect the Updated IPC and all of Contractor's **Task 1** and **Task 2** Services hereunder and shall, (a) if the requirements of **Section 10.3** herein have been satisfied, acknowledge through a notice in writing to Contractor that Final Completion has been achieved, or (b) if reasonable cause exists for doing so, notify Contractor in writing that Final Completion has not been achieved, stating the reasons therefore. At its sole cost and option, CRRA may procure an independent engineer to assist itself in its review of the Contractor's Certificate of Final Completion of Updated IPC submission. In the event CRRA determines that Final Completion has not been achieved, Contractor shall promptly take such reasonable action, including the performance of additional Services as required herein, as will achieve Final Completion. For all purposes of this Agreement, the date of achievement of Final Completion shall be the date on which CRRA issues a notice in writing to Contractor acknowledging that the requirements of **Section 10.3** herein have been satisfied which shall relate back to the actual date that the Updated IPC achieved Final Completion ("Date of Achievement of Final Completion").

10.3.4 Delay In Achievement of Final Completion

Time is of the essence in the performance by Contractor of its obligations to achieve the Date of Achievement of Final Completion. Contractor guarantees that the Date of Achievement of Final Completion shall be achieved pursuant to **Section 10.3** herein on or before the Milestone Date set for the Date of Achievement of Final Completion in **Section 2.14** herein. If the Date of Achievement of Final Completion is not achieved pursuant to **Section 10.3** herein on or before the Milestone Date set for the Date of Achievement of Final Completion in **Section 2.14** herein, Contractor hereby agrees to

pay CRRA, as rebate, and not as a penalty, and as part of the consideration for awarding this Agreement to the Contractor, the sum of TWO HUNDRED FIFTY AND NO/100 (\$250.00) per calendar day for each day of delay until the Date of Achievement of Substantial Completion has been achieved (the "Late Final Completion Payments").

ARTICLE 11: GUARANTEES AND WARRANTY

11.1 Guarantees and Warranty

Contractor warrants that the **Task 1** and **Task 2** Services will be performed in accordance with the terms and requirements of this Agreement, all Permits, required approvals, and all Applicable Laws; and the Updated IPC Recyclables System Equipment and other materials furnished hereunder will be new and free of defects in materials and workmanship for a period of twelve (12) months commencing on the Date of Achievement of Final Completion in accordance with **Section 10.3** herein. In the event of a breach of the warranty set forth herein, and upon receipt of notice from CRRA promptly upon CRRA's discovery of such breach, Contractor shall repair, replace, correct and/or reperform the applicable Services at Contractor's sole cost and expense. During Contractor's performance of the foregoing, Contractor shall not unreasonably interfere with the operation of the Updated IPC. The warranty set forth herein shall be exclusive of normal wear and tear. Contractor shall obtain all customary warranties available from subcontractors and the Updated IPC Recyclables System Equipment vendors selected by Contractor or any subcontractor under this Agreement. Such warranties shall be obtained for the benefit of CRRA as well as for Contractor. At CRRA's sole discretion, Contractor shall administer and enforce all such warranties for the benefit of CRRA for the term of such warranties.

Throughout the term of this Agreement, Contractor guarantees that the Updated IPC as upgraded, retrofitted, and constructed by Contractor shall meet the Performance Guarantees set forth in **Exhibit D**. Contractor shall, as a condition of the Date of Substantial Completion Of Updated IPC, demonstrate achievement of the Performance Guarantees for the Updated IPC. If at any time during Contractor's performance under this Agreement the Performance Guarantees as specified in **Exhibit D** are not achieved or maintained by Contractor, then Contractor shall be responsible for all disposal costs of the non-processed Acceptable Recyclables and pay the following liquidated damages:

Contractor agrees that all of the actual damages caused by the failure to meet the Performance Guarantees are not capable of calculation. Accordingly, the Contractor shall pay to CRRA until said Performance Guarantees are achieved a daily lump sum payment as liquidated damages (but not as a penalty) of Three Thousand dollars and 00/100 (\$3,000) dollars for each day the Updated IPC does not achieve the Performance Guarantees.

ARTICLE 12: SURVIVAL OF OBLIGATIONS

All obligations of any party hereto that have accrued as of the expiration or termination of this Agreement, including but not limited to Sections 3.1, 6.1, 8.1, 8.4, 9.12, 9.30, and 11.1 of this Agreement, shall survive such expiration or termination.

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

[CONTRACTOR]

By: _____

Its
Duly Authorized

**CONNECTICUT RESOURCES RECOVERY
AUTHORITY**

By: _____

Thomas D. Kirk
Its President
Duly Authorized

EXHIBIT A

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

SCOPE OF SERVICES

SCOPE OF SERVICES

This Scope of Services shall apply to each Task that CRRA has authorized Contractor to perform in accordance with **Section 2.14** of this Agreement. The Contractor shall provide all labor, materials, equipment, tools, supervision, insurance, bonds, and all other items necessary to perform each such authorized Task described herein.

The Contractor shall provide these Services in accordance with **Section 2.3** of this Agreement.

The work and services may be subject to local construction permits and certificates of occupancy. The Contractor is required to determine what permits and approvals are necessary for the work and services. CRRA is responsible for obtaining required environmental approvals from CTDEP. The Contractor must cooperate with CRRA in obtaining such approvals from CTDEP and must provide to CRRA plans and engineering drawings sufficient to secure and maintain the approvals. The Contractor is responsible for obtaining all other required permits and approvals.

The Scope of Services shall consist of the following tasks:

- Task 1: Develop engineering plans and technical specifications;
- Task 2: Construct and implement design plans for the upgrade and retrofit of the IPC;
- Task 3: Operation and maintenance services for the Updated IPC Site; and
- Task 4: Diversion of all recyclables during construction period.

Each of these tasks is described in detail in the following sections.

1. TASK 1: DEVELOP ENGINEERING PLANS AND TECHNICAL SPECIFICATIONS

Contractor shall proceed with the Task 1 Services upon receipt of the Notice To Proceed With Task 1 Services.

Contractor shall prepare and submit to CRRA a monthly written report that updates the project schedule and describes the progress made on the project and the activities planned for the following month. CRRA and the Contractor will meet on a monthly basis to discuss the report and to resolve any potential problems.

Task 1 services consist of the two following subtasks:

- Task 1.1: Preliminary activities required to support permitting; and
- Task 1.2: Engineering plans and technical specifications,

Each of these subtasks is described in detail in the following sections.

1.1 TASK 1.1: Preliminary Activities Required to Support Permitting

Contractor shall provide support to CRRA in obtaining the necessary approvals from CTDEP to make the changes in the solid waste permit(s) for the Updated IPC proposed by the Contractor and agreed to by CRRA. CRRA is responsible for obtaining from CTDEP the necessary approvals for changes in the solid waste permits(s). The Contractor shall cooperate with CRRA in providing to CTDEP plans and engineering drawings sufficient to secure and maintain the approvals.

Contractor shall prepare and provide to CRRA the following:

- (a) An Operations and Maintenance (“O&M”) Plan; and
- (b) Application submittal engineering drawings for the replacement and upgrading of the IPC processing systems and equipment and for modifications of the building at 1410 Honeyspot Road Extension.

The O&M Plan and the application submittal engineering drawings are a required part of the application(s) CRRA must submit to CTDEP. The O&M Plan and the application submittal engineering drawings must conform to the guidance provided by CTDEP in “Guidelines for Completing the Facility Plan for a Permit to Construct and Operate a Recycling Facility” (**Attachment C** to the Request for Proposals). Note that the title sheet of the O&M Plan, all plan sheets and the engineering drawings must be stamped and signed by a professional engineer licensed in Connecticut.

Contractor shall submit a draft of the O&M Plan and the application submittal engineering drawings to CRRA within thirty (30) days of the Contractor’s receipt of the Notice To Proceed With Task 1 Services. Within ten (10) days of receipt of the draft O&M Plan and the application submittal engineering drawings, CRRA will submit comments on them to the Contractor. Contractor shall submit a final O&M Plan and final application submittal engineering drawings to CRRA within seven (7) days of receiving comments from CRRA on the draft O&M Plan and the draft application submittal engineering drawings.

CTDEP, as part of its deliberations on the requested changes to the solid waste permits, may require revisions of the O&M Plan and the application submittal engineering drawings. In such a case, Contractor acknowledges and agrees that all comments provided by CTDEP will be incorporated into the O&M Plan, the application submittal engineering drawings and final construction plans.

1.2 TASK 1.2: Engineering Plans and Technical Specifications

Contractor shall develop and prepare engineering plans and technical specifications for the replacement and upgrade of the recyclables systems and equipment and the modification and upgrade of the IPC. Such engineering plans, technical specifications and supporting data shall be prepared in conformance with the following:

- (a) The engineering plans, technical specifications and supporting data shall be prepared in such detail that the geometric and operational features of all

components are clearly defined and provide sufficient information to demonstrate the construction feasibility.

- (b) The engineering plans and technical specifications shall be prepared, stamped and signed by a professional engineer licensed in Connecticut.
- (c) The engineering plans and technical specifications shall be prepared so as to maximize the Updated IPC's overall efficiency and maximize the economic benefit to CRRA from the Updated IPC's operations.
- (d) The recyclables processing systems shall be designed to minimize ambient noise and odor to the maximum extent and to ensure that ambient noise and odor levels do not exceed CTDEP standards.
- (e) Any new processing equipment must be designed for a useful life of twenty (20) years.
- (f) All major pieces of the new equipment and the components of the new equipment must have a proven design and a record of successful full-scale commercial operation.
- (g) The paper processing system must be designed so that it will not have a paper Residue amount that exceeds three percent (3%) of the amount of paper processed. The commingled container processing system must be designed so that it will not have a container Residue amount that exceeds five percent (5%) of the amount of commingled containers processed.

1.2.1 Engineering Drawings

The engineering drawings shall include, but not be limited to, the items listed below:

- (a) Identify in narrative and graphic form the design components proposed for the paper and commingled container processing operations in the Updated IPC;
- (b) Show the most suitable layout of the operation. Specifically, show how the storage and the processing areas for the paper and the commingled container processing operations will be geometrically distributed;
- (c) Show how the proposed traffic pattern for the operation will be accommodated within the available boundaries of the facility;
- (d) Show how the operation will be able to provide the desired operational efficiency;
- (e) Identify if the operation has the ability of being expanded in size to accommodate future growth and activities;

- (f) Show the most suitable layout of the container processing system equipment and the paper processing system equipment;
- (g) Identify the existing equipment;
- (h) Provide an evaluation of the existing electrical system and recommend the required revisions to support the operation;
- (i) Identify all of the structural items of the building that will be modified to accommodate the proposed updated recyclables processing operation. Provide sufficient details and computations required to obtain all required permits from the City of Stratford; and
- (j) Show existing and proposed utilities.

