

REAL PROPERTY LEASE

This **REAL PROPERTY LEASE** dated as of June 8, 1995, 1995, by and between the **TOWN OF NEWTOWN**, a municipality and political subdivision of the State of Connecticut (hereinafter the "Lessor") acting by and through its municipal authority to grant an interest in property, and **HOUSATONIC RESOURCES RECOVERY AUTHORITY**, a regional resources recovery authority created pursuant to the provisions of Chapter 103b of the Connecticut General Statutes (hereinafter the "Lessee").

W I T N E S S E T H:

WHEREAS, the Lessor owns a certain parcel of real property adjacent to its landfill at 199 South Main Street (which parcel is hereinafter referred to as the "Landfill Site"), and, within said Landfill Site, has designated two parcels of real property containing in the aggregate, approximately 9,565 square feet of area, which parcels are more fully described on Exhibit A attached hereto and made a part hereof (the designated parcels and all improvements thereon, including, without limitation, the Transfer Station to be constructed thereon are hereinafter referred to as the "Premises"); and

WHEREAS, the Lessor and the Lessee are parties to a certain Municipal Waste Disposal Agreement dated as of October 21, 1991 (the "MWDA") pursuant to which the Lessor has agreed, beginning on July 1, 1993, to cause all Acceptable Waste (as defined therein) to be delivered to the Lessee, and the Lessee has agreed, beginning on July 1, 1993, to cause such Acceptable Waste to be disposed of in accordance with the provisions of a certain Waste Supply and Disposal Agreement by and between it and **WHEELABRATOR ENVIRONMENTAL SYSTEMS INC.** ("WES") dated as of October 23, 1991 and amended and restated as of July 1, 1993, (the "Waste Supply and Disposal Agreement"), a copy of which is attached hereto as Exhibit B and made a part hereof; and

WHEREAS, the Waste Supply and Disposal Agreement, as amended, provides among other things, that WES shall, during the term of the Waste Supply and Disposal Agreement, construct, operate and maintain a transfer station in the Town of Newtown on a site provided by the Lessee (the "Transfer Station") for the purpose of accepting Acceptable Waste generated within the boundaries of the Town of Newtown and the Town of Brookfield, and, in the event of an emergency or other temporary unavailability of another transfer station or transfer stations in the System (as defined in the MWDA), from other Participating Municipalities (as defined in the Waste Supply and Disposal Agreement) during such emergency or other temporary unavailability; and

WHEREAS, the Lessor desires to lease the Premises to the Lessee and the Lessee desires to lease the Premises from the Lessor for the purpose of providing the Premises to WES as a site for said Transfer Station; and

WHEREAS, the Lessee has purchased from the Lessor on the date hereof by a separate instrument the truck scales presently located within the Premises (the "Scales").

NOW THEREFORE, in consideration of the foregoing premises, and the mutual considerations, covenants and promises contained herein, the Lessor and Lessee, intending to be legally bound, do hereby agree as follows:

1. Lease of Premises. Upon and subject to the conditions and limitations set forth below, the Lessor leases the Premises to the Lessee, and the Lessee leases the Premises from the Lessor for a term commencing on the date hereof and continuing until the expiration or termination of the MWDA as contemplated in Section 6.06 thereof. The Lessor shall immediately notify the Lessor in writing of the termination of, or of any event that with the giving of notice or lapse of time may result in a termination of the MWDA. For the purposes hereof, the Premises shall include (a) the real property described on Exhibit A, (b) any improvements, fixtures, equipment and installations located thereon, (c) the right to use all rights-of-way, licenses, servitudes, easements, existing utility connections, ancillary facilities, rights and appurtenances benefitting such land, including without limitation the right to ingress to and egress from the Premises over existing access roads on the Landfill Site to the north and west of the Premises leading to Ethan Allen Road as described on Exhibit A (provided however, that ingress and egress shall not include access through the Lessor's Public Works Garage on Turkey Hill Road) and, during the construction of the Transfer Station, with the consent of the Lessor, not to be unreasonably withheld or delayed, to use space near or adjacent to the Premises for the purpose of staging and storing construction supplies and equipment and installing and using temporary utility lines and water pipes as may be reasonably necessary or convenient for such construction, (d) the exclusive right to use the parking area described on Exhibit A (the "Parking Area") and the non-exclusive right to use and construct connections with the utility lines, pipes, septic tanks, and similar facilities serving the Premises described on Exhibit A, (the Lessor may, without interrupting Lessee's parking privileges, redesignate another appropriate location adjacent to the Premises reasonably satisfactory to the Lessee as the "Parking Area" upon 65 days prior written notice to the Lessee), (e) the right to have access to, and to conduct testing and take samples from, all groundwater monitoring wells located on the Landfill Site on the date hereof, and (f) the right to install two additional groundwater monitoring wells at such locations on the Landfill Site as the Lessee shall reasonably request and to have access to, and to conduct testing

