

**TIER 2
MUNICIPAL SOLID WASTE MANAGEMENT
SERVICES AGREEMENT
FOR THE PROVISION OF
ACCEPTABLE SOLID WASTE SERVICES**

BETWEEN

**CONNECTICUT RESOURCES RECOVERY
AUTHORITY**

AND

THE [TOWN/CITY] OF _____

**TIER 2
MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT
FOR THE PROVISION OF
ACCEPTABLE SOLID WASTE SERVICES**

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- EXHIBIT A: Definitions
- EXHIBIT B: Mid-Connecticut Project Permitting, Disposal and Billing Procedures
- EXHIBIT C: Delivery Periods; Scheduled Deliveries; Delivery Caps
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PREAMBLE

This Agreement is made and dated as of the _____ day of _____, _____ (the "Effective Date"), by and between the **CONNECTICUT RESOURCES RECOVERY AUTHORITY** ("CRRA"), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (the "State"), and the **[TOWN / CITY] OF [NAME]** in the State, a municipality and political subdivision of the State (the "Municipality"). CRRA and the Municipality are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, CRRA was established pursuant to the Connecticut Solid Waste Management Services Act (the "Act"), Chapter 446e of the Connecticut General Statutes (the "General Statutes"), as a body politic and corporate, constituting a public instrumentality and political subdivision of the State, for the performance of an essential public and governmental function; and

WHEREAS, under the Act, CRRA has the responsibility and authority to provide Solid Waste disposal and resource recovery systems and facilities, and Solid Waste management services, where necessary and desirable throughout the State; and

WHEREAS, the Municipality has an obligation under Section 22a-220 of the General Statutes to make provision for the safe and sanitary disposal of Solid Waste generated within its corporate boundaries; and

WHEREAS, the Municipality is authorized by Sections 22a-275 and 22a-221 of the General Statutes, inter alia: (i) to enter into a contract with CRRA for Solid Waste processing and disposal services; and (ii) to pay reasonable fees and charges for such services; and

WHEREAS, CRRA owns the Facility, and owns or operates the Transfer Stations; and

WHEREAS, the Parties agree that it is in their mutual interest that CRRA process and dispose of Acceptable Solid Waste generated within the Municipality's corporate boundaries, and the Parties desire to enter into this Agreement to set forth their understandings and agreements in connection therewith; and

WHEREAS, in order to provide the Municipality with options for CRRA's provision of the foregoing services, CRRA created short-term and long-term Tier 1 services, Tier 2 services, Tier 3 services and Tier 4 services; and

WHEREAS, under either Tier 1 services option the Municipality would be required to provide all Acceptable Solid Waste generated within its borders to CRRA; and

WHEREAS, under the Tier 2 services option the Municipality would be subject to both minimum and maximum tonnage requirements with respect to Acceptable Solid Waste provided to CRRA; and

WHEREAS, under the Tier 3 services option, the Municipality would be subject to only a minimum tonnage requirement with respect to Acceptable Solid Waste provided to CRRA; and

WHEREAS, under the Tier 4 services option, the Municipality would be subject to both minimum and maximum tonnage requirements with respect to Acceptable Solid Waste provided to CRRA, and would provide both Acceptable Solid Waste and Acceptable Recyclables to CRRA; and

WHEREAS, the Municipality and each other Participating Municipality shall pay a uniform Base Disposal Fee, and pay certain other fees and charges and receive certain discounts, based on the service option and length of term selected; and

WHEREAS, the Municipality, having reviewed the aforesaid service options and length of terms, has elected to receive Tier 2 services from CRRA;

NOW, THEREFORE, in consideration of the undertakings and agreements hereinafter set forth and in reliance upon the preceding representations, the Parties agree as follows:

1. DEFINITIONS

1.1. Incorporation of Recitals

The recitals to this Agreement are incorporated into the body of this Agreement as a part hereof.

1.2. Specific Definitions

Capitalized terms herein have the meanings ascribed to such terms herein or in **Exhibit A** hereto and a part hereof.

1.3. General Definitions and Construction

As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Agreement include the plural as well as the singular;
- (b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;
- (c) 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 other subdivision; and
- (d) the words “include” and “including” shall be deemed to be followed by the words “without limitation.”

1.4. Incorporation of Procedures

The Procedures attached hereto as Exhibit B are incorporated herein by reference.

2. RESPONSIBILITIES OF THE PARTIES TO SUPPLY AND DISPOSE OF ACCEPTABLE SOLID WASTE; TERM

2.1. Disposal Services to be Provided by CRRA

- (a) Subject to the terms of this Agreement, on and after November 16, 2012 (the “Commencement Date”), and continuing during the Term, CRRA shall accept for processing and disposal, Acceptable Solid Waste delivered or caused to be delivered by the Municipality to the Designated Waste Facility.
- (b) CRRA at its option may process and dispose of Acceptable Solid Waste delivered to the Designated Waste Facility at such Waste Facility, or CRRA may transport any such Acceptable Solid Waste to an Alternate Facility for processing and disposal. Prior to any such transport, CRRA shall verify that such Alternate Facility is properly permitted and acceptable to CRRA. All requirements in this Agreement concerning Acceptable Solid Waste processed and disposed of at the Designated Facility, shall also apply to Acceptable Solid Waste transported to, and processed and disposed of by CRRA at an Alternate Facility. To avoid doubt, Acceptable Solid Waste transported to, and processed and disposed of at an Alternate Facility pursuant to this Section 2.1(b), is not Emergency Bypass Waste.

2.2. Municipality to Supply Acceptable Solid Waste; Scheduled Deliveries; Requirements Regarding Deliveries

- (a) On and after the Commencement Date and continuing during the Term, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility all Acceptable Solid Waste under its control pursuant to its statutory authority or encompassed under its municipal collection program, and generated within its corporate boundaries. Without limitation of the preceding sentence, the Municipality shall in any event deliver or cause to be delivered to the Designated Waste Facility during each Delivery Period, at least the scheduled deliveries (the “Scheduled Deliveries”) listed in Exhibit C for such Delivery Period.
- (b) Subject to Section 5.1, the Municipality shall pay the Tier 2 Disposal Fees and all other amounts payable hereunder, in accordance with the terms hereof.

2.3. Requirements Regarding Acceptable Solid Waste

- (a) The Municipality agrees that the Acceptable Solid Waste delivered by it or on its behalf hereunder:
 - (i) shall be generated within the Municipality’s corporate boundaries, provided that nothing herein shall preclude the Municipality from arranging with any

other Participating Municipality or Participating Municipalities, either through Municipal Collection or Contract Collection as defined in Sections 22a-207(16) and (17) of the General Statutes, for the combined delivery of Acceptable Solid Waste generated within such Participating Municipalities, so long as CRRA has received reasonable prior written notice of such arrangement, which written notice shall set forth in form and substance reasonably satisfactory to CRRA, the method of allocation of such combined Acceptable Solid Waste among such Participating Municipalities, and CRRA has approved such arrangement in writing; and

- (ii) shall otherwise comply with the requirements of this Agreement, the Procedures and all applicable law. To the extent that technical or scientific analyses or determinations are involved, CRRA shall have final authority as to the methods, standards, criteria, evaluation, interpretation and significance of such analyses and determinations.
- (b) The Municipality will permit no new deliveries, and will discontinue or cause to be discontinued current deliveries of Solid Waste that do not comply with the provisions of this Section 2.3. Notwithstanding the foregoing, if any Solid Waste not in compliance with the provisions of this Section 2.3, including any Unacceptable Waste, is delivered by or on behalf of the Municipality to any Waste Facility, the same shall be deemed not accepted by CRRA and if discovered at such Waste Facility, may be transported to and disposed of by CRRA at a suitable location inside or outside the State selected by CRRA. CRRA shall make reasonable efforts to identify and promptly obtain reimbursement from the generator or other Person delivering such nonconforming Solid Waste on behalf of such generator, for all costs incurred by CRRA, including fines or penalties, in connection with the transportation, handling or disposal of such nonconforming Solid Waste.
- (c) The Municipality shall separate (and shall direct each Waste Hauler that the Municipality has the ability to so direct, to separate) all Nonprocessable Waste from other Acceptable Solid Waste, prior to delivery.