1.2.2 Deliverables

- (a) Prior to submission of final construction documents, Contractor shall submit to CRRA for CRRA's review and comment three (3) copies and one (1) reproducible copy of its engineering plans and technical specifications. The engineering plans and technical specifications may be submitted in multiple partial submissions if necessary and reasonable.
- (b) Contractor shall submit to CRRA three (3) copies, one (1) reproducible and one electronic file in AUTOCAD format of the final construction documents. This submission shall include the following components:
 - (1) Design statement – This will consist of a narrative description justifying the final design conclusion;
 - (2) Design plans; and
 - (3) Technical specifications.

2. TASK 2: CONSTRUCT AND IMPLEMENT DESIGN PLANS FOR THE UPGRADE AND RETROFIT OF THE IPC

Upon CRRA issuing to Contractor a Notice To Proceed With Task 2 Services, Contractor shall proceed with the Task 2 Services.

CRRA may, at its sole discretion, direct the Contractor to begin some Task 2 Services (e.g., placing orders for major pieces of equipment) prior to receiving final approvals from CTDEP. If CRRA does so and if the final approvals from CTDEP are such that the Contractor is financially harmed by the Services it was directed by CRRA to undertake, CRRA will reimburse the Contractor.

Utilizing its design plans from Task 1 above, Contractor shall furnish all labor, materials, equipment and incidentals thereto and supervisory work necessary for the recyclable processing

operations in the building at 1410 Honeyspot Road Extension, replacing and upgrading the processing systems and equipment and modifying and upgrading the IPC building.

2.1 Construction Schedule

Prior to the commencement of construction, Contractor shall provide to CRRA a detailed construction schedule. The detailed construction schedule must conform to the milestones established in **Section 2.14** of this Agreement.

2.2 Shop Drawings

Contractor shall provide to CRRA completed shop drawings for all planned construction work. Prior to commencement of construction, CRRA and Contractor shall agree on a procedure for submittal of shop drawing to and review of shop drawings by CRRA.

2.3 Acceptance Testing

CRRA and the Contractor will agree on Acceptance Testing that will reasonably demonstrate the capabilities of the new processing equipment. The new processing equipment will be evaluated, at a minimum, on the following criteria:

- (a) System throughput capacity;
- (b) Residue quantity and quality;
- (c) Conformance with environmental permits;
- (d) Conformance with OSHA regulations and worker exposure limits; and
- (e) The proportion of materials recovered and their conformance with marketing expectations.

Two weeks prior to the scheduled start of Acceptance Testing, the Contractor shall prepare and submit a test plan to CRRA for CRRA's review and approval. With CRRA and/or its agent(s) present, the Contractor shall conduct the Acceptance Testing in accordance with the approved test plan. CRRA and/or its agent(s) shall have the right to verify the conduct of the Acceptance Testing pursuant to the test plan. Contractor shall cooperate fully with CRRA and/or its agent(s).

2.4 Staging Area

CRRA may make available to the Contractor an area of the property at 1410 Honeyspot Road Extension that does not interfere with the day to day operations of the Current IPC or the Museum for the Contractor to use for staging its Task 2 Services. Contractor will have to provide detailed plans as to how the area is to be used. CRRA will have to approve in writing the use of any such area prior to Contractor using that area. Contractor will be responsible for providing security, including providing fencing, for the staging area.

2.5 “As Built” Drawings

At the completion of construction activities, Contractor shall provide CRRA “as built” drawings for the Updated IPC. The “as built” drawings shall be stamped by a professional engineer licensed in Connecticut. Contractor shall provide two (2) copies of the “as built” drawings and one electronic file of the drawings in AUTOCAD format.

2.6 Monthly Report and Meeting

Contractor shall prepare and submit to CRRA a monthly written report that updates the project schedule and describes the progress made on the project and the activities planned for the following month. Contractor shall also prepare and submit to CRRA on a monthly basis a Construction Report which explicitly details the status of the construction plans and actual construction progress. CRRA and the Contractor will meet on a monthly basis to discuss the report and to resolve any potential problems.

3. TASK 3: OPERATION AND MAINTENANCE SERVICES FOR THE UPDATED IPC

Beginning on the Date of Achievement of Substantial Completion of the Updated IPC, Contractor shall proceed with Task 3 Services.

3.1 General Responsibility

At Contractor’s sole cost and expense, the Contractor shall operate and maintain the Updated IPC Site and all equipment contained therein. The Contractor shall be responsible for all activities within the Updated IPC Site including operating and maintaining the recycling systems, providing management, supervision, personnel, labor, materials, equipment, services and supplies necessary to operate, maintain and repair the Updated IPC Site. In accordance with operating permits, best industry practices, and the annual maintenance plan developed by the Contractor, the Contractor shall perform (or cause to be performed) maintenance and repairs of the Updated IPC Site and other facilities that constitute appurtenant facilities of the Updated IPC Site. The Contractor shall be solely responsible for the clean, orderly and efficient operation of the recyclables processing systems.

3.2 Utilities

CRRA is responsible for the costs associated with the electric and water usage of The Children’s Garbage Museum and CRRA offices. The Contractor shall solely pay all other costs of utilities associated with the Updated IPC Site operation, management, and maintenance. The Contractor shall be solely responsible for stated utility services, including, but not limited to, electric, HVAC, water and telephone services.

3.3 Security

The Contractor shall be solely responsible for security within the Updated IPC during construction and operation and for all liabilities incurred therein or associated therewith.

The Contractor will provide and maintain an electronic security and fire monitoring system at the Updated IPC. The proposed system shall be subject to CRRA review and approval. The Contractor shall be responsible for any and all repairs to such system. The Contractor will be responsible for site security; which may include, but not be limited to, engaging the alarm system daily and securing the property by closing and locking the entry gates. The Contractor will be responsible to respond to all security and fire incidents related to the Contractor's operation. The Contractor will notify CRRA of all security and fire incidents in a timely manner. The Contractor shall provide CRRA a personnel listing for the Updated IPC, which will include all alarm responders.

3.4 Fire Protection System

CRRA shall employ a Connecticut licensed contractor to provide the required inspections and quarterly maintenance to properly maintain the fire protection system in accordance with CRRA's risk insurer requirements and NFPA Fire Safety Codes. The Contractor shall be responsible for all system repairs due to Contractor operations.

The Contractor shall provide, as part of its O&M practices, daily and weekly inspections and routine maintenance of the Fire Protection System. Examples include, but are not limited to; daily visual inspections of sprinkler heads and pipes, weekly draining of low points, and compressor maintenance. All Contractor repairs shall be performed by a Connecticut licensed sprinkler contractor. Contractor shall promptly report such activities to CRRA and provide documentation of such activities.

3.5 Equipment Operation

Equipment shall be operated only by personnel with valid State of Connecticut Operator's Permits appropriate for the equipment in use.

3.6 Ventilation and Noise

Work areas must be properly ventilated and ambient noise minimized as required by OSHA standards.

3.7 Hours of Operation

[To be inserted prior to execution of the Agreement and to be determined by Contractor and CRRA based on Contractor's proposal.]

3.8 Public Viewing

The Updated IPC is open to public viewing (via an elevated, enclosed viewing platform) on a regular basis for educational and promotional purposes and, therefore, must be maintained in a clean and orderly manner.

3.9 Scales

The scales at the Updated IPC shall be operated by CRRA and/or agents of CRRA. The scale house equipment at the Updated IPC includes computer weighing and recording systems that shall be operated and maintained by CRRA, except for any maintenance or replacement activity required as a result of Contractor fault. The Contractor shall cooperate and work with CRRA staff and/or CRRA agents to perform daily calibration checks of the Updated IPC scales including but not limited to using Contractor's equipment as a weight measure.

Contractor shall employ a Connecticut licensed scale vendor to provide quarterly inspections, testing, calibration and repair (as required), cleaning (including the power washing of the scale and understructure twice a year), scale cleaning and maintenance of the drainage system, hand shoveling of snow on and around the scale, keeping the scale from freezing, and replacement as needed of the rubber gasket (T-rubber stripping) to prevent intrusion of excessive amounts of debris under the scale.

All inbound and outbound materials at the Updated IPC shall be weighed at the CRRA's scales by CRRA and/or the CRRA operator.

The Contractor shall reconcile market weights with CRRA scalehouse weights on a monthly basis.

3.10 Delivery of Recyclables

CRRA guarantees the delivery of the Minimum Commitment of recyclables to the Contractor as specified in Section 2.11 of the Agreement.

3.11 Processing Time

All materials delivered to the Updated IPC must be processed within 48 hours of arrival.

3.12 Additional Recyclables

Delivery of any additional amounts of recyclables from municipalities that are not signatories of the SWEROC Agreement or from non-residential sources requires specific approval by CRRA.

3.13 Inspections and Enforcement

CRRA has sole administrative responsibility over the Inter-Community Agreement currently in effect with approximately nineteen (19) Connecticut municipalities to deliver their Acceptable Recyclables to the Updated IPC. CRRA shall have the sole responsibility to enforce all provisions of this Agreement against the municipalities and CRRA shall be able to exercise its enforcement powers against the municipalities at CRRA's sole and absolute discretion.

Shipments to the Updated IPC must conform to the terms of CRRA's Bridgeport Permitting, Disposal and Billing Procedures, as amended from time to time by CRRA, in accordance with **Section 2.17** of the Agreement and at CRRA's sole and absolute discretion. See **Exhibit K** attached hereto and made a part hereof. CRRA shall have sole responsibility for enforcement activities at the Updated IPC. The Contractor shall cooperate with and assist CRRA in those activities. From time to time and at CRRA's discretion, CRRA shall inspect recyclables delivered to the Updated IPC. The Contractor shall direct Acceptable Recyclables for deposit into the appropriate containers.