and take samples from, such wells. The Lessor shall provide to the Lessee a key to all wells referred to in the foregoing clause (e) and the Lessee shall provide to the Lessor a key to all wells referred to in the foregoing clause (f), and the Lessor and the Lessee shall provide each other with copies of all data, reports or studies based on testing and sampling from such wells promptly after such data, reports or studies have been received by either of them.

2. Rent. The Lessee shall pay to the Lessor, for the term of the Lease, One Dollar (\$1.00), receipt and the adequacy of which is hereby acknowledged by the Lessor. The Lessor also acknowledges that by its participation in the System, of which the Transfer Station is an integral part, it will be receiving substantial benefits as generally set forth in the MWDA.

3. Warranty of Quiet Enjoyment. The Lessee shall have peaceful and quiet possession of the Premises during the term hereof without hindrance from the Lessor or any party claiming by, through or under the Lessor.

4. Maintenance and Repairs. The Lessor shall be under no obligation pursuant to this Lease to perform any repairs or maintenance work on the Premises and the Transfer Station, provided, however, that the Lessor shall be responsible for all maintenance and repairs, including without limitation snow plowing, of (a) all common ingress and egress areas and access roads from Ethan Allen Road to the Premises and (b) all utility lines and septic tanks serving the Premises. The Lessee may, but shall have no obligation to, perform any obligation of the Lessor should the Lessor fail to do so after receiving notice of such obligation. The Lessor shall reimburse the Lessee for any expenditures reasonably incurred by the Lessee in so doing. Lessee agrees that it shall require WES to maintain the Transfer Station, including without limitation the Scales it acquires from the Lessor and the paved areas located on the Premises, in good repair and working condition, reasonable wear and tear excepted, throughout the term of this Lease.

5. Use of the Premises for the Construction, Operation and Maintenance of Transfer Station. During the term hereof the Lessee shall use the Premises to construct, operate and maintain, or to cause WES and/or its employees, agents and assigns, to construct, operate and maintain a transfer station, as defined in Section 22a-107(10) of the Connecticut General Statutes, for the purpose of accepting Acceptable Waste generated within the boundaries of the Town of Newtown and the Town of Brookfield, and, in the event of an emergency or other temporary unavailability of another transfer station or transfer stations (which are or had been constructed and operating in the System prior to such temporary unavailability), from other Participating Municipalities during such emergency or other temporary unavailability (not to exceed a period of one

continuous year with respect to a particular emergency or Transfer Station unavailability), in material compliance with the terms of the Waste Supply and Disposal Agreement (which shall be amended by Lessee in any manner that results in a change to the construction, operation or maintenance of the Station without the prior written approval of the Lessor of all applicable local, state and federal laws and regulations, any of which, after notice by the Lessor to the Lessee, shall be cause for the Lessor to terminate the Real Property Lease. The Lessee shall submit to the Lessor for its prior written approval the design and specifications for the Transfer Station, the approval of which shall not be unreasonably withheld or delayed by the Lessor.