2.4. Compliance with Requirements

CRRA shall determine in its sole but reasonable discretion whether the Solid Waste delivered by or on behalf of the Municipality complies with all requirements of this Agreement. Notice of and a copy of such determination, together with any supporting documentation, shall be provided to the Municipality, and shall be deemed to have been made in accordance with this Section 2.4 and to be correct at the expiration of sixty (60) days after such notice, unless within such sixty (60) day period the Municipality shall have filed with CRRA a written objection, stating that such determination is incorrect and stating the changes therein which should be made to correct such determination. CRRA shall accept or reject the Municipality's objection in whole or in part within forty-five (45) days of CRRA's receipt of such objection. Notice and a copy of CRRA's decision with respect to such objection will be provided to the Municipality within three (3) days

of the date of decision. Where CRRA has rejected all or any part of the Municipality's objection, then CRRA, acting by its designated hearing officer, who shall be a municipal official member of the CRRA Board of Directors, shall so notify the Municipality and shall thereafter conduct a hearing on the matter. Such hearing shall take place within forty-five (45) days following the date on which notice of CRRA's decision has been mailed to the Municipality. The Municipality shall be accorded a full and meaningful opportunity to participate in the hearing and to present such evidence and testimony as may be material. Following such hearing, the hearing officer shall draft a memorandum of decision which shall include findings of fact and a statement of conclusion. The memorandum of decision shall be provided to the Municipality within three (3) days of the date of such decision. The memorandum of decision shall be considered a final adjudication of the issues unless, within thirty (30) days from the date of such memorandum of decision, a Party commences an action in the Superior Court of the State.

2.5. Requirements Regarding Deliveries; Title to Acceptable Solid Waste

- (a) All deliveries of Acceptable Solid Waste by or on behalf of the Municipality shall conform to the requirements of this Agreement and the Procedures, and shall be delivered in vehicles conforming to the requirements of this Agreement and the Procedures.
- (b) The Municipality shall take no action that would result in a misidentification as to the source of Acceptable Solid Waste delivered to any Waste Facility.
- (c) The Municipality shall make or cause to be made regular deliveries of Acceptable Solid Waste to the Designated Waste Facility, during the regular operating hours thereof.
- (d) Title to Acceptable Solid Waste delivered by or on behalf of the Municipality shall pass to CRRA at the time that CRRA accepts such Acceptable Solid Waste, upon CRRA's determination that such Acceptable Solid Waste meets all requirements of this Agreement and the Procedures.

2.6. Designated Waste Facility; CRRA Selection of New Designated Waste Facility

The Municipality's Designated Waste Facility as of the Effective Date (the "Original Designated Facility") is set out on **Exhibit D** hereto and a part hereof. Subject to this Section 2.6 and after reasonable prior written notice to the Municipality, CRRA may from time to time and after consultation with the Municipality, select a new Designated Waste Facility, and the Municipality shall thereafter deliver or cause to be delivered to such new Designated Waste Facility, all Acceptable Solid Waste hereunder. Prior to any such selection, CRRA shall verify that any such new Designated Waste Facility is properly permitted and acceptable to CRRA. CRRA shall credit or reimburse the Municipality for any additional delivery costs incurred by the Municipality for the delivery of Acceptable Solid Waste to such new Designated Waste Facility (not to exceed

the actual costs thereof), as compared to the Municipality's delivery costs to the Original Designated Facility, as demonstrated by the Municipality and agreed to by CRRA, both in a commercially reasonable manner. To avoid doubt, Acceptable Solid Waste transported to, and processed and disposed of at a new Designated Waste Facility pursuant to this Section 2.6, is not Emergency Bypass Waste.

CRRA shall continue operating the Torrington Transfer Station and the Watertown Transfer Station for the receipt of Acceptable Solid Waste during the Term, and shall not select a new Designated Waste Facility in substitution for the Torrington Transfer Station or the Watertown Transfer Station during the Term, without the consent of the Municipality. Notwithstanding the preceding sentence, the CRRA obligations in such sentence shall be void and without further force and effect (i) with respect to the Torrington Transfer Station, if the Torrington Transfer Station does not process during each Contract Year (reduced proportionally for the first Contract Year) at least 38,500 Tons of Acceptable Solid Waste, and (ii) with respect to the Watertown Transfer Station, if the Watertown Transfer Station does not process during each Contract Year (reduced proportionally for the first Contract Year) at least 99,000 Tons of Acceptable Solid Waste.

2.7. Emergency Bypass Waste; Force Majeure

Subject to this Section 2.7, to the extent CRRA determines that it cannot accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility, CRRA shall first redirect Spot Waste, Contract Waste and other Solid Waste not covered by any Municipal Solid Waste Management Services Agreement, which in each case CRRA has the right to so redirect without penalty or incurring any cost, to an Alternate Facility. After such redirection(s), if CRRA still cannot accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility, then CRRA may redirect such Acceptable Solid Waste ("Emergency Bypass Waste") to an Alternate Facility or Alternate Facilities selected by CRRA, and if such inability to accept is caused by a Force Majeure Event, consented to by the Municipality, which consent shall not be unreasonably withheld or delayed. Prior to any such redirection of Emergency Bypass Waste, CRRA shall verify that any such Alternate Facility is properly permitted and acceptable to CRRA. The Municipality may in its discretion and with prior written notice to CRRA, elect alternate arrangements ("Alternate Arrangements"), for the disposal of the Municipality's Acceptable Solid Waste necessitated by, and for the duration of any Force Majeure Event. Any additional costs incurred by CRRA in connection with its redirection of Emergency Bypass Waste not caused by a Force Majeure Event shall be paid by CRRA. For all Emergency Bypass Waste which is redirected by CRRA as the result of a Force Majeure Event and with respect to which the Municipality has not elected Alternate Arrangements, the Municipality shall pay CRRA the Tier 2 Disposal Fees and any applicable Transfer Station Fuel Surcharge, plus the incremental costs, if any, incurred by CRRA in connection with the transportation and disposal of such Emergency Bypass Waste, as demonstrated by CRRA in a commercially reasonable manner. CRRA shall use commercially reasonable efforts to overcome promptly any inability to accept the Municipality's Acceptable Solid Waste at the Designated Waste Facility.

2.8. Effective Date; Duration of Contract

This Agreement shall be effective as of the Effective Date; however, the obligations of the Parties shall begin on the Commencement Date and shall continue for three (3) Contract Years (the “Term”). This Agreement shall expire at 11:59 p.m. on June 30, 2015.

3. ANNUAL BUDGET; TIER 2 DISPOSAL FEE; OTHER CHARGES

3.1. Budget

CRRA shall adopt a budget (the “Budget”) for each Contract Year. Each Budget shall include CRRA’s estimates of the following for the subject Contract Year: the Cost of Operation and the Net Cost of Operation, the Aggregate Tons, Non-Disposal Fee Revenues, any deposits or withdrawals (or both) to and from Reserves, and the Service Payments. In determining the Budget, CRRA shall assume for the subject Contract Year: (i) that the Municipality will deliver or cause to be delivered to the Designated Waste Facility a specific quantity of Acceptable Solid Waste; (ii) that the Connecticut Solid Waste System will receive the Aggregate Tons; (iii) that Persons obligated to deliver Contract Waste will deliver the full amount of the said Contract Waste; and (iv) a specific quantity of delivered Spot Waste.