On a day-to-day full-time basis, Contractor shall be solely responsible to inspect all loads of recyclables delivered to the Updated IPC. Contractor shall identify any significant amounts of Unacceptable Recyclables in the incoming Updated IPC waste stream. Upon prompt notification from Contractor of any foregoing significant amounts of Unacceptable Recyclables, CRRA shall inspect the load containing Unacceptable Waste and make a determination if Contractor should segregate said load of Unacceptable Waste. For Unacceptable Recyclables hauled to the Updated IPC through no fault of Contractor that are rejected by CRRA, the Contractor, at CRRA's direction, shall reload the rejected Unacceptable Recyclables and have it removed from the Updated IPC and delivered to a properly permitted disposal facility designated by CRRA, provided that in no case shall Contractor be responsible for handling or loading of Hazardous Waste. CRRA shall issue a Notice of Violation ("NOV") to any Haulers that deliver Unacceptable Recyclables to the Updated IPC on CRRA forms.

3.14 Property and Equipment Maintenance

The Contractor shall provide an annual plan for maintaining the Updated IPC. The Contractor shall prepare and submit to CRRA semi-annual and annual maintenance reports for the Updated IPC. The Contractor shall maintain and repair property and equipment in accordance with the annual maintenance plan, best industry practices, and manufacturers' standards. Should the Contractor require additional equipment or replacement equipment at any time during the term of this Agreement, such additional equipment shall be provided by the Contractor at its sole cost and expense.

At CRRA's sole discretion, CRRA reserves the right to conduct mechanical, safety, environmental, and code evaluations and inspections of the Updated IPC, but CRRA shall not unreasonably interfere with Contractor's operation of the Updated IPC or with Contractor's employees, contractors or agents, and CRRA shall be responsible for any damage to the Updated IPC caused by its employees, contractors or agents.

The Contractor shall employ predictive and preventive maintenance programs, enforce existing equipment warranties, and maintain all warranties on equipment.

The Contractor shall maintain at the Updated IPC accurate and complete records of all such maintenance activities performed and shall make such schedule and records available to CRRA for inspection and audit with reasonable advance notice.

3.15 Building and Grounds Maintenance

The Contractor shall perform all building and grounds maintenance to the Updated IPC Site. Such maintenance shall include, but not be limited to, sweeping the interior of the Updated IPC and the maneuvering and all parking areas, providing for lawn maintenance, and snow plowing.

3.16 Notification of Injuries and Damage

The Contractor shall notify CRRA immediately of any and all injuries to persons and of all damage caused to the Updated IPC and equipment. The Contractor shall replace property damaged or made unavailable due to loss, theft, abuse, or the Contractor's failure to provide adequate repairs or comply with the maintenance plan or best industry practices, or for any other reason.

3.17 Updated IPC Alterations, Modifications, and Operating Improvements

CRRA reserves the right to require the Contractor to perform capital and/or operating improvements or services not otherwise included in the Scope of Services. In such events, the Contractor shall be entitled to reasonable compensation for such additional improvements or services. The Contractor may not alter or modify the Updated IPC without the prior written approval of CRRA. In reviewing any such request for approval, CRRA reserves the right to deny any such approval for any reason. CRRA reserves the right to perform capital and/or operating improvements or services at the Updated IPC on its own behalf.

3.18 Tanks and Drainage Structures

3.18.1 Stormwater

CRRA has held and will continue to hold the registration for stormwater discharges from the Updated IPC Site under the "General Permit for the Discharge of Stormwater Associated with Industrial Activity" (Permit No. GSI000814). The Contractor is responsible for inspection, housekeeping, cleaning and maintenance activities for all stormwater control features and structures. Contractor will also conduct annual stormwater training of all employees. (CRRA will provide the training materials.) CRRA is responsible for all other activities associated with the general permit including, but not limited to, stormwater pollution prevention planning, comprehensive site compliance evaluations and stormwater sampling, analysis and reporting.

3.18.2 Sanitary Sewer

Discharges to the sanitary sewer from inside the Updated IPC building are governed by the "General Permit for Miscellaneous Discharges of Sewer Compatible (MISC) Wastewater." Because the discharge from the Updated IPC is less than 500 gallons per day, CRRA is not required to register the discharge under the General Permit, but the requirements of the General Permit apply to the

discharge. The Contractor is responsible for discharges to the sanitary sewers and compliance with the requirements of the General Permit.

3.19 Pest Control

The Contractor shall maintain, at all times, a contract for on-going pest control and extermination services for the Updated IPC Site with a licensed pest control company.

3.20 Litter

The Contractor shall keep the Updated IPC Site and adjoining property and roadways litter free and shall, at a minimum, remove litter and debris daily from the Updated IPC Site and any adjoining property or roadways. The Contractor shall submit a plan to CRRA describing how it will eliminate the presence of any litter at or near to the Updated IPC Site that is the result of recycling activities.

3.21 Clean-Up

The Contractor shall clean-up all spillage of Acceptable Recyclables. The interior of the Updated IPC shall be swept down at least on a daily basis. The Contractor shall also maintain the drains, sewer grates, traps, and gutters inside the Updated IPC clean and free of debris.

3.22 Personal Protective Equipment

The Contractor shall provide its equipment operators and other personnel working around the Updated IPC buildings and maintenance garages with any and all appropriate personal protective equipment, in accordance with applicable law. The Contractor shall maintain at the Updated IPC any and all required safety plans, training documentation, and material safety data sheets, as may be necessary.

3.23 Equipment Failure

Subject to the provisions of Article 7 of the Agreement, operational failure of the Contractor's equipment, including labor strikes, or any other cause, will not release the Contractor of its responsibility to accept and process Acceptable Recyclables during the contract period on a continual basis. All costs involved in complying with this requirement shall be the Contractor's responsibility.

3.24 Disposal of Unacceptable Waste

The Contractor is solely responsible for the proper disposal of all non-recyclable materials. This shall include in-coming contaminated recyclables and Residue from the recyclables processing operations.

3.25 Disposal of Residue

The paper processing system is not intended to have a paper Residue amount that exceeds three percent (3%) of the amount of paper processed. The commingled container processing system is not intended to have a container Residue amount that exceeds five percent (5%) of the amount of commingled containers processed. The Contractor will dispose of Residue in amounts of three percent (3%) or less for paper and five percent (5%) or less for commingled containers with CRRA pre-approval at the disposal facility of the Contractor's choice. Contractor must pay all disposal costs and must reimburse CRRA for any lost revenue due to Residue in excess of the allowed percentages.

3.26 Marketing of Products

The Contractor shall be responsible for marketing and have the right to market the recovered materials at the Current IPC/Updated IPC and shall be responsible for transporting these materials to market. However, CRRA reserves the right to obtain market proposals itself with 30 days advance notice to the Contractor. If CRRA's marketing efforts obtain better prices than are obtained by the Contractor's efforts, CRRA shall be entitled to any differential between the revenue amount generated by the Contractor's marketing efforts and the revenue amount generated by CRRA's marketing efforts. Contractor is obligated to provide monthly market updates on each commodity, including long and short term market strategies for commodities with decreasing or negative prices.

3.27 Permit Related Issues

If a regulatory agency of the State of Connecticut issues a Notice of Violation to CRRA or revokes a permit issued to CRRA because of the Updated IPC's operations associated with the Contractor's responsibilities, the Contractor shall promptly address any such matter and promptly reimburse CRRA any and all costs incurred as a result, including any appropriate liquidated damages.

3.28 Emergency Response

The Contractor shall manage all emergencies occurring on the site. In the event of any emergency, such as a fire, explosion, or radiation detection, the Contractor shall immediately contact CRRA with notification of the occurrence. CRRA will provide direction for the occurrence if applicable.

3.29 Complaints, Inquires and Requests

The Contractor shall direct any and all complaints, inquires, or any other written or oral requests regarding the Updated IPC to CRRA. The Contractor shall provide and maintain a list of a contact person for the Updated IPC for CRRA.

3.30 CRRA Access

CRRA and its agents reserve the right to enter the premises of the Updated IPC Site at any time for any purpose. CRRA and its agents may inspect the source of Acceptable Recyclables delivered to the Updated IPC and observe any and all activities of the Contractor.

3.31 Notification of Petroleum, Chemical or Hazardous Materials Releases

Contractor shall ensure that any release of a chemical, petroleum product or other hazardous material is reported on a timely basis to appropriate local, state and federal agencies and organizations in accordance with, but not limited to, 40 CFR Part 302, 40 CFR Part 355 and CGS 22a-450. Contractor shall also immediately notify CRRA of any such release.

3.32 Other Activities

The Contractor shall not allow others to conduct, or conduct itself, any activity at the Updated IPC Site not specifically approved and authorized by CRRA in writing.

3.33 Determination of Amounts of Recyclables

The weight of Acceptable Recyclables delivered to the Current IPC/Updated IPC shall be determined in bound by the scale at the Current IPC/Updated IPC.

3.34 Monthly Report and Meeting

Contractor shall prepare and submit to CRRA a monthly written report on a form substantially as presented in **Exhibit J**. The report shall detail the prior month's operations and maintenance activities, including but not limited to, the following: (i) specify the number of tons of Acceptable Recyclables delivered to the Contractor at the Current IPC/Updated IPC; (ii) details of the amount of commodities marketed and the prices received for said marketed commodities; (iii) details of any repairs made to or replacement of equipment performed on the Updated IPC; and (iv) and other related financial information. CRRA and the Contractor will meet on a monthly basis to discuss the report and to resolve any potential problems.

4. TASK 4: DIVERSION OF ALL RECYCLABLES DURING CONSTRUCTION PERIOD

During the construction period when the Contractor is replacing and upgrading the recyclables processing systems and modifying and upgrading the Updated IPC, the Contractor shall be responsible for all of the costs of diverting all recyclables which cannot be accepted at the Updated IPC due to the construction activities to properly permitted facilities. Any delays in construction that impact diversion shall be the financial responsibility of the Contractor.

Any facility to which recyclables are diverted must be a currently permitted facility operating in accordance with, and pursuant to, all applicable governmental regulations, statutes, permitting

requirements and any other such requirements. Prior to diverting recyclables to any facility, Contractor shall provide CRRA with written evidence of Contractor's authorization to process recyclables at the facility. If CRRA, at its sole and absolute discretion, deems the evidence to be satisfactory and so notifies the Contractor, the Contractor may divert recyclables to the subject facility. At CRRA's sole discretion, Contractor shall coordinate and obtain the permission of the owner/operator of the facility to which recyclables are to be diverted to allow CRRA or its agent(s) to inspect the facility at any time during the term of this Agreement.