Cause to terminate

The Lessee, or WES, shall operate the Scales for the purpose of weighing tonnage of Acceptable Waste delivered to the Transfer Station and, for that purpose, may utilize the structure on the Landfill Site, adjacent to the Premises, known as the "Scalehouse", in which the Lessor's landfill personnel previously monitored the landfill Scales. The Lessee shall be entitled to share the office area and the bathroom in the Scalehouse with the Lessor's personnel who shall use the Scalehouse to operate the Lessor's recycling center located adjacent to the Premises on the Landfill Site. Each of the Lessor and the Lessee or WES shall reasonably cooperate with one another to insure that its activities do not unreasonably interfere with the activities of the other party at the Scalehouse. Each party shall share equally in the cost of utilities provided to the Scalehouse, including electricity, water, septic, security, and janitorial services and supplies. The Lessee shall separately meter the utilities used in the Transfer Station and shall pay the cost thereof directly to the utility companies supplying such service. The Lessor and the Lessee shall maintain their own separate telephone service at the Scalehouse.

Notwithstanding the provisions of Section VII(2) of the Waste Supply and Disposal Agreement which contemplate both (a) a larger site than the Premises leased hereunder and (b) provision for Newtown Citizen Drop-Off service at the site of the transfer station contemplated on the larger site, no resident dropoff service of any kind shall be allowed at the Transfer Station on the Premises, it being contemplated that the Lessor shall conduct such services for its residents on such areas of the adjacent Landfill Site as it shall deem appropriate from time to time, using roll-off container(s) supplied by WES.

6. License to WES and Subcontracting. The Lessor hereby grants to the Lessee the right and authority to assign this Real Property Lease to WES or grant to WES the use and possession of the Premises as the Lessee may determine in its discretion in accordance with the terms of the Waste Supply and Disposal

Agreement, as amended, and upon such assignment or grant, WES shall be entitled to all of the rights and be subject to all of the obligations of the Lessee hereunder, provided however, that (i) WES must obtain the prior approval of the Lessee, which approval will not be unreasonably withheld, of any subcontractor to which WES shall subcontract the operation of the Transfer Station and (ii) the Lessor shall have the right to conduct inspections of the Transfer Station at its discretion during regular business hours.

7. Environmental Testing. Lessee has engaged a firm of environmental engineers acceptable to Lessor for the purpose of performing a complete environmental evaluation of the Premises, and such further analysis of the Transfer Station as Lessee deems prudent. Lessee hereby agrees to provide, or to cause WES to provide to Lessor prior notice of and to observe any testing upon the Premises in connection with such environmental evaluation. The purpose of the evaluation is to determine whether the Premises, including subsurface soils and water, contains any oil, petroleum products, Hazardous Waste or Biomedical Waste (as hereinafter defined). Lessor hereby consents to the entry of the environmental engineers to the Premises, and the taking of soil and water samples, necessary or convenient to the completion of the evaluation.

"Biomedical Waste" means any material or waste which is classified as a biomedical waste as defined in Connecticut General Statutes 22a-207, as replaced, amended, expanded or supplemented, and any infectious waste, pathological waste and chemotherapy waste, or any waste regulated, 40 CFR Part 259, pursuant to the Medical Waste Tracking Act as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder.

"Hazardous Waste" means any material or substance that is (i) regulated as a toxic or hazardous waste as defined under either Subtitle C of the Solid Waste Disposal Act, 42 U.S.C. §§6921-6939a, or Section 6(e) of the Toxic Substances Control Act, 15 U.S.C. §2605(e), as replaced, amended, expanded or supplemented, or defined as a hazardous substance in the Comprehensive Environmental Response, Compensation and Recovery Act, 42 U.S.C. §9601(14), and any rules or regulations promulgated thereunder, or under Connecticut General Statutes §22-a-115(1), as replaced, amended, expanded or supplemented, and any rules or regulations promulgated thereunder, (ii) specific nuclear or by-products materials within the meaning of the Atomic Energy Act of 1954; or (iii) toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous either separately or in combination with any substance or substances, or becomes restricted or regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state, or any political subdivision thereof.