3.2. Tier 2 Disposal Fee; Other Charges

- (a) As part of its determination of the Budget, CRRA shall calculate a disposal fee (the “Base Disposal Fee”) to be charged with respect to each Ton of Acceptable Solid Waste delivered by or on behalf of the Municipality and each other Participating Municipality during the subject Contract Year. The Base Disposal Fee shall be uniform as to all Participating Municipalities and shall be calculated without regard to the location of any Participating Municipality’s Designated Waste Facility. CRRA shall set the Base Disposal Fee such that the product of the Base Disposal Fee and the Aggregate Tons, shall produce funds estimated as sufficient to pay the estimated Net Cost of Operation for the subject Contract Year. The amount calculated pursuant to the preceding sentence constitutes the estimated Service Payments.

To the Base Disposal Fee shall be added the Service Fee for each Ton of Acceptable Solid Waste delivered hereunder. The sum of the Base Disposal Fee and the Service Fee is the “Tier 2 Disposal Fee.”

- (b) In addition to the Tier 2 Disposal Fee, the Municipality shall pay the Transfer Station Usage Surcharge for each Ton of Acceptable Solid Waste delivered to a Transfer Station; (ii) any Transfer Station Fuel Surcharge assessed by CRRA and calculated pursuant to Exhibit E hereto and a part hereof, for each Ton of Acceptable Solid Waste delivered to a Transfer Station; and (iii) any additional fees or surcharges set by CRRA during the Budget Process for particular categories of Solid Waste.

- (c) On or before February 29, 2012, CRRA shall adopt the Budget for the first Contract Year and provide a copy thereof, together with the level of the Tier 2 Disposal Fee and of any additional amounts payable pursuant to Section 3.2(b), for the first Contract Year, to the Authorized Representative of the Municipality.

On or before the last day of February preceding Contract Year 2 and Contract Year 3, CRRA shall adopt the Budget for such Contract Year and provide a copy thereof, together with (i) the level of the Tier 2 Disposal Fee, (ii) the level of the Transfer Station Fuel Surcharge (if assessed), together with any additional fees and/or surcharges pursuant to Section 3.2(b), for the subject Contract Year, to the Authorized Representative of the Municipality.

- (d) Based on the Budget, the Municipality shall make all budgetary and other provisions or appropriations necessary to provide for and to authorize the timely payment by the Municipality of the Tier 2 Disposal Fees and the other amounts calculated pursuant to this Section 3.2, as the same become due and payable.

3.3. Delivery Cap; Delivery Payment

- (a) Each Delivery Period listed in Exhibit C shall be subject to a range whose lower limit is the Scheduled Deliveries for such Delivery Period and whose upper limit is the delivery cap (the "Delivery Cap") for such Delivery Period listed in Exhibit C. During each Delivery Period, the Municipality may deliver or cause to be delivered to the Designated Waste Facility without penalty or additional cost, Acceptable Solid Waste in excess of the appurtenant Scheduled Deliveries, up to the appurtenant Delivery Cap.
- (b) If during any Delivery Period the Municipality does not deliver or cause to be delivered to the Designated Waste Facility at least the Scheduled Deliveries for such Delivery Period (prorated for any partial Delivery Period and including any Emergency Bypass Waste for such Delivery Period), then the Municipality shall pay to CRRA: (i) for any Delivery Period 1 and/or Delivery Period 4, the product of (a) fifteen dollars (\$15.00) times (b) the Scheduled Deliveries, minus the portion (in Tons) of the Scheduled Deliveries that the Municipality delivered to the Designated Waste Facility during such Delivery Period(s); and (ii) for any Delivery Period 2 and/or Delivery Period 3, the product of (a) thirty dollars (\$30.00) times (b) the Scheduled Deliveries, minus the portion (in Tons) of the Scheduled Deliveries that the Municipality delivered to the Designated Waste Facility during such Delivery Period(s); (in the case of both (i) and (ii), a "Delivery Payment"), as determined by CRRA in a commercially reasonable manner. For purposes of the preceding sentence, the first Delivery Period in the first Contract Year shall be deemed a Delivery Period 3, and the second Delivery Period in the first Contract Year shall be deemed a Delivery Period 4.
- (c) If at any time during the Term the Municipality becomes aware of circumstances beyond its control that might prevent the Municipality from meeting the Scheduled Deliveries, then the Municipality may submit a written request to CRRA for a

decrease in the Scheduled Deliveries, together with information sufficient for CRRA to evaluate the underlying circumstances of the request. CRRA shall consult with the Municipality concerning such request, and shall grant or deny such request (not to be unreasonably denied). In the event a decrease is approved, the Municipality's Scheduled Deliveries for the current Contract Year (if less than a full Contract Year remains) shall be decreased proportionally to the decrease in the Scheduled Deliveries granted by CRRA for a full Contract Year.

Without limitation of the preceding provisions of this Section 3.3(c), the Parties agree that no provision of this Agreement is intended to discourage or prohibit recycling or other waste reduction activities implemented by the Municipality. If any such waste reduction activities by the Municipality reduce the quantity of Acceptable Solid Waste under the Municipality's control such that the Municipality is no longer able to satisfy its obligations hereunder with respect to the Scheduled Deliveries, as demonstrated to CRRA's reasonable satisfaction, then the Municipality shall so notify CRRA in writing. Within thirty (30) days of CRRA's receipt of such notice, the Parties shall negotiate in good faith an appropriate reduction to the Scheduled Deliveries reflecting such waste reduction activities. CRRA reserves the right from time to time to request verification from the Municipality as to the continued impact of any such waste reduction activities on the Scheduled Deliveries, and the Municipality shall provide such verification. If, based on such a request, CRRA reasonably believes that a prior reduction to the Scheduled Deliveries is no longer supported by the Municipality's waste reduction activities, then CRRA shall so notify the Municipality in writing. Within thirty (30) days of the Municipality's receipt of such notice, the Parties shall negotiate in good faith an appropriate increase to the Scheduled Deliveries, reflecting the Municipality's then-current level of waste reduction activities.

The Scheduled Deliveries listed in Exhibit C shall be adjusted to reflect any reductions or increases thereto, resulting from the application of the provisions of this Section 3.3(c), pro-rated for any partial Delivery Period.

3.4. Excess Waste; Excess Waste Charges

If during any Delivery Period the Municipality exceeds the Delivery Cap for such Delivery Period (prorated for any partial Delivery Period), then CRRA may at its discretion charge twenty dollars (\$20) ("Excess Waste Charges") for each Ton of such excess Acceptable Solid Waste ("Excess Waste").

3.5. Calculation and Billing of Delivery Payment(s) and Excess Waste Charges

Any Delivery Payment(s) or Excess Waste Charges for any Delivery Period(s) shall be calculated by CRRA and billed to the Municipality in the invoice provided pursuant to Section 5.1, in the second Month following the conclusion of such Delivery Period; or, if the subject Delivery Period is the final Delivery Period under this Agreement, any Delivery Payment(s) or Excess Waste Charges for the final Delivery Period shall be calculated and billed by CRRA, and paid by the Municipality pursuant to Section 5.3.

4. (RESERVED)

5. INVOICING; SUMS DUE ON EXPIRATION

5.1. Invoicing

On or before the fifteenth (15th) Business Day following the end of each Billing Period, CRRA shall provide the Municipality with an invoice setting forth the Tier 2 Disposal Fees (net of amounts billed to Waste Haulers) and any other charges or fees due and payable for such Billing Period, together with any other amounts then due. Each invoice shall set forth the actual Tons of Acceptable Solid Waste delivered by or on behalf of the Municipality and accepted by CRRA during such Billing Period, multiplied by the Tier 2 Disposal Fee. Each invoice shall also set forth the cumulative portion of the Scheduled Deliveries for the applicable Delivery Period, through and including the subject Billing Period. On or before the twentieth (20th) day following the date of such invoice (the “Due Date”), the Municipality shall pay CRRA or its designee the full amount of such invoice. CRRA shall notify the Municipality in writing as to the identity of any such designee. If the Due Date is a Sunday, a holiday or any other day which is not a Business Day, the next following Business Day shall be the Due Date. Amounts billed to Waste Haulers on behalf of the Municipality and any additional relevant information shall be contained in a monthly statement provided to the Municipality with the aforesaid invoice. The Municipality agrees that: (i) the monthly invoices issued pursuant to this Section 5.1 may not require the current payment of all amounts for which the Municipality is then liable under this Agreement, and (ii) the Municipality shall remain liable for payment of such amounts notwithstanding the deferral of the time at which the payment of such amounts is required. Without limitation of the preceding sentence, the Municipality shall not be responsible to CRRA for the payment of amounts billed by CRRA to Waste Haulers. All Tier 2 Disposal Fees and other amounts for which the Municipality is liable hereunder shall be current expenses of the Municipality.