5. LICENSES AND PERMITS

All licenses and permits necessary for the performance of work and services under this Agreement shall be obtained and maintained by the Contractor, except for CTDEP permits for the construction and operation of the Updated IPC and other CTDEP environmental permits. Licenses, permits, or certifications for which the Contractor is responsible may include, but are not limited to, the Public Weighers License and the CTDEP Solid Waste Facility Operators Certificate appropriate for a recycling facility. The revoking of the Contractor's licenses and permits by the State of Connecticut, local municipality or any other governing agency, shall not relieve the Contractor from its responsibility for performing the work under this Agreement. The Contractor shall pay for any costs and fines associated with noncompliance of the permits as a result of the Contractor's actions, including, but not limited to administrative fees, corrective actions, and attorneys' fees.

CRRA shall maintain each applicable CTDEP permit for the Updated IPC. CRRA shall be responsible for renewal of each CTDEP permit. The Contractor shall make information available, as needed, to support maintenance and renewal of such permits. If the Contractor requests a modification to an Updated IPC permit, CRRA shall review the request and submit any requests it finds acceptable to CTDEP. Should CRRA approve any such requests, the Contractor shall pay for all costs associated with the modification application, as well as the regulatory review.

CRRA shall submit any reports required as a result of the CTDEP Updated IPC permits, including all operational reporting information and annual operations reports.

EXHIBIT B

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

CONTRACTOR'S MONTHLY PAYMENT TO CRRA

Contractor's Per Ton Monthly Payment

Contractor will provide CRRA with a guaranteed per ton payment for every ton that is delivered to the Updated IPC.

Contractor's Per Ton Monthly Payment: \$ _____

Contractor's Revenue Sharing Payment

The Contractor shall also share equally with CRRA revenue generated by sales of the following commodities above the revenue sharing prices. Contractor may also submit an alternate fixed price option for any or all commodities. Contractor shared pricing is specified in the following table:

Commodity	Revenue Sharing Price	FIXED SHARING PRICE
ONP #6 (New York High) (represents all shipments of loose fiber)		
ONP #8 (New York High)		
OCC #11 (New York High)		
(May be expanded for Commercial Paper grades)		
Ferrous		
Aluminum		
Aluminum Foil		
Plastic – PET		
Plastic – HDPE Natural		
Plastic – HDPE Pigmented		
Glass – Flint or Clear		
Glass – Amber or Brown		
Glass – Green		
Glass – Mixed		
Aseptic Packaging		
Description Other: _____		
Description Other: _____		
Description Other: _____		
Description Other: _____		

EXHIBIT C

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

PERFORMANCE BOND/LETTER OF CREDIT

LETTER OF CREDIT

To Be Issued By a Connecticut Bank Or By a National Banking Association

Irrevocable Standby Letter Of Credit No.		[Letter Of Credit #]	
Issuance Date:	[Date]	Expiration Date:	[Date]
Beneficiary:	Connecticut Resources Recovery Authority 100 Constitution Plaza, 6th Floor Hartford, CT 06103		

Gentlemen:

We hereby establish our Irrevocable Standby Letter Of Credit No. [Letter Of Credit #] in favor of the "Beneficiary," Connecticut Resources Recovery Authority ("CRRA"), at the request and for the account of [Name of Contractor], for the sum or sums up to the aggregate amount of [amount of Letter Of Credit] 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 [Date] or any duly extended expiration date, and each draft must bear the following clause: "Drawn Under Letter Of Credit No. [Letter Of Credit #]."

Drafts must be accompanied by a certified statement from the Beneficiary that [name of Contractor] 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 Operation And Maintenance Of The Hartford Landfill Groundwater Flow Control System Agreement between [name of Contractor] and CRRA, dated as of [Date].

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 **[name of Contractor]**, 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]

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable. The below addresses are to be used for giving required notice.

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

--	--

OWNER (Name and Address):

Connecticut Resources Recovery Authority 100 Constitution Plaza, 6 th Floor Hartford, CT 06103-1722
--

AGREEMENT

DATE:	
AGREEMENT NUMBER:	
AMOUNT:	
PROJECT DESCRIPTION <small>(Including Name and Location):</small>	Agreement for Design, Upgrade, Retrofit, and Operation/Maintenance Services for the Stratford Intermediate Processing Center 1410 Honeyspot Road Extension Stratford, Connecticut

BOND

BOND NUMBER:	
DATE: <small>(Not earlier than Agreement Date)</small>	
AMOUNT:	DOLLARS (\$ _____)

IN WITNESS WHEREOF, Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on Pages 2 and 3 hereof, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

--

(SEAL)

--

(SEAL)

Contractor's Name and Corporate Seal

Surety's Name and Corporate Seal

SIGNATURE:		SIGNATURE:	
NAME AND TITLE:		NAME AND TITLE:	

TERMS AND CONDITIONS TO PERFORMANCE BOND

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 foregoing 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:
 - 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.
 - 3.3 The Owner has agreed to pay the Balance of the Agreement Price to the Surety in accordance with the terms of the Agreement or to a contractor selected to perform the Agreement in accordance with the terms of the agreement with the Owner.
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 Balance of the Agreement Price: The total amount payable by the Owner to the Contractor under the Agreement after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Agreement.

12.2 Agreement: The agreement between the Owner and the Contractor identified on the signature page, including all Agreement Documents and changes thereto.

12.3 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.

12.4 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.

EXHIBIT D

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

GUARANTY

GUARANTY

This Guaranty made and dated as of _____, 2007 (the "Guaranty") from [**Contractor**], a corporation duly organized and existing under the laws of the State of Connecticut (the "Guarantor"), to the **CONNECTICUT RESOURCES RECOVERY AUTHORITY** (the "CRRA"), a public instrumentality and political subdivision of the State of Connecticut (the "State").

WITNESSETH

WHEREAS, the CRRA intends to enter into an Agreement For Design, Upgrade, Retrofit, And Operation/Maintenance Services For The Stratford Intermediate Processing Center with [Contractor] ("Company") dated as of _____, 2007 (the "Agreement");

WHEREAS, the Guarantor will receive a material and direct benefit from the execution 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:

1. REPRESENTATIONS AND WARRANTIES

1.1 Section 1.1. Guarantor Representations and Warranties

[Contractor], as Guarantor, hereby represents and warrants that:

- (a) The Guarantor has been duly incorporated and validly exists as a corporation in good standing under the laws of the State of _____ 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.
- (b) 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.

- (c) This Guaranty constitutes a valid and legally binding obligation of the Guarantor, enforceable in accordance with its terms.
- (d) 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.
- (e) 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.
- (f) The Guarantor is familiar with the terms of the Agreement and consents to the terms thereof.

2. GUARANTY

2.1 Agreement to Perform and Observe Obligations of Company under the Agreement

The Guarantor hereby unconditionally and irrevocably guarantees to the CRRA the full and prompt performance by the Company of all of the Company's obligations under the Agreement in accordance with its terms and conditions, including any obligation to pay damages, under the Agreement, including all amendments and supplements thereto.

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 modification of the Agreement, 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 CRRA, (b) the failure of the CRRA 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 CRRA may attempt to obtain, (d) the lack of prior

enforcement by the CRRA of any rights against any person (including the Company) or in any property, (e) the dissolution of the Company, or (f) any other circumstance which might otherwise constitute a legal or equitable discharge of a guarantor or limit the recourse of the CRRA 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 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 agrees 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.

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 CRRA 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.

2.4 Agreement to Pay Attorney's Fees and Expenses

The Guarantor agrees to pay to the CRRA 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 CRRA to enforce such performance.

2.5 Consent to Assignment

It is understood and agreed that all or any part of the right, title and interest for the CRRA in and to this Guaranty may be assigned by the CRRA to a trustee or other lender. The Guarantor consents to any such assignment and the Guarantor further agrees that the trustee or other lender, acting under the aforesaid assignment and in accordance with this

Guaranty, shall be entitled to proceed first and directly against the Guarantor under this Guaranty without first proceeding against any other party.

3. SPECIAL COVENANTS

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 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 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.

3.2 Assignment

Without the prior written consent of the CRRA, this Guaranty may not be assigned by the Guarantor, and any such assignment without such written consent shall be void, except as provided in Section 3.1 hereof.

3.3 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 Hartford, Connecticut, as its agent to accept and acknowledge on 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 such 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 agent 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.

4. MISCELLANEOUS

4.1 Binding Effect

This Guaranty shall inure to the benefit of the CRRA and its successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

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 CRRA and of the Guarantor.

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.

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.

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.

4.6 Governing Law

This Guaranty shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

5. TERM OF GUARANTY

5.1 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 ____ day of ____, 2007.

SEAL

[Contractor]

By: _____
Name: _____
Title: _____

Accepted and agreed as of the
____ day of ____, 2007.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT E

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

**PERFORMANCE GUARANTEES OF UPDATED
IPC**

PERFORMANCE GUARANTEES OF UPDATED IPC

Contractor shall accept and process in accordance with the terms of this Agreement all Acceptable Recyclables delivered to the Contractor by CRRA or its agents to the Updated IPC, the Transfer Stations, or any other location mutually agreed upon by CRRA and Contractor. In addition, the Updated IPC shall achieve the following throughput performance guarantees throughout the term of the Agreement:

- (a) Paper – 350 tons per processing day.
- (b) Containers – 210 tons per processing day.

Notwithstanding Contractor's disposal and payment obligations under **Section 3.25** of **Exhibit A** herein, Contractor's processing of Acceptable Recyclables shall not generate more than the following Residue rates in achieving the above throughput performance guarantees:

- (a) Paper Residue not to exceed Five (5%) per cent.
- (b) Container Residue not to exceed Ten (10%) per cent.

EXHIBIT F

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

ACCEPTANCE TEST CRITERIA

ACCEPTANCE TEST CRITERIA

[Acceptance Test Criteria will be negotiated between CRRA and the successful Proposer based on the characteristics of the proposed processing system. The negotiated Acceptance Test Criteria will be inserted in this section.]

EXHIBIT G

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

HOURLY RATES

HOURLY RATES

[The Hourly Rates associated with the Connecticut Prevailing Wage Requirements will be obtained by CRRA from the Connecticut Department of Labor and inserted in this section prior to approval of the Agreement.]

EXHIBIT H

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

PAYROLL CERTIFICATION FORM

PAYROLL CERTIFICATION FORM

[The Payroll Certification Form associated with the Connecticut Prevailing Wage Requirements will be obtained by CRRA from the Connecticut Department of Labor and inserted in this section prior to approval of the Agreement.]