5.2. Failure to Pay Invoice

If payment in full of any invoice rendered by CRRA is not made on or before the Due Date, a delayed-payment charge of the greater of one and one-half percent (1 & ½%) per Month or fifty dollars (\$50.00) shall be assessed on all past due amounts, which delayed-payment charge shall become immediately due and payable to CRRA as liquidated damages for failure to make prompt payment, and shall be reflected in the invoice for the following Month. In addition to, and not in limitation of the foregoing, if payment in full of any invoice rendered by CRRA is not made on or before the Due Date and such non-payment continues uncured for a period of thirty (30) days after written notice of such non-payment from CRRA to the Municipality, then CRRA may in its sole and absolute discretion, cease accepting Acceptable Solid Waste from the Municipality until all outstanding invoices, delayed payment charges and any other payments which have become due, are paid in full. No such cessation by CRRA shall relieve the Municipality from any of its obligations hereunder.

5.3. Sums Due upon Expiration of this Agreement

Subject to the terms of this Agreement, including Section 5.1 and Section 5.2, any amounts due to CRRA from the Municipality upon the expiration or earlier termination of this Agreement shall be paid by the Municipality on or before sixty (60) days after the date on which any invoice containing such amount is presented to the Municipality. Such amounts may include the Municipality's Municipal Share of all costs (including any costs of borrowing) incurred by CRRA as a result of the payment by the Municipality or any other Participating Municipality of less than the full amount owed pursuant to this Agreement or any other Municipal Solid Waste Management Services Agreement. The Parties agree that this Section 5.3 is intended to permit CRRA to fulfill the purpose contained in Section 22a-262(a)(2) of the General Statutes, as the same may be amended, supplemented or superseded from time to time, to provide Solid Waste management services, and to produce from its provision of such services, revenues sufficient to provide for the support of CRRA and its operations on a self-sustaining basis. The provisions of this Section 5.3 shall survive the expiration or earlier termination of this Agreement.

6. COVENANTS BY AUTHORITY AND PLEDGE OF STATE

6.1. Records and Accounts

CRRA shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the transactions relating to this Agreement, including records of the quantity and characteristics of Acceptable Solid Waste delivered by or on behalf of the Municipality and accepted by CRRA. Such books shall be available for inspection by the Authorized Representative of the Municipality, upon reasonable prior written notice to CRRA.

6.2. Scales

CRRA shall provide and use scales for determining the quantity of Acceptable Solid Waste delivered to the Connecticut Solid Waste System by or on behalf of the Municipality. In the event of a dispute as to the accuracy of such scales, the Municipality shall provide written notice of the same to CRRA. Within fifteen (15) days of its receipt of such notice, CRRA have its scales tested for accuracy. If such test reveals that CRRA's scales are in compliance with the tolerances permitted by the State of Connecticut Department of Consumer Protection, then the Municipality shall pay CRRA's reasonable expenses for such tests and the Municipality shall withdraw its dispute. Alternatively, if such test reveals that CRRA's scales are not in compliance with the aforementioned tolerances (whether such non-compliance has resulted in underweights or overweightes), then CRRA shall have its scales recalibrated, and CRRA shall pay the Municipality's expenses for such tests and recalibration.

6.3. Right of Inspection

Upon reasonable prior notice to CRRA, CRRA shall permit the Authorized Representative of the Municipality, or his or her designee, to enter the Designated Waste Facility during usual business hours and to inspect the same, for the purpose of monitoring CRRA's performance under this Agreement. The Municipality shall notify CRRA in writing as to the identity of any such designee.

6.4. Insurance

CRRA shall at all times maintain or cause to be maintained with responsible insurers, all such insurance as is customarily maintained with respect to facilities of like character to the Waste Facilities and as may be reasonably required and obtainable within limits and at costs deemed reasonable by CRRA, against loss or damages, use and occupancy, and public and other liability, to the extent reasonably necessary to protect the interest of CRRA and of the Participating Municipalities.

6.5. Certain Provisions Executory

The provisions of this Agreement requiring expenditure of monies by CRRA shall be deemed executory to the extent that CRRA shall have monies legally available for such purposes, and no monetary liability on account thereof shall be incurred by CRRA beyond monies legally available for such expenditures.

6.6. Pledge of State

In accordance with the Act CRRA hereby includes the following pledge and undertaking for the State:

The state of Connecticut does hereby pledge to and agree with the holders of any bonds and notes issued under this chapter and with those parties who may enter into contracts with CRRA pursuant to the provisions of this chapter that the state will not limit or alter the rights hereby vested in CRRA until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of CRRA, provided nothing contained herein shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds and notes of CRRA or those entering into such contracts with CRRA. CRRA is authorized to include this pledge and undertaking for the state in such bonds and notes or contracts. (Section 22a-274 of the General Statutes.)

7. ADDITIONAL AGREEMENTS

7.1. Obligation of Municipality to Make Payments

The Municipality agrees that its obligation to pay the Tier 2 Disposal Fees and all other amounts which shall become due hereunder (including any delayed-payment charges), and the costs and expenses of CRRA and its representatives incurred in the collection of any overdue payments from the Municipality, whether to CRRA or to the trustee of any Bonds: (i) shall, absent manifest error, be absolute and unconditional; (ii) shall not be subject to any abatement, reduction, setoff, counter-claim, recoupment, defense (other than payment itself) or other right which the Municipality may have against CRRA, any trustee or any other Person for any reason whatsoever; (iii) shall not be affected by any defect in title, compliance with the plans and specifications, condition, design, fitness for use of, or any damage to or loss or destruction of any Waste Facility; and (iv) so long as CRRA continues to render its services of accepting Acceptable Solid Waste delivered by or on behalf of the Municipality to the extent required by the terms of this Agreement, shall not be affected by any interruption or cessation in the possession, use or operation of any Waste Facility by CRRA or any operator thereof for any reason whatsoever. All payment obligations of the Municipality shall survive the expiration or earlier termination of this Agreement.

7.2. Indemnification

- (a) Subject to the terms and conditions hereof and to the extent permitted by law, the Municipality shall protect, indemnify and hold harmless CRRA and its officers, directors, members, employees and agents (individually, a “CRRA Indemnified Party”) from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the CRRA Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any individual or individuals, or loss or damage to property arising out of the Municipality’s performance (or non-performance) of its obligations hereunder, (b) the Municipality’s breach of any obligation herein contained, or (c) any misrepresentation or breach of warranty by the Municipality hereunder. The Municipality shall not, however, be required to reimburse or indemnify any CRRA Indemnified Party for loss or claim due to the willful misconduct or negligence of such CRRA Indemnified Party, and the CRRA Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse the Municipality for the costs of defending any suit as required above. A CRRA Indemnified Party shall promptly notify the Municipality of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give the Municipality the opportunity to defend such claim, and shall not settle such claim without the approval of the Municipality. These indemnification provisions are for the protection of the CRRA Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

- (b) Subject to the terms and conditions hereof and to the extent permitted by law, CRRA shall protect, indemnify and hold harmless the Municipality and its officers, directors, members, employees and agents (individually, a “Municipal Indemnified Party”) from and against all liabilities, damages, claims, demands, judgments, losses, costs, expenses, suits or actions (including reasonable counsel and consultant fees and expenses, court costs and other litigation expenses), suffered or incurred, directly or indirectly arising out of, related to or with respect to this Agreement, and will defend the Municipal Indemnified Parties in any suit, including appeals, for (a) personal injury to, or death of any individual or individuals, or loss or damage to property arising out of CRRA’s performance (or non-performance) of its obligations hereunder, (b) CRRA’s breach of any obligation herein contained, or (c) any misrepresentation or breach of warranty by CRRA hereunder. CRRA shall not, however, be required to reimburse or indemnify any Municipal Indemnified Party for loss or claim due to the willful misconduct or negligence of such Municipal Indemnified Party, and the Municipal Indemnified Party whose willful misconduct or negligence is adjudged to have caused such loss or claim will reimburse CRRA for the costs of defending any suit as required above. A Municipal Indemnified Party shall promptly notify CRRA of the assertion of any claim against it for which it is entitled to be indemnified hereunder, shall give CRRA the opportunity to defend such claim, and shall not settle such claim without the approval of CRRA. These indemnification provisions are for the protection of the Municipal Indemnified Parties only and shall not establish, of themselves, any liability to third parties.

7.3. Default by the Municipality and Remedies of CRRA

The Municipality shall be in default hereunder if: (1) payment in full of any invoice rendered by CRRA is not made on or before the Due Date, and such failure continues uncured for a period of thirty (30) days after written notice from CRRA of such failure; or (2) the Municipality shall have materially failed to comply with any of its other obligations hereunder and such failure continues uncured for a period of thirty (30) days after written notice from CRRA of such failure. CRRA shall have all the remedies prescribed by law and this Agreement after any default by the Municipality hereunder, including the right to refuse the Municipality’s Acceptable Solid Waste. Notwithstanding the initiation or continuance of any remedy by CRRA, the Municipality shall remain obligated to make the payments required hereunder. In addition, the Municipality acknowledges that CRRA is entitled to sue the Municipality for injunctive relief, mandamus, specific performance, or to exercise such other legal or equitable remedies not herein excluded, to enforce the Municipality’s obligations hereunder.

7.4. Default by CRRA and Remedies of the Municipality

Failure on the part of CRRA in any instance or under any circumstances to observe or fully perform any obligation imposed on it by this Agreement or by law shall not (i) make CRRA liable in damages to the Municipality, so long as CRRA acts promptly to remedy the failure to observe or fully perform such obligation after such failure has been brought to its attention in writing or, so long as Acceptable Solid Waste delivered by or on behalf

of the Municipality shall be processed and disposed of pursuant to the terms of this Agreement, or (ii) relieve the Municipality of its obligations to make the payments required hereby or to fully perform any of its other obligations hereunder. CRRA acknowledges that the Municipality is entitled to sue CRRA for injunctive relief, mandamus or specific performance, or to exercise such other legal or equitable remedies not herein excluded, to enforce CRRA's obligations hereunder.

CRRA shall not be in default of this Agreement if the operation of the Designated Waste Facility, or of any other Waste Facility constituting part of the Connecticut Solid Waste System, shall be delayed or interrupted by a Force Majeure Event.

7.5. Levy of Taxes and Cost Sharing or Other Assessment

To the extent that the Municipality shall not make provisions or appropriations necessary to provide for and authorize the payment by the Municipality to CRRA of the payments required hereunder, the Municipality shall levy and collect all general or special taxes, or cost sharing or other assessments, to the full extent permitted by the laws of the State, as may be necessary to make any such payment in full when due hereunder.

7.6. Enforcement of Collections

The Municipality will diligently enforce or levy and collect all taxes, cost sharing or other assessments or fees, rentals or other charges for the collection of Acceptable Solid Waste, and will take all lawful actions, including the commencement and prosecution of any appropriate proceeding, for the enforcement and collection of such taxes, cost sharing or other assessments or fees, rentals or other charges lawfully levied which shall become delinquent, to the full extent permitted by the laws of the State.

7.7. Disputes on Billing

In the event of any dispute as to any portion of any invoice presented to the Municipality hereunder, the Municipality shall nevertheless pay the full amount of such disputed charge(s) by the Due Date, and shall provide within thirty (30) days after the Due Date, written notice of such dispute to CRRA. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges until the aforesaid notice is provided. The dispute shall be resolved in accordance with the provisions for dispute resolution set forth in Section 7.17. In the event that the Municipality prevails in such dispute, CRRA shall within thirty (30) days of the final adjudication of such dispute, refund to the Municipality all disputed payments to which the Municipality is entitled, plus interest at the rate of one and one-half percent (1 & ½%) per Month.

7.8. Further Assurances

At any and all times CRRA and the Municipality (so far as it may be authorized by law) shall pass, make, do, execute, acknowledge, and deliver any and every such further resolution or ordinance, acts, deeds, conveyances, assignments, transfers, and assurances

as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, Tier 2 Disposal Fees and other funds pledged or assigned, or intended so to be, or which CRRA or Municipality, as the case may be, may heretofore or hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of any such resolution or ordinance, or to comply with this Agreement or the Act.

7.9. Amendments

This Agreement may be amended from time to time by a writing duly authorized and executed by the Parties.

7.10. Severability

If any provision of this Agreement shall for any reason be determined to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.11. Execution of Documents

This Agreement may be executed in any number of original or facsimile counterparts and as separate counterparts, all of which when so executed and delivered will together constitute one and the same instrument. If the Parties elect to execute this Agreement by facsimile or other electronic means, the same shall have the same force and effect as if this Agreement had been manually executed by the Parties in one complete document, and the Parties shall exchange wet-signature original signature pages within a reasonable time after such execution.

7.12. Waiver; Amendment

Unless otherwise specifically provided by the terms of this Agreement, no delay or failure to exercise a right resulting from any breach of this Agreement will impair such right or shall be construed to be a waiver thereof, but such right may be exercised from time to time and as often as may be deemed expedient. Any waiver or amendment hereof must be in writing and signed by the Party against whom such waiver or amendment is to be enforced. If any covenant or agreement contained in this Agreement is breached by any Party and thereafter waived by any other Party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach of this Agreement. Making payments pursuant to this Agreement during the existence of a dispute shall not constitute a waiver of any claims or defenses of the Party making such payment.

7.13. Entirety

This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Parties relating to the subject matter hereof, and constitutes the entire agreement between the Parties.

7.14. Notices, Documents and Consents

All notices or other communications required to be given or authorized to be given by either Party hereunder shall be in writing and shall be served personally, or sent by certified or registered mail, or recognized overnight carrier to the Municipality at: [Municipality Address (Attention: _)]; and to CRRA at: 100 Constitution Plaza, Sixth Floor, Hartford, Connecticut 06103 (Attention: President). All notices sent by certified or registered mail, or recognized overnight carrier shall be effective when received.

7.15. Conformity with Laws

The Parties agree to abide by and to conform to all applicable laws of the United States of America, the State or any political subdivision thereof having any jurisdiction over the premises. However, nothing in this Section 7.15 shall require either Party to comply with any law, the validity or applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.

7.16. Assignment

Except as specifically set forth herein, neither Party may assign any interest herein to any Person without the consent of the other Party, and any assignment hereof, in whole or in part, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of each Party. Nothing herein contained, however: (i) shall prevent the reorganization of either Party nor prevent any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities, functions and duties of a Party, as may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed; or (ii) shall preclude the assignment by CRRA for the benefit of any holders of its Bonds, of its rights and obligations hereunder, of any or all of the monies to be received hereunder or of the proceeds of its Bonds. The Municipality specifically agrees to the assignment thereof to the trustee of any such Bonds, of the specific CRRA rights permitted hereunder.