EXHIBIT I

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

CONTRACTOR'S WAGE CERTIFICATION FORM

CONTRACTOR'S WAGE CERTIFICATION FORM

[The Contractor's Wage Certification Form associated with the Connecticut Prevailing Wage Requirements will be obtained by CRRA from the Connecticut Department of Labor and inserted in this section prior to approval of the Agreement.]

EXHIBIT J

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

[SAMPLE] MONTHLY REPORT

[SAMPLE] MONTHLY REPORT

(To be submitted 7th day following the last day of the month)

1. Total Incoming Tons

Combined Container/Paper Tons: _____

2. Monthly Per Ton Payment Amount: \$ _____

3. Total Amount Payable to CRRA: \$ _____

4. Commodity Revenue Schedule

Commodity	Tons Shipped	Price Per Ton	Gross Revenue	Freight	Net Revenue
ONP #6 – or Loose					
ONP #8					
OCC #11					
Commercial Paper Grades					
Ferrous					
Aluminum					
Aluminum Foil					
Plastic – PET					
Plastic – HDPE Natural					
Plastic – HDPE Pigmented					
Glass – Flint or Clear					
Glass – Amber or Brown					
Glass – Green					
Glass – Mixed (1)					
Aseptic Packaging					
C3MC Cullet					

5. Residue Tons

Fibers: _____

Containers: _____

6. Residue tons as percent of total shipped tons: _____

7. Residue Disposal Costs

(Note: To be disposed at \$0 at the Mid-Ct WPF provided that the total residue tons are equal to or less than 3% of total Paper tons received and equal to or less than 5% of total Containers received)

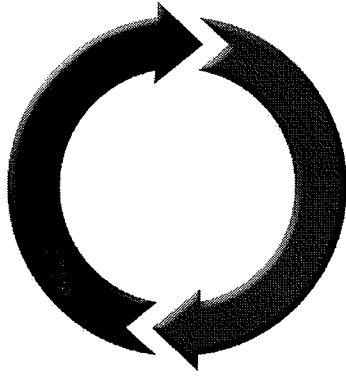
Transportation and handling costs per ton: _____

EXHIBIT K

To

**AGREEMENT FOR DESIGN, UPGRADE, RETROFIT, AND
OPERATION/MAINTENANCE SERVICES FOR THE
STRATFORD INTERMEDIATE PROCESSING CENTER**

**BRIDGEPORT PROJECT PERMITTING,
DISPOSAL AND BILLING PROCEDURES**



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

BRIDGEPORT PROJECT

**PERMITTING, DISPOSAL AND BILLING
PROCEDURES**

Effective July 1, 2004

CONNECTICUT RESOURCES RECOVERY AUTHORITY
BRIDGEPORT PROJECT
PERMITTING, DISPOSAL AND BILLING PROCEDURES

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1. GENERAL

1.1 Definitions

As used in these procedures, the following terms shall have the meanings as set forth below:

- (a) **“Acceptable Solid Waste”** shall include Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of any Participating Municipality, and deemed acceptable by the Authority in accordance with all applicable federal, state and local laws as well as these procedures for processing by and disposal at the Waste Facilities. Pursuant to subsection (7) below the Authority may agree in writing that Solid Waste originating from sources outside Participating Municipalities be deemed Acceptable Solid Waste, so long as it otherwise complies with the requirements specified herein. Acceptable Solid Waste shall include but is not limited to the following:
 - (1) Scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness;
 - (2) Single trees and large tree limbs not exceeding six (6) feet in length or four (4) inches in diameter and with branches cut to within six (6) inches of the trunk or limb, as the case may be;
 - (3) Metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and a half (1 1/2) inches in diameter;
 - (4) Cleaned and emptied calls or drums not exceeding five (5) gallons in capacity and with covers removed;
 - (5) Automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any to be determined by the Authority on a day-to-day basis;
 - (6) Paper butts or rolls, plastic or leather strappings or similar materials not exceeding three (3) feet in length or three (3) inches in thickness and Cut in half lengthwise;
 - (7) Non-processible Waste as defined herein; and
 - (8) Any other Solid Waste deemed acceptable by the Authority in its sole discretion. Acceptable Solid Waste shall not include any unacceptable Non-Processible Waste, Recycling Residue, Recyclables or other materials required to be recycled in accordance with Connecticut General Statutes, and/or Special Waste unless such foregoing unacceptable waste is

approved by the Authority in accordance with these procedures for disposal at any of the Waste Facilities or any materials or waste that are or may in the future be required by law and/or regulation to be recycled.

- (b) “**Account**” shall mean a statement of transactions during a fiscal period arising from a formal business arrangement between the Authority and a person, firm or Participating Municipality providing for the use the Facilities and the services in connection therewith.
- (c) “**Authority**” or “**CRRA**” shall mean the Connecticut Resources Recovery Authority, a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut.
- (d) “**Bulky Waste**” shall mean construction, demolition and/or land clearing debris.
- (e) “**By-Pass Waste**” shall include Acceptable Solid Waste that is ordinarily processed at the Facility but is instead diverted by the Authority for disposal at any other site designated by the Authority.
- (f) “**Designee**” shall mean
 - (1) in the case of a Participating Municipality, a company/entity contracted for and/or licensed by said Participating Municipality to haul waste generated within the boundaries of said Participating Municipality; or
 - (2) in the case of the Authority, any company/entity contracted or authorized by the Authority to haul waste.
- (g) “**Facility**” shall mean the Authority's Bridgeport resources recovery facility located at 8 Howard Avenue in Bridgeport, Connecticut.
- (h) “**Facilities**” shall mean the Waste Facilities.
- (i) “**Hazardous Waste**” shall include any material or substance which is, by reason of its composition or its characteristics or its delivery to the Facility (a) defined as hazardous waste in the Solid Waste Disposal Act, 42 U.S.C. §6901 et seq., and any regulations, rules or policies promulgated hereunder, (b) defined as hazardous waste in Section 22a-115 of the Connecticut General Statutes, (c) defined as special nuclear material or by-product material in Section 11 of the Atomic Energy Act of 1954, 42 U.S.C. §2014, and any regulations, rules or policies promulgated hereunder, or (d) regulated under Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605; (e) and any regulations, rules or policies promulgated thereunder, as any of the statutes referred to in clauses (a) through (d) above may be amended; provided, however, that Hazardous Waste shall not include such insignificant quantities of any of the wastes covered by clauses (a), (b) and (d) as are customarily found in normal household, commercial and industrial waste to the extent such insignificant quantities are

permitted by law to be treated and disposed of at the Facility or at sanitary landfills, as applicable. Hazardous Waste shall also include such other waste as deemed by the Authority in its sole discretion to be "Hazardous Waste."

- (j) "**Landfill**" shall mean any real property used by any Participating Municipality and the Authority for the disposal of Recycling Residue, By-Pass Waste, Non-Processible Waste, Special Waste and residue from the processing and/or incineration of Acceptable Solid Waste at the Facility.
- (k) "**Member Municipality**" shall mean a Municipality that has contracted with the Authority for waste management services.
- (l) "**Mixed Load**" shall mean Solid Waste from more than one Participating Municipality stored and carried in a single vehicle, roll-off box or trailer and delivered to any of the Facilities.
- (m) "**Municipal Solid Waste Management Services Contract**" or "**MSA**" shall mean the contract between the Authority and a Participating Municipality for the processing and disposal at the Facilities of all Acceptable Solid Waste generated by the Participating Municipality within its boundaries.
- (n) "**Non-Processible Waste**" shall include Acceptable Solid Waste that cannot be processed at the Facility and is normally disposed of at a Landfill, provided that the individual items of such Acceptable Solid Waste are 2,000 pounds or less in weight and physically of such size as to fit without compaction into an area having dimensions of three (3) feet by six (6) feet by seven (7) feet, including but not limited to the following:
 - (1) Household furniture, chairs, tables, sofas, mattresses, appliances and rugs;
 - (2) Individual items such as blocks of metal that would in the Authority's sole discretion and determination cause damage to the Waste Facilities if processed and/or incinerated therein;
 - (3) Bathroom fixtures, such as toilets bathtubs and sinks;
 - (4) Purged and emptied propane, butane and acetylene tanks with valves removed exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by the Authority on a day-to-day basis; and
 - (5) Any other Acceptable Solid Waste deemed by the Authority in its sole discretion to be Non-Processible Waste.
- (o) "**Operator**" or "**Operators**" shall mean the organization or personnel in such organization under contract with the Authority for the operation of any of the Facilities.

- (p) **“Participating Municipality”** shall mean any town, city, borough or other political subdivision of and within the State of Connecticut, having legal jurisdiction over solid waste management within corporate limits, and which has executed a Municipal Solid Waste Management Services Contract or made special arrangements with the Authority for the processing and disposal of Acceptable Solid Waste at the Facilities.
- (q) **“Permittee”** shall mean those persons, organizations, corporations, firms, governmental agencies, or other entities who have submitted a permit application to the Authority and have been authorized to use the Facilities by the Authority.
- (r) **“Permit Number”** shall mean the vehicle identification number assigned by the Authority to a Permittee’s waste transportation vehicle for use at the Facilities.
- (s) **“Private/Non-Commercial Hauler”** shall mean a person or firm who does not derive income from the collection, transportation or disposal of waste.
- (t) **“Project”** shall mean the Facilities constituting the Authority's Bridgeport Project.
- (u) **“Recyclables”** shall mean those items to be received in a commingled or segregated state and processed at the IPC, to include, and only include, segregated newspaper and cardboard, junk mail and magazines, co-mingled glass food and beverage containers, metal food and beverage containers, Plastic Containers, and such other items to be designated by SWEROC and the Authority and consented to by Vender, which consent shall not be unreasonable withheld. Such other items may include, but not be limited to, office paper and computer paper. In no case shall “Recyclable” be deemed to include any material or substance defined as a Hazardous Waste.
- (v) **“Solid Waste”** shall mean unwanted and discarded solid materials, consistent with the meaning of that term pursuant to Section 22a-260(7) of the Connecticut General Statutes, excluding semi-solid, liquid materials collected and treated in a municipal sewerage system.
- (w) **“Transfer Station”** shall mean any of the following facilities, including all roads appurtenant thereto, owned and/or operated by the Authority for receiving Acceptable Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal: the Authority's solid waste transfer stations located in Greenwich, Darien, Norwalk, Westport, Fairfield, Trumbull and Milford.
- (x) **“Unacceptable Waste”** shall include:

- (1) Explosives, pathological or biological waste, hazardous chemicals or materials, paint and solvents, regulated medical wastes as defined in the EPA Standards for Tracking and Maintaining Medical Wastes, 40 C.F.R. Section 259.30 (1990), radioactive materials, oil and oil sludges, dust or powders, cesspool or other human waste, human or animal remains, motor vehicles, liquid waste (other than liquid Solid Waste derived from food or food by-products), and hazardous substances of any type or kind (including without limitation those substances regulated under 42 U.S.C. §6921-6925 and the regulations thereto adopted by the United States Environmental Protection Agency pursuant to the Resource Recovery Conservation and Recovery Act of 1976, 90 Stat. 2806 et. seq. 42 U.S.C. §6901 et. seq.), other than such insignificant quantities of the foregoing as are customarily found in normal household and commercial waste and as are permitted by state and federal law;
 - (2) Any item of waste that is either smouldering or on fire;
 - (3) Waste in quantities and concentrations which require special handling in their collection and/or processing such as bulk items, junked automobiles, large items of machinery and equipment and their component parts, batteries or waste oil;
 - (4) Any other items of waste that would be likely to pose a threat to health or safety, or damage the processing equipment of the Facilities (except for ordinary wear and tear), or be in violation of any judicial decision, order, or action of any federal, state or local government or any agency thereof, or any other regulatory authority, or applicable law or regulation;
 - (5) Any Solid Waste that is deemed by the Authority in its sole discretion to be not in conformance with the requirements for Acceptable Solid Waste or Non-Processible Waste as set forth in these procedures; and
 - (6) Any other waste deemed by the Authority in its sole discretion for any reason to be Recyclables and/or Unacceptable Waste, including but not limited to waste generated by a source which is not authorized by the Authority to deliver waste to any of the Facilities.
- (y) **“Waste Facilities”** shall mean the Facility and all Transfer Stations of the Project.
- (z) **“Waste Hauler”** shall mean a person or firm, including a “collector” as defined in Section 22a-220a(g) of the Connecticut General Statutes, whose main source of income is derived from the collection, transportation, and/or disposal of waste.

1.2 Preamble

These procedures may be amended by the Authority from time to time. Anyone obtaining a new permit or renewal of an existing permit should contact the Authority at (860) 757-7700 in order to obtain a copy of the procedures in effect. Additional copies of these procedures may be obtained at the cost of reproduction and postage. The procedures are also available on the Authority's website at www.CRRA.org.

1.3 General Principles of Interpretation

- (a) The captions contained in these procedures have been inserted for convenience only and shall not affect or be effective to interpret, change or restrict the express terms or provisions of these procedures.
- (b) The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice-versa, whenever the context of these procedures so requires.
- (c) The Authority reserves the right to amend these procedures and the definitions herein from time to time as it deems necessary in its sole discretion.
- (d) These procedures are intended to comply and be consistent with each Municipal Solid Waste Management Services Contract for the Project. In the event of any conflict between these procedures and any Municipal Solid Waste Management Services Contract for the Project, the latter shall control.

2. PERMITTING

2.1 Permit Application

- (a) These procedures constitute the Authority's minimal requirements for use of the Facilities. The Operators and each Participating Municipality having jurisdiction over any of the Facilities may have or impose additional requirements for such use, all of which requirements must be met and complied with by each applicant and Permittee hereunder. In the event that any provisions of these procedures conflicts with any such additional requirements, the more stringent requirement will control and prevail, and to the extent such more stringent requirement is not set forth in these procedures, it shall be deemed to be incorporated by reference and made a part of these procedures as if it had been fully set forth herein.
- (b) Any Waste Hauler, Private Non-Commercial Hauler, Participating Municipality, or any other person or entity that desires to use the Facilities shall obtain a permit in accordance with these procedures before delivering to and/or removing waste from the Facilities.

- (c) Each applicant for a permit shall complete a permit application and provide to the Authority all of the necessary information requested thereon, including but not limited to:
- (1) The identification of each vehicle owned, leased or operated by the applicant or its agents and employees and to be used by the applicant;
 - (2) Origin of all waste that applicant will collect; and
 - (3) All certificates of insurance that the applicant is required to provide pursuant to Section 3 hereof.

In connection with the foregoing, each applicant shall also execute and submit to the Authority all documents attached to the permit application, including but not limited to:

- (1) A Solid Waste Delivery Agreement (if applicable);
- (2) An Attestation Agreement;
- (3) An Indemnification Agreement;
- (4) Credit Agreement; and
- (5) A security deposit in the form and amount acceptable to the Authority or any other document required by the Authority at the Authority's sole and absolute discretion.

2.2 Submission of Permit Application

- (a) Upon applicant's completion of the permit application and execution of all documents attached thereto, the applicant shall submit such permit application and documents and pay the applicable permit fees to the Authority.
- (b) Pursuant to the submission of a Permit Application to the Authority, each applicant and Permittee hereby agrees to cooperate with the Authority or the Authority's Designee in any matter affecting the orderly operation of the Facilities and to fully abide by and comply with these procedures. In addition to the foregoing, each applicant and Permittee acknowledges and agrees that any failure to cooperate with the Authority or the Authority's Designee to abide by or comply with these procedures shall result in fines and/or suspension or revocation of disposal privileges at the Facilities.

2.3 Guaranty of Payment

- (a) Permittee shall submit along with its permit application a guaranty of payment satisfactory to the Authority in all respects and in the form of either a letter of credit,

a suretyship bond, cash, or a cashier's check and in an amount sufficient to cover at least two (2) months' of waste disposal charges as estimated by the Authority.

- (b) At its sole and absolute discretion, the Authority may review a Permittee's guaranty amount under Section 2.3(a) above and require the Permittee to increase its guaranty amount in the event the average monthly delivery rate of Permittee varies by 10% or more. The Authority shall review a Permittee's guaranty amount as detailed in the foregoing sentence at least semi-annually.
- (c) If Permittee submits to the Authority either a letter of credit or suretyship bond, Permittee shall within sixty (60) days before the expiration of the same renew such letter of credit or suretyship bond and furnish the renewed letter of credit or suretyship bond to the Authority. If the Permittee's letter of credit or suretyship bond is canceled, terminated, or deemed inadequate by the Authority, Permittee shall immediately submit to the Authority a new letter of credit or suretyship bond that complies with the requirements of this Section 2.3.
- (d) If Permittee fails to comply with any of the requirements of this Section 2.3, the Authority may deny the Permittee any further access to the Facility and/or revoke and/or suspend the Permittee's permit for the same.

2.4 Issuance and Renewal of Permit

- (a) Provided that the applicant has submitted its permit application and all other documents required to be submitted hereunder to the Authority, applicant has paid to the Authority the applicable permit fees and such Permit Application and documents are complete and satisfactory in all respects to the Authority, then the Authority may issue a permit to the applicant.
- (b) Upon the issuance of a permit:
 - (1) The Permittee shall be assigned an Account number;
 - (2) All of the vehicles listed on the Permittee's permit application shall be assigned a decal with a Permit Number, which decal shall be prominently and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator and as designated by the Authority;
 - (3) Each Permittee's Roll-off Boxes and Trailers shall be assigned a decal and the decal shall be prominently and permanently affixed by the Permittee in a location clearly visible to the scalehouse operator, as designated by the Authority; and
 - (4) Trucks arriving at the scale house without the assigned Authority Permit Number displayed shall be denied access to the Facility.

- (c) Permits issued during the fiscal year of July 1 through June 30 are effective and valid until the end of such year unless otherwise revoked by the Authority. Permits cannot be assigned or transferred. In order to effectively renew an existing permit, the Permittee shall complete and submit to the Authority a renewal permit application together with the pertinent renewal fee for the same within twenty (20) days before the end of each fiscal year. The renewal fees to be paid by each Permittee hereunder shall be determined by the Authority on an annual basis. Any Permittee who fails to perform its renewal obligations under this Section 2.4(c) shall be denied access to the Facilities by the Authority until such Permittee performs such renewal obligations.
- (d) At its sole and absolute discretion, the Authority may issue a Permittee a Temporary Permit for a vehicle not currently authorized under Section 2. A Temporary Permit may be issued for a substitute vehicle due to an emergency breakdowns and/or the use of a demonstration vehicle. Temporary Permits are valid for up to six (6) days and may be issued once every 60 days, per company. During any time period when a Permittee's vehicle is denied disposal privileges, no Temporary Permits will be granted to the Permittee.

2.5 Tare Weights

- (a) Tare weights of all vehicles, trailers and roll-off boxes shall be established after delivery of the first load under a new permit at the Facility. Such tare weights shall be obtained at the direction and under the procedures set forth by the Facility's scale house.
- (b) After the initial tare weights have been obtained, the Authority and/or the Operator may require the verification of tare weights on a random basis to verify the weight records. Haulers shall cooperate with the Authority and/or the Operator to provide such data as required.
- (c) Haulers may request spot tare weight checks for their trucks only if the spot checks do not negatively impact the operations of the Facility as determined by the Authority at its sole and absolute discretion.
- (d) At the direction of the Authority or the Authority's Designee, haulers failing to comply with the foregoing tare weight procedures shall be billed as follows:
 - (1) The vehicles last known tare weight; or
 - (2) A maximum 22 net tons.
- (e) If hauler fails to comply with the terms of this Section 2.5 and hauler(s) is billed in accordance with subsection (d) above, then hauler's disposal privileges shall be denied until hauler complies with the terms of this Section 2.5.

2.6 Miscellaneous

- (a) If the Permittee acquires any vehicle that is not authorized under the Permittee's permit, then the Permittee shall submit an amended permit application to the Authority pursuant and subject to the above procedures set forth in this Section 2.
- (b) Permittee is responsible for all charges, costs, expenses, disposal fees, and fines incurred under its permit.
- (c) If Permittee's permit is lost or stolen, Permittee is responsible for all costs, charges, expenses, disposal fees and fines incurred until said Permittee notifies the Authority in writing of the lost or stolen permit.
- (d) Permittee shall give the Authority advance written notice of any changes in such Permittee's business operation that would have a material effective on Permittee's delivery schedules or weight records and shall include the effective dates of such changes. Such changes of Permittee's business operation shall include, but not be limited to, the following:
 - (1) Changes in name or mailing address;
 - (2) Changes in phone number; or
 - (3) Change in physical location of Permittee's business.
 - (4) Changes in the Permittee's business structure, including but not limited to the acquisition of other hauling companies, that would impact Permittee's volume of waste deliveries to the Waste Facilities.