7.17. Dispute Resolution

All disputes, differences, controversies or claims pertaining to or arising out of or relating to this Agreement or the breach hereof, which the Parties are unable to resolve themselves, shall be resolved by a court of competent jurisdiction in the State (including the appellate courts thereof), unless the Parties agree to do so by arbitration or mediation. Any arbitration or mediation proceedings shall be held in Hartford, Connecticut.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the day and year first hereinabove set forth.

WITNESS

[MUNICIPALITY]

_____ [Signature]

_____ [Signature]

(Seal)

_____ [Signature]
Chief Executive Officer

_____ [Signature]
Keeper of the Seal

WITNESS

CONNECTICUT RESOURCES
RECOVERY AUTHORITY

_____ [Signature]

_____ [Signature]

(Seal)

_____ [Signature]
President

[SIGNATURE PAGE TO TIER 2
MUNICIPAL SOLID WASTE MANAGEMENT SERVICES AGREEMENT]

EXHIBIT A

DEFINITIONS

As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms listed in this section shall have the following meanings:

“Acceptable Recyclables” has the meaning set forth in the Procedures.

“Acceptable Solid Waste” means Solid Waste generated by and collected from residential, commercial, institutional, industrial and other establishments located within the corporate limits of the Municipality and deemed acceptable by CRRA in accordance with all applicable federal, state and local laws, and the Procedures, for processing by and disposal by CRRA hereunder. Acceptable Solid Waste shall include the following: (i) scrap wood not exceeding six (6) feet in length or width or four (4) inches in thickness; (ii) 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; (iii) metal pipes, tracks and banding or cable and wire not exceeding three (3) feet in length and one and one-half (1 & 1/2) inches in diameter; (iv) cleaned and emptied cans or drums not exceeding five (5) gallons in capacity and with covers removed; (v) automobile tires without rims exclusively from the residential Solid Waste stream and in limited quantities, if any, to be determined by CRRA on a day-to-day basis; (vi) 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; (vii) Nonprocessable Waste; and (viii) any other Solid Waste deemed acceptable by CRRA in its sole discretion; provided, however, that Acceptable Solid Waste shall not include Acceptable Recyclables or other materials required to be recycled in accordance with Section 22a-241(b) of the General Statutes.

“Act” has the meaning set forth in the Recitals.

“ADP” has the meaning set forth in **Exhibit E**.

“Aggregate Tons” means for any relevant period, the total Tons of Acceptable Solid Waste delivered to the Connecticut Solid Waste System, other than Contract Waste or Spot Waste.

“Agreement” means this Tier 2 Municipal Solid Waste Management Services Agreement.

“Alternate Arrangements” has the meaning set forth in Section 2.7.

“Alternate Facility” means any Waste Facility other than the Designated Waste Facility.

“Annual Period” has the meaning set forth in **Exhibit E**.

“Authorized Representative of the Municipality” means (i) any officer, employee, elected official or other Person eligible under, and properly authorized by applicable law to act on behalf of the Municipality for purposes of this Agreement; or (ii) the chief executive officer of the Municipality.

“Base Disposal Fee” has the meaning set forth in Section 3.2(a).

“Billing Period” means a Month and shall end on the last Day of each Month.

“Bond” (or “Bonds”) means: (i) any bond or bonds, notes or other evidence of indebtedness issued by CRRA to pay for any portion of the Cost of Operation; or (ii) bonds, notes or other evidence of indebtedness issued by CRRA in substitution for, in lieu of, or to refund, retire or pay any such bond or bonds, notes or other evidences of indebtedness.

“Budget” has the meaning set forth in Section 3.1.

“Business Day” means a day when CRRA’s headquarters is open for business.

“Capital Addition” means a fixed-asset addition or modification to the Facility or any other Waste Facility or Waste Facilities, with a dollar cost greater than ten (10) million dollars (\$10,000,000.00).

“Change in Law” means any of the following events or conditions having an impact on CRRA’s costs and expenses to provide its services hereunder:

- (a) the adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation after the Effective Date, of any federal, state or local law, regulation, rule, requirement, ruling or ordinance, unless such law, regulation, rule, requirement, ruling or ordinance was on or prior to the Effective Date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any federal, state or local governmental body, administrative agency or governmental official having jurisdiction;
- (b) the order and/or judgment of any federal, state or local court, administrative agency, or governmental officer or body after the Effective Date, if such order and/or judgment is not also the result of willful or negligent action or lack of reasonable diligence of the Party effected thereby, provided that the contesting in good faith or the failure to contest any such order and/or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Party affected thereby; or
- (c) the denial of an application for or suspension, termination, interruption, imposition of a new condition in connection with the renewal or failure of renewal after the Effective Date of any permit, license, consent, authorization or approval necessary to CRRA’s performance of this Agreement, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Party affected thereby, provided that the contesting in good faith or the failure to contest any such suspension, termination, interruption or failure of renewal shall not be construed as willful or negligent action or a lack of reasonable diligence of the Party affected thereby.

A “Change in Law” shall not include any of the aforesaid events or conditions solely necessitating a Capital Addition.

“Commencement Date” has the meaning set forth in Section 2.1(a).

“Connecticut Solid Waste System” means, collectively, the Facility, the Transfer Stations located in the municipalities of Ellington, Essex, Torrington and Watertown, and the Recycling Facility, together with any additional Waste Facility or Waste Facilities determined by CRRA to be economically and/or operationally necessary to fulfill its statutory mission.

“Contract Waste” means Acceptable Solid Waste delivered to the Connecticut Solid Waste System by Persons other than (i) Participating Municipalities, and (ii) Waste Haulers, with respect to Acceptable Solid Waste generated within the boundaries of any Participating Municipality, that is delivered under a contract with CRRA having a term which includes all or a portion of the relevant Contract Year.

“Contract Year” means each twelve-Month period during the Term commencing on July 1 of each year and ending on June 30th of the following year, except that the first Contract Year shall begin on the Commencement Date and end on the following June 30th. For example, the first Contract Year shall begin on the Commencement Date and shall end on June 30, 2013; the second Contract Year shall begin on July 1, 2013, and shall end on June 30, 2014, and so forth.

“Cost of Operation” means, for any relevant period, the greater of: (i) the sum of all CRRA costs and expenses resulting from or necessitated by the ownership, operation and maintenance of, and renewals and replacements to the Connecticut Solid Waste System; or (ii) the rendering of services by CRRA to the Municipality and the other Participating Municipalities pursuant to this Agreement and the other Municipal Solid Waste Management Services Agreements; in either event including without duplication the following items of cost or expense:

- (a) operation, maintenance and administrative expense of the Connecticut Solid Waste System, including insurance, disposal expense for Residue, Recycling Residue and Emergency Bypass Waste, renewals, replacements, repairs, extensions, enlargements, alterations or improvements (including any Capital Addition);
- (b) any amounts to be paid or accrued to pay the principal and sinking fund installments of, the interest and any redemption premiums on, and all other costs of any Bonds, and any other costs and expenses incurred in connection with Bonds;
- (c) the amounts of any CRRA deficits (including costs of collection) resulting from the failure to receive, when and as due: (i) sums payable to CRRA by any Participating Municipality or by any other Person with respect to services provided by CRRA pursuant to this Agreement or to any other Municipal Solid Waste Management Services Agreement; or (ii) sums payable to CRRA by any Person with respect to services provided by CRRA;
- (d) amounts necessary to fund and maintain such Reserves or sinking funds to provide

for expenses of operation and maintenance, or for any purpose deemed necessary or desirable by CRRA, including any purpose enumerated in Sections 22a-262(a) and (b) of the General Statutes;

- (e) all costs of environmental mitigation, clean-up and disposal of Unacceptable Waste, which costs CRRA has been unable, after reasonable efforts, to collect from the generator (or Person delivering such Unacceptable Waste on behalf of such generator);
- (f) the PILOT;
- (g) all costs of accepting, delivering, storing, diverting, transporting, transferring and disposing of Solid Waste, and the marketing of Recovered Products (including ordinary operation and maintenance costs);
- (h) all costs and any special disposal fees incurred by CRRA with respect to types or categories of delivered Solid Waste which CRRA determines require special handling, which fees shall reasonably reflect the costs of such special handling;
- (i) all direct transportation, processing and disposal costs incurred by CRRA with respect to Acceptable Solid Waste which is processed or otherwise disposed of at an Alternate Facility;
- (j) all CRRA costs and expenses for the administration of this Agreement and the analogous agreements with the other Participating Municipalities;
- (k) all costs of the mothballing, decommissioning, retirement, dismantling, monitoring and disposition of any Waste Facility, and any other actions of CRRA necessary under applicable law in order to discontinue permanently the operation of such Waste Facility;
- (l) the insurance required pursuant to Section 6.4;
- (m) all amounts payable to any owner or operator of a Waste Facility for the processing or disposal of the Participating Municipalities' Acceptable Solid Waste or Acceptable Recyclables;
- (n) any Shortfall from a previous Contract Year; and
- (o) all compliance costs with respect to federal, state, municipal or other governmental requirements; including all statutes, regulations, rules, orders or other directives, and any Change in Law.

“CRRA” has the meaning set forth in the Preamble.

“CRRA Indemnified Party” has the meaning set forth in Section 7.2(a).

“Day” (or “day”) means a calendar day.

“Delivery Cap” has the meaning set forth in Section 3.3(a).

“Delivery Payment” has the meaning set forth in Section 3.3(b).

“Delivery Period” has the meaning set forth in Section 2.2(a).

“Designated Waste Facility” means the Facility, any other Resources Recovery Facility or any Transfer Station designated by CRRA from time to time, to which the Municipality will deliver or cause to be delivered during the Term, Acceptable Solid Waste.

“Due Date” has the meaning set forth in Section 5.1.

“Effective Date” has the meaning set forth in the Preamble.

“Emergency Bypass Waste” has the meaning set forth in Section 2.7.

“Excess Waste” has the meaning set forth in Section 3.4.

“Excess Waste Charges” has the meaning set forth in Section 3.4.

“Facility” means CRRA’s refuse-derived fuel Resources Recovery Facility located at the South Meadows in Hartford, Connecticut and any improvements to such Resources Recovery Facility, including the scales and scale house, receiving and storage buildings, conveyors and feeders, boiler house, combustion chambers & furnaces and the associated steam-turbine electric generating facilities, feed water system, ash handling equipment, air pollution control equipment, flues and stack(s), yard utilities, low voltage electrical distribution facilities, instrumentation and controls, driveways, parking areas and drainage structures; excluding, however, any buildings, equipment or other improvements to the Facility Site other than the aforementioned improvements.

“Facility Site” means the South Meadows real property owned by CRRA upon which the Facility is located.

“Force Majeure Event” means an Act of God, landslide, lightning, hurricane, tornado, very high wind, blizzard, ice storm, drought, flood, fire or explosion, or any strike, labor dispute, lockout or like action among personnel which delays or impairs operation of any Waste Facility, any act of neglect of the Municipality or its agents or employees, or by regulation or restriction imposed by any governmental or other lawful authority, or any other event or circumstance beyond the control of CRRA and its agents or contractors, which prevents CRRA from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date and is not within the reasonable control of, and without fault or negligence of CRRA. Notwithstanding the preceding sentence, a strike labor dispute, lockout or like action among personnel shall not be a Force Majeure Event if such action is due to: (a) CRRA’s breach of a labor agreement with any collective bargaining representative of its employees engaged in such action; or (b) CRRA’s lack of good faith or maintenance of an unreasonable economic position in negotiating with any collective bargaining representative of the employees engaged in such action.

“General Statutes” has the meaning set forth in the Recitals.

“Landfill” means any proper Waste Facility for the disposal of Residue, Recycling Residue, Emergency Bypass Waste or Nonprocessable Waste.

“Month” means a calendar month.

“Municipal Indemnified Party” has the meaning set forth in Section 7.2(b).

“Municipal Share” of any amount means, for any relevant period and unless otherwise expressly provided herein, the same proportion of such amount as the Municipal Tons of the Municipality bears to the total of the Municipal Tons of all Participating Municipalities.

“Municipal Solid Waste Management Services Agreement” means any contract between CRRA and a Participating Municipality for the disposal of the Participating Municipality’s Acceptable Solid Waste or the recycling of its Acceptable Recyclables (or both) by the Connecticut Solid Waste System.

“Municipal Tons” means, for any relevant period, the amount in Tons of Acceptable Solid Waste delivered by or on behalf of a Participating Municipality.

“Municipality” has the meaning set forth in the Preamble.

“Net Cost of Operation” means for any relevant period, the Cost of Operation less Non-Disposal Fee Revenues and other receipts (other than the Service Payments).

“Nonprocessable Waste” means Acceptable Solid Waste that cannot be processed at the Designated Waste Facility without the use of supplemental processing equipment (e.g., a shredder), 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 five (5) feet by five (5) feet, including the following: (i) household furniture, chairs, tables, sofas, mattresses, appliances, carpets, sleeper sofas and rugs; (ii) individual items such as White Metals and blocks of metal that would in CRRA’s sole discretion and determination cause damage to a Waste Facility if processed and incinerated, or processed or incinerated, therein; (iii) Scrap/Light Weight Metals; (iv) bathroom fixtures such as toilets, bathtubs and sinks; (v) 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 CRRA on a day-to-day basis; (vi) Christmas Trees; (vii) automobile tires with/without rims; and (viii) any other Acceptable Solid Waste deemed by CRRA in its sole discretion to be Nonprocessable Waste.

“Non-Disposal Fee Revenues” means proceeds received by CRRA from the sale or other disposition of Recovered Products from the Connecticut Solid Waste System, and Connecticut Solid Waste System receipts from other than: (i) Participating Municipalities; and (ii) Waste Haulers; except that Non-Disposal Fee Revenues (i) include all Service Fees, Transfer Station Usage Surcharges, Transfer Station Fuel Charges, and any

additional fees or surcharges pursuant to Section 3.2(b), and (ii) are net of all Service Discounts.

“Non-System Recycling Facility” means the land and appurtenances thereon and structures where recycling, as defined in Section 22a-207(7) of the General Statutes, is conducted, including an Intermediate Processing Facility, as defined in Section 22a-260(25) of the General Statutes, and a Solid Waste Facility, as defined in Section 22a-207(4) of the General Statutes, which provides for recycling in its plan of operations, but excluding the Recycling Facility and the Recycling Transfer Stations.

“Original Designated Facility” has the meaning set forth in Section 2.6.

“Participating Municipality” means, individually, any Tier 1 Short-Term Municipality, Tier 1 Long-Term Municipality, Tier 2 Municipality, Tier 3 Municipality or Tier 4 Municipality.

“Participating Municipalities” means collectively, all Tier 1 Short-Term Municipalities, Tier 1 Long-Term Municipalities, Tier 2 Municipalities, Tier 3 Municipalities and Tier 4 Municipalities.

“Party” (and “Parties”) have the respective meanings set forth in the Preamble.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, or any governmental agency or other governmental authority.

“PILOT” means the total dollar amount in lieu of taxes and all other like sums payable by CRRA with respect to each Contract Year.

“Procedures” means CRRA’s *Mid-Connecticut Project Permitting, Disposal and Billing Procedures* attached hereto as **Exhibit B**, as the same may be amended, supplemented or superseded from time to time by the CRRA Board of Directors after notice to, and an opportunity for comment from the Participating Municipalities.

“Recovered Products” means the useful materials or substances (including energy) derived from the processing of Acceptable Solid Waste and Acceptable Recyclables.

“Recycling Facility” means CRRA’s regional recycling center located at 211 Murphy Road, Hartford, Connecticut.