2.7 Municipal Permits

If Participating Municipality requires haulers to register or obtain a permit to haul, all Permittees shall be required to register with such Participating Municipality from which it will collect from and deliver waste. Each Participating Municipality may establish its own permit, registration, and/or inspection requirements, which must be followed by the Permittees in addition to these procedures.

3. INSURANCE

3.1 Insurance

- (a) Each Permittee shall procure and maintain, at its own cost and expense, throughout the term of any permit issued to such Permittee, the following insurance, including any required endorsements thereto and amendments thereof:
 - (1) Commercial general liability insurance alone or in combination with, commercial umbrella insurance with a limit of not less than one million

(\$1,000,000.00) dollars each occurrence covering liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insurance contract (including the tort liability of another assumed in a business contract).

- (2) Business automobile liability insurance alone or in combination with commercial umbrella insurance covering any auto (including owned, hired, and non-owned autos), with a limit of not less than one million (\$1,000,000.00) dollars each accident.
 - (3) Workers' compensation insurance with statutory limits and employers' liability limits of not less than five hundred thousand (\$500,000.00) dollars each accident for bodily injury by accident and five hundred thousand (\$500,000.00) dollars for each employee for bodily injury by disease.
- (b) Each applicant or Permittee shall submit along with its permit or permit renewal application to the Authority an executed original certificate or certificates for each above required insurance certifying that such insurance is in full force and effect and setting forth the requisite information referenced in Section 3.1(c) below. Additionally, each Permittee shall furnish to the Authority within thirty (30) days before the expiration date of the coverage of each above required insurance a certificate or certificates containing the information required in Section 3.1(c) below and certifying that such insurance has been renewed and remains in full force and effect.
- (c) All policies for each insurance required above shall:
- (1) Name the Authority as an additional insured (this requirement shall not apply to automobile liability or workers' compensation insurance);
 - (2) Include a standard severability of interest clause;
 - (3) Provide for not less than thirty (30) days' prior written notice to the Authority by registered or certified mail of any cancellation, restrictive amendment, non-renewal or change in coverage;
 - (4) Hold the Authority free and harmless from all subrogation rights of the insurer; and
 - (5) Provide that such required insurance hereunder is the primary insurance and that any other similar insurance that the Authority may have shall be deemed in excess of such primary insurance.
- (d) All policies for each insurance required above shall be issued by insurance companies that are either licensed by the State of Connecticut and have a Best's Key

Rating Guide of A-or better, or otherwise deemed acceptable by the Authority in its sole discretion.

- (e) Subject to the terms and conditions of this Section 3.1, any applicant or Permittee may submit to the Authority documentation evidencing the existence of umbrella liability insurance coverage in order to satisfy the limits of coverage required hereunder for commercial general liability, business automobile liability insurance and employers' liability insurance.
- (f) If any Permittee fails to comply with any of the foregoing insurance procedures, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for same.
- (g) No provision of this Section 3.1 shall be construed or deemed to limit any Permittee's obligations under these procedures to pay damages or other costs and expenses.
- (h) The Authority shall not, because of accepting, rejecting, approving, or receiving any certificates of insurance required hereunder, incur any liability for:
 - (1) The existence, nonexistence, form or legal sufficiency of the insurance described on such certificates;
 - (2) The solvency of any insurer; or
 - (3) The payment of losses.
- (i) For purposes of this Section 3, the terms applicant or Permittee shall include any subcontractor thereof.

3.2 Indemnification

Permittee shall at all times defend, indemnify and hold harmless the Authority, 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, fines, 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) the Authority, any Operator, or any of their respective directors, officers, employees, agents or subcontractors or (b) Permittee 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 Permittee or any of its directors, officers, employees, agents or subcontractors. Permittee further undertakes to reimburse the Authority for damage to property of the Authority caused by Permittee or any of its directors, officers, employees, agents or subcontractors. The existence of insurance shall in no way limit the scope of this indemnification. Permittee's obligations under this Section 3.2 shall survive the termination or expiration of Permittee's permits.

4. OPERATING AND DISPOSAL PROCEDURES

4.1 Delivery of Acceptable Solid Waste

Each Permittee shall deliver Acceptable Solid Waste to those Waste Facilities designated by the Authority, or as otherwise allowed pursuant to a Bridgeport Solid Waste Delivery Agreement executed by the Authority and the Permittee.

4.2 Access to the Facility

Access to the Facility by vehicles delivering Acceptable Solid Waste from outside the City of Bridgeport shall be by State Highway or Interstate Highway entrances to I-95 and proceeding to I-95 off-ramps closest to the destination. From the off-ramps, vehicles shall use only roads that access the Facility. Road shall not be used for through-access to the Facility. More restrictive criteria may be promulgated as required by local conditions and shall be strictly adhered to by all Permittees.

4.3 Temporary Emergency Access to the Facility

The Authority staff, in their sole discretion and subject to any conditions or restrictions that they deem appropriate, may on a case-by-case basis allow a Permittee temporary emergency access to the Facility for the purpose of delivering Acceptable Solid Waste to the same with a vehicle, roll-off box or trailer that is not authorized pursuant to these procedures to do so; provided, that such Permittee notifies the Authority staff at least twenty-four (24) hours in advance of Permittee's need for such temporary emergency access.

4.4 Hours for Delivery

- (a) The operating hours, including the list of holidays, can be obtained by contacting the Authority's Billing Department at (860)-757-7700 or visiting the Authority's website at www.CRRA.org.
- (b) The Authority may, with at least thirty (30) days prior written notice, change the hours of operation for any of the Facilities. Holiday and emergency closings and any schedule of make-up hours will be posted as needed at each of the Facilities.

4.5 Disposal Procedures

- (a) Subject to any terms and conditions that the Authority may require, the Authority may direct that Non-Processible Waste and/or Special Waste be delivered directly to either a Landfill or any other site.
- (b) Only vehicles with mechanical or automatic unloading/dumping capability will be allowed access to the Facilities. Only vehicles with back-up lights and audible warning signals that are properly functioning and in compliance with all applicable federal, state and local laws or regulations shall be allowed access to the Facilities.

- (c) The doors of all vehicles shall be clearly marked with the business name and address of the Permittee. Any vehicle that is not properly marked shall be denied access to the Facilities.
- (d) All vehicle traffic will be directed by the Operator.
- (e) No vehicles shall approach any scale until directed by the Operator. Each vehicle shall have its driver side window completely rolled down from the time such vehicle drives onto the inbound scale until it has discharged its load and passed over or by the outbound scale.
- (f) The speed limit on all roadways of the Facilities is 15 m.p.h., unless otherwise posted.
- (g) When directed, a driver shall proceed with caution to the tipping floor or bay and deposit loads. Drivers shall proceed promptly yet safely to deposit loads in order to minimize vehicle waiting time.
- (h) Unacceptable Waste shall not be delivered by any Permittee or vehicle to any of the Facilities. In the event that Unacceptable Waste is delivered to any of the Facilities, the Authority and its agents, employees or Operators may choose to reload the Unacceptable Waste back on to the offending vehicle. In connection therewith, the Authority may at its sole discretion, issue a verbal and written warning to the Permittee of the offending vehicle and/or charge such Permittee a reloading fee of five hundred (\$500.00) dollars. The Authority may impose a reloading charge of one thousand (\$1,000.00) dollars for each subsequent violation. The Authority may revoke the permit of any Permittee who fails to pay a reloading charge. In addition to the foregoing remedies for the delivery of Unacceptable Waste, the Authority may
 - (1) Detain the driver and the offending vehicle until representatives from DEP have inspected the Unacceptable Waste and made recommendations, and/or
 - (2) Take whatever corrective action the Authority in its sole discretion deems necessary at the sole cost and expense of the Permittee whose vehicle delivered the Unacceptable Waste, including but not limited to excavating, loading, transporting and disposing of the Unacceptable Waste, revoking such Permittee's permit and imposing against such Permittee any fines or charges.
- (i) All trucks must remain tarped until they are in the disposal area and out of the operation's way.
- (j) No drainage of roll-off boxes is allowed on the premises of any Facilities.
- (k) Roll-off boxes shall not be turned around on site.

- (l) All vehicles and roll-off boxes/trailers shall be covered, not leaking, and maintained in a safe and sanitary condition.
- (m) Drivers must latch and unlatch packers in the disposal area.
- (n) Drivers who wish to hand clean their truck blades must do so in areas designated by the Operators.
- (o) Upon the direction of the Operators, vehicle drivers shall discharge loads in a specially designated area to facilitate load verification.
- (p) Hand sorting, picking over or scavenging dumped waste is not permitted at any time.
- (q) All vehicles and personnel shall proceed at their own risk on the premises of all Facilities.
- (r) No loitering is permitted at any of the Facilities.
- (s) Smoking of tobacco products is prohibited at all Facilities except in designated smoking area(s). The possession and/or drinking of alcohol as well as the possession and/or use of drugs at any time while on the premises of any of the Facilities is strictly prohibited.
- (t) At all times while on Facilities' premises, the drivers shall comply with the Operator's instructions.
- (u) Other procedures for the Facilities may be promulgated over time by the Authority and when issued must be strictly obeyed.
- (v) Anyone violating any provision of Sections 22a-220, 22a-220a(f) or 22a-250 of the Connecticut General Statutes or any other federal, state or local law or regulation shall be reported by the Authority to the appropriate authorities.

4.6 Weight Tickets

- (a) The driver of each truck disposing of waste shall be presented a weight ticket from the scale house attendant. The ticket shall indicate date, hauler's company name, vehicle and container identification numbers, gross weight, tare weight, net weight, origin of waste and time. Each driver will be responsible for identifying the community for which he is hauling.
- (b) If a driver fails to sign for or receive a weight ticket, the appropriate hauling company shall be billed for such delivery as if a weight ticket had been signed and received.

- (c) Drivers are responsible for checking weight tickets for accuracy. All discrepancies should be brought to the attention of the Authority and/or the scale operator as soon as possible. CRRA assumes no responsibility for unreported errors.
- (d) At the discretion and request of the Authority, the Permittee/hauler shall disclose to the Authority the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.
- (e) The Permittee/hauler shall use its best efforts to identify and provide the Authority written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable the Authority to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.

4.7 Delivery of Mixed Loads of Acceptable Solid Waste From Multiple Participating Municipalities

- (a) Delivery of Mixed Loads of Acceptable Solid Waste from Multiple Participating Municipalities ("Acceptable Mixed Loads") will be accepted by the Authority only if the following criteria are met:
 - (i) The Acceptable Mixed Loads do not contain any Acceptable Solid Waste that originated from a non Participating Municipality.
 - (ii) The entire Acceptable Mixed Load must contain Acceptable Solid Waste that would otherwise have been billed to the Permittee.
 - (iii) At the discretion and request of the Authority, the Permittee/hauler shall disclose to the Authority the quantity of Acceptable Solid Waste from each Participating Municipality in the Acceptable Mixed Load(s) for which Permittee/hauler is hauling.
 - (iv) The Permittee/hauler shall use its best efforts to identify and provide the Authority written evidence of the origin of the Acceptable Solid Waste in its Acceptable Mixed Loads to enable the Authority to properly determine each Participating Municipality's volume of delivered Acceptable Solid Waste.
 - (v) Permittee/hauler shall not deliver any Acceptable Mixed Load to any Waste Facility unless all of the Acceptable Solid Waste in the Acceptable Mixed Load is authorized to be disposed of at such Waste Facility.

- (vi) Any delivery of an Acceptable Mixed Load must be billed in its entirety to the Permittee/hauler that delivers the Acceptable Mixed Load to the Waste Facility.

5. BILLING

5.1 Payment of Invoices

Invoices shall be issued by the Authority and payable as follows: The Authority shall issue an invoice to each Permittee, at a minimum, an invoice to each Permittee on a monthly basis, and each Permittee shall pay such invoice within twenty (20) days from the date of such invoice or within the time specified in Permittee's specific contract with the Authority.

5.2 Liability for Payment of Invoices

Any Permittee who delivers waste to the Facility by means of any vehicle, roll-off box or trailer that is owned, leased or operated by such Permittee or by any other Permittee, person or entity shall be responsible for the payment of any invoice issued by the Authority in connection with such delivery of waste, and the subsequent disposal or processing thereof by the Authority.

5.3 Past Due Invoices

- (a) If a Permittee fails to pay in full any invoice issued by the Authority pursuant to Section 5.1 on or before the close of business of the twentieth (20th) day following the date of such invoice, then such invoice shall be deemed past due and a delayed payment charge of one percent (1%) of the amount past due shall be imposed commencing on the thirtieth (30th) day following the invoice date and continuing on a monthly basis following such thirty (30) day period until such invoice is paid in full. If a Permittee's specific contract language with the Authority differs from the foregoing, then the specific contract language of Permittee shall prevail.
- (b) In accordance with Connecticut General Statutes Section 22a-220c(c), if a hauler is delinquent in paying any invoice to the Authority for three consecutive months, then the Authority must notify any municipality served by hauler of hauler's delinquency.

5.4 Miscellaneous

If any Permittee fails to pay any invoice under this Section 5 by the due date for such invoice, then the Authority may in its sole discretion deny such Permittee any further access to the Facilities and/or suspend or revoke its permit for the same until such Permittee pays in full to the Authority all past due invoices including any interest thereon. Additionally, the Authority may in its sole discretion pursue any remedies available to it at law or in equity, including but not limited to procuring the amounts owed from such Permittee's guaranty of payment, in order to collect such amounts. In connection therewith, the Permittee shall also be liable for all costs, expenses or attorneys' fees incurred by the

Authority in collecting the amounts of past due invoices owed by such Permittee to the Authority, whether or not suit is initiated.

5.5 Return Check Policy

- (a) For each check returned to the Authority, the Permittee will be charged a processing fee of \$50.00. In addition, Permittee must immediately submit a replacement check in the full amount by either a bank or certified check and/or may be denied access to the facilities until such payment is received and processed by the Authority.
- (b) Permittees who have two returned checks within a four (4) month billing period will be required to submit all future payments by either bank or certified check for minimum period of six (6) months or longer.

5.6 Disputes on Billing

In the event of a dispute on any portion of any invoice, the Permittee shall be required to pay the full amount of the disputed charge(s) when due, and the Permittee shall, within thirty (30) days from the date of the disputed invoice, give written notice of its dispute to the Authority. Such notice shall identify the disputed bill/invoice, state the amount in dispute and set forth a detailed statement of the grounds on which such dispute is based. No adjustment shall be considered or made by the Authority for the disputed charge(s) until notice is given as aforesaid.

6. SANCTIONS

6.1 Sanctions

- (a) Permittee must adhere to the terms of these Procedures. In addition to the other remedies available to the Authority hereunder, the Authority may at its sole discretion impose the sanctions, as liquidated damages, against any Permittee who violates any provision of these Procedures. See Appendix A attached hereto for examples of violations and their applicable sanctions but this is not a complete listing of all violations and applicable sanctions.
- (b) In the event that an individual/Permittee disrupts the operation of, or creates a disturbance or acts in an unsafe or unruly manner at any of the Facilities, then the Authority may in its sole discretion prohibit such individual from entering the premises of all or any part of the Project for a period to be determined by the Enforcement/Recycling Director.
- (c) The Authority may in its sole discretion reduce the sanctions authorized in Appendix A if the Authority determines that the circumstances involving the offense warrant such reduction.

- (d) In addition to any other violations of these procedures, sanctions shall be imposed by the Authority for the following:
 - (1) Any breach by Permittee of any of its obligations under these procedures or any agreement between Permittee and the Authority for the delivery of Acceptable Solid Waste by Permittee to the Project;
 - (2) Delivery of waste from a municipality and representing that such waste is from another municipality; and
 - (3) Delivery of an Acceptable Mixed Load(s) of Acceptable Solid Waste that does not conform to the requirements of Section 4.7 herein.
- (e) If a Permittee does not commit a violation during the six (6) month period following the Permittee's most recent violation, then the Permittee's record may be considered clear and any subsequent violation after the six (6) month period may be considered the Permittee's first violation.

6.2 Appeal Process

A Permittee/Hauler will have the right to appeal a monetary violation imposed against it by CRRA to the Appeal Committee.

The following process must be followed to preserve your appeal rights:

- (a) Within 10 days of the date of the monetary violation, Permittee/Hauler must contact the CRRA Field Manager of Enforcement/Recycling in writing via certified mail to 211 Murphy Road, Hartford CT 06114 or facsimile at 860-278-8471 to request the incident report and supporting documentation ("Incident Report") on the violation of issue.
- (b) The Field Manager of Enforcement/Recycling will send Permittee/Hauler the Incident Report via certified mail/return receipt; with a cover letter noting the date your request was received.
- (c) Within 5 days of the receipt of the Incident Report, if Permittee/Hauler has contradicting evidence or other information ("Permittee/Hauler Information") that would contest the Incident Report, Hauler/Permittee must send a letter to the Director of Enforcement/Recycling at 100 Constitution Plaza, Hartford CT 06103, via certified mail/return receipt, explaining the reason for the appeal with a copy of the Permittee/Hauler Information.
- (d) No appeal will be granted if Permittee/Hauler has not submitted evidence which contradicts the Incident Report.
- (e) No appeal will be granted if Permittee/Hauler has not responded in the timeframe outlined above.

- (f) The Appeal Committee shall consist of three (3) members: CRRA Director of Operations or designee, CRRA Controller or designee, and an impartial uninvolved ad hoc hauler member selected from a list of haulers registered to use the CRRA facilities. The hauler selected will be from the facility for which the monetary violation was issued.
- (g) The Appeal Committee will review the Incident Report and Permittee/Hauler Information. The Appeal Committee will notify Permittee/Hauler within 30 business days to come to the CRRA Headquarters. CRRA will conduct an open meeting to discuss the appeal. Within a reasonable time thereafter, the Appeal Committee will issue a decision, by majority vote, whether to grant the appeal. If there is a tie due to abstention, the appeal will be granted. This decision is final.
- (h) If an appeal is granted, the Appeal Committee, in its decision will determine by majority vote, the adjustment, if any, to the violation. If there is a tie due to abstention, no adjustment will be made. The Appeal Committee may decrease or dismiss the sanction, but at no time will a sanction be increased.

7. LEGAL

7.1 Consistency with Municipal Solid Waste Management Services Contract

It is intended that these procedures be consistent with the Municipal Solid Waste Management Services Contract and with the applicable provisions of law. If any inconsistency should nevertheless appear, the applicable provisions of the Municipal Solid Waste Management Services Contract or the laws of the State of Connecticut shall control.

7.2 Governing Law

These Procedures 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.

APPENDIX A

Number of Violations	Safety Violations	Maintenance Violations	Hazardous Waste Violation	Non-Processible Waste Violation	Unacceptable & Misrepresentation of Origin Violation	Truck Route Violation
Examples of Violations (Not limited to)	Speeding; No back-up alarm; Unsecured door	Motor Vehicle Operation; Failure to Follow Instructions; No Tarp	Any Delivery of Hazardous Waste or medical waste to Facilities	Household furniture, white metals, scrap metals, Bulky Waste	Any Delivery of Unacceptable Waste or Misrepresentation of Origin of Delivered Waste	Any Use of Permittee's Vehicle On Non-Authorized Truck Route
1 st	\$250.00	Written Warning to the Permittee	\$1,000.00	Written Warning to the Permittee	Written Warning to the Permittee	Written Warning to the Permittee
2 nd	\$500.00	\$100.00	\$1,500.00	\$100.00	\$500.00	\$250.00
3 rd	\$1,000.00	\$250.00	\$2,000.00	\$250.00	\$1,000.00	\$500.00
4 th	\$1,500.00	\$750.00	\$3,000.00	\$750.00	\$1,500.00	\$1,000.00
5 th	\$2,000.00	\$1,250.00	\$4,000.00	\$1,000.00	\$2,000.00	\$1,500.00
6 th	\$2,500.00	\$2,500.00	\$5,000.00	\$1,500.00	\$2,500.00	\$3,000.00

Notes:

1. First, all Violations are done **By Location**.
2. Second, Violations are done **By Type**.
3. The above list of **Types** does not include a complete list of violations. It is meant to illustrate the types of offenses that may constitute a violation.
4. Disposal privileges may be denied or suspended for serious or repeated violations.
5. Reloading charges may be applicable for certain waste violations and are payable to either CRRRA or the waste-to-energy facility operator, in accordance with the respective waste-to-energy project agreements.