“Recycling Residue” means Solid Waste remaining after the Recycling Facility or any Non-System Recycling Facility has processed Acceptable Recyclables.

“Recycling Transfer Station” means any of the facilities, including all roads appurtenant thereto, owned and operated, or owned or operated, by CRRA for receiving Acceptable Recyclables from any Participating Municipality for transport to the Recycling Facility or to any Non-System Recycling Facility for processing.

“Reserves” means funds collected by CRRA to provide for estimated future expenses of the Connecticut Solid Waste System.

“Residue” means ash residue or other material remaining after the processing and combustion of Acceptable Solid Waste.

“Resources Recovery Facility” has the meaning set forth in Section 22a-260(11) of the General Statutes.

“RP” has the meaning set forth in **Exhibit E**.

“Scheduled Deliveries” has the meaning set forth in Section 2.2(a).

“Scrap/Light Weight Metals” includes the following: scrap steel parts, aluminum sheets, pipes, desks, chairs, bicycle frames, lawn mowers with engines drained, file cabinets, springs, sheet metal, hot water heaters, cleaned and emptied fifty-five (55) gallon drums with the top and bottom covers removed, fencing, oil tanks and fuel tanks approved by CRRA for disposal or recycling, and cleaned and rinsed in accordance with all applicable laws and regulations, and any other materials deemed by CRRA in its sole discretion to be Scrap/Light Weight Metals.

“Service Discount” means the \$2.00 per-Ton discount credited to the Base Disposal Fee for Acceptable Solid Waste delivered to the Connecticut Solid Waste System by or on behalf of (i) each Tier 1 Long-Term Participating Municipality, and (ii) each Tier 3 Participating Municipality.

“Service Fee” means the \$2.00 per-Ton fee added to the Base Disposal Fee for Acceptable Solid Waste delivered to the Connecticut Solid Waste System by or on behalf of each Tier 2 Participating Municipality.

“Service Payments” means the gross amounts payable pursuant to Section 3.1 by (i) the Municipality and each other Participating Municipality, and (ii) Waste Haulers (with respect to other than Contract Waste and Spot Waste); such amounts being the product of the Base Disposal Fee and the Aggregate Tons.

“Shortfall” means for any Contract Year, any difference remaining after the Service Payments received during the subject Contract Year are subtracted from the actual Net Cost of Operation for the subject Contract Year.

“Solid Waste” means unwanted and discarded solid materials, consistent with the meaning of that term in Section 22a-260(7) of the General Statutes, excluding semi-solid, liquid materials collected and treated in a municipal sewerage system.

“Spot Waste” means Acceptable Solid Waste delivered to the Connecticut Solid Waste System other than pursuant to a Municipal Solid Waste Management Services Agreement and that is not Contract Waste.

“State” has the meaning set forth in the Preamble.

“Term” has the meaning set forth in Section 2.8.

“Tier 1 Short-Term Municipality” means, individually, any town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA for short-term Tier 1 services.

“Tier 1 Long-Term Municipality” means, individually, any town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA for long-term Tier 1 services.

“Tier 2 Disposal Fee” has the meaning set forth in Section 3.2(a).

“Tier 2 Municipality” means, individually, the Municipality and any other town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA for Tier 2 services.

“Tier 3 Municipality” means, individually, any town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA for Tier 3 services.

“Tier 4 Municipality” means, individually, the Municipality and any other town, city, borough or other political subdivision of and within the State having lawful jurisdiction over Solid Waste management within its corporate limits and which has executed a Municipal Solid Waste Management Services Agreement with CRRA for Tier 4 services.

“Ton” means 2,000 pounds.

“Torrington Transfer Station” means the Transfer Station owned by CRRA and located on Vista Drive, Torrington, Connecticut, 06790

“Transfer Station” means any of the facilities, including all roads and appurtenances thereto, owned, operated (or both) by CRRA for receiving Solid Waste from any Participating Municipality for transport to a destination of ultimate disposal.

“Transfer Station Fuel Surcharge” means the per-Ton surcharge for Acceptable Solid Waste calculated pursuant to **Exhibit E**.

“Transfer Station Usage Surcharge” means the \$2.50 charge paid by each Tier 2 Municipality for each Ton of Acceptable Solid Waste delivered to a Transfer Station.

“Unacceptable Waste” has the meaning set forth in the Procedures.

“Waste Facility” means, individually, the Designated Waste Facility, the Facility or any other properly permitted Resources Recovery Facility, the Recycling Facility, any Transfer

Station, Recycling Transfer Station or Landfill, or any other facility that is used or may be used by CRRA to (i) process or dispose of Acceptable Solid Waste or (ii) recycle Acceptable Recyclables.

“Waste Hauler” means a Person (including a “collector,” as defined in Section 22a-220a(g) of the General Statutes), deriving its main source of income from the collection, transportation or disposal of waste.

“Watertown Transfer Station” means the Transfer Station owned by CRRA and located on Echo Lake Road, Watertown, Connecticut, 06795.

“White Metals” means large appliances or machinery, refrigerators, freezers, gas/electric stoves, dish washers, clothes washers and dryers, microwaves, copiers, computers, vending machines, air conditioners, industrial equipment and venting hood fans, and any other material deemed by CRRA in its sole discretion to be White Metals.

EXHIBIT B

**MID-CONNECTICUT PROJECT PERMITTING, DISPOSAL AND BILLING
PROCEDURES**

EXHIBIT C

DELIVERY PERIODS; SCHEDULED DELIVERIES; DELIVERY CAPS

The first Contract Year, and each calendar quarter of each Contract Year following the first Contract Year shall constitute a Delivery Period, as listed in Table 1 below. During each Delivery Period, the Municipality shall deliver or cause to be delivered to the Designated Waste Facility (in Tons), at least the pertinent Scheduled Deliveries and shall not exceed the pertinent Delivery Cap, as listed in Table 1. It is acknowledged by the Parties that the Scheduled Deliveries have been mutually agreed to by the Municipality and by CRRA.

Table 1

Delivery Period for the First Contract Year

Delivery Period	Scheduled Deliveries	Delivery Cap
November 16, 2012, through March 31, 2013		
April 1, 2013, through June 30, 2013		

Delivery Periods for each Contract Year after the First Contract Year

Delivery Period	Scheduled Deliveries	Delivery Cap (Tons)
1. July 1 – September 30		
2. October 1 – December 31		
3. January 1 – March 31		
4. April 1 – June 30		

EXHIBIT D

DESIGNATED WASTE FACILITY

Designated Waste Facility: _____

EXHIBIT E

TRANSFER STATION FUEL SURCHARGE

CRRA shall determine the Transfer Station Fuel Surcharge (if any) as part of its Budget process for each Contract Year, commencing with Contract Year 2. Commencing with Contract Year 2, CRRA shall assess the Transfer Station Fuel Surcharge during each Contract Year in which the average price of diesel fuel (the “ADP”) for the immediately-preceding calendar year (the “Annual Period”), exceeds the reference price of \$5.00 per gallon (the “RP”), calculated as the average of the Northeast Urban Automotive Diesel Fuel (Series ID Number APU010074717) for the Annual Period, as published monthly by the U.S. Department of Labor, Bureau of Labor Statistics, or a mutually agreeable alternative index if such index is no longer published or the method of computation thereof is substantially modified.

For each \$0.10 increase (or portion thereof) that the ADP exceeds \$5.00 per gallon, the Transfer Station Fuel Surcharge shall equal \$0.065 (or portion thereof, rounded to the next-highest whole cent), pursuant to the following formula:

$$\text{Transfer Station Fuel Surcharge} = (0.065) \frac{(\text{ADP} - \text{RP})}{(0.10)}$$

EXAMPLE

Assume that the ADP for the prior Annual Period is \$6.00 per gallon.

$$\text{ADP} = \frac{(0.065) \times 1.00}{0.10}$$

$$\text{ADP} = \$0.65 \text{ cents per Ton}$$