The cost of the initial evaluation of the Premises, including the taking of initial soil and water samples and analyzing their contents (the "Phase I Evaluation") shall be paid by Lessee. Lessee shall inform Lessor of any follow-up testing and evaluation ("Phase II Evaluation") that Lessee believes to be warranted based upon the results of the Phase I Evaluation. The cost of the Phase II Evaluation, if any, and any further evaluation shall be paid by Lessee. Follow-up testing and evaluation (if any) warranted by the results of the Phase II Evaluation and any subsequent evaluations shall be handled in the same manner.

8. Environmental Remediation. Lessor shall, promptly upon the completion of the environmental evaluation described in Section 7, and at its expense, commence the remediation of any environmental problem or risk associated with any finding of Hazardous Materials, Biomedical Waste, oil or petroleum products detected by such evaluation as may be required by applicable law and pursue the remediation of the environmental problems diligently to completion, including, but not limited to, the cleanup of any existing release and the prevention of any release or threat of release of oil, petroleum products, Hazardous Waste or Biomedical Waste from the Premises. Lessor shall promptly commence the environmental remediation called for in response to the evaluation conducted pursuant to Section 7 and diligently prosecute such remediation to completion.

9. Demolition and Alteration of Improvements. The Lessee may make and may allow WES to make structural and other changes, additions or alterations to the Premises only upon the prior written consent of Lessor, which consent will not be unreasonably withheld or delayed. The Lessor will promptly take any reasonable action requested by Lessee that is necessary or desirable for Lessee or WES to secure any permit, governmental approval or license necessary to operate, construct, modify, alter, enlarge, reconstruct or make additions to the Transfer Station or to perform the activities described or contemplated under the Waste Supply and Disposal Agreement, as amended, or the MWDA. Lessee shall or shall cause WES to reimburse Lessor for its reasonable expenses incurred in connection with such requested action.

10. Ownership of Improvements. The Lessee or WES shall at all times have and retain title to the Transfer Station and all improvements thereto erected by or on behalf of the Lessee or WES on the Premises.

11. Cooperation with Lessee. The Lessor shall promptly take any action reasonably requested by the Lessee that is necessary or desirable for the Lessee or WES to secure any permit, license or governmental approval necessary or desirable to perform the activities or uses described or contemplated by or on behalf of any of them under this Lease, the Waste Supply and Disposal Agreement or the MWDA, including without limitation (either express or

implied) permits, licenses or governmental approvals necessary to design, construct, equip, operate and maintain the Transfer Station. The Lessor shall also promptly execute confirmations of this Lease, provide information in its control regarding the Transfer Station and take all other similar action requested by the Lessee in connection with Lessee's or WES's performance of their obligations under the Waste Supply and Disposal Agreement or the MWDA.

12. Surrender of Transfer Station. On or before the last day of the term of this Lease, Lessee shall, or shall cause WES to, (a) peaceably and quietly leave, surrender, and yield up to Lessor the Premises, including the Transfer Station and the Scales in good working condition, reasonable wear and tear excepted, and (b) execute such instruments as are necessary and appropriate to convey title of the Transfer Station and the Scales to the Lessor. In the event that the Waste Supply and Disposal Agreement is terminated for any reason prior to its scheduled expiration, the Lessor shall have the right (1) to purchase the Transfer Station and the Scales from the Lessee or WES, as the case may be, for the cost thereof, depreciated on a straight line basis over 20 years from the date of completion of construction or purchase, as the case may be, or (2) to require the Lessee to remove the Transfer Station and the Scales from the Premises at the Lessee's expense.

13. Insurance. Lessee, at its expense and at all times during the term of this Real Property Lease, shall maintain or cause to be maintained by WES insurance in respect of the Premises and the Transfer Station as the Lessee or WES deems commercially prudent in light of the activities being conducted by the Lessee or by WES at the Transfer Station to the extent available on commercially reasonable terms, provided however that such coverage shall include coverage and limits not less than as follows:

(a) Workers Compensation Insurance in compliance with the statutes of the State of Connecticut which has jurisdiction over employees engaged in the performance of services at the Transfer Station, and employer's liability with a limit of Five Hundred Thousand Dollars (\$500,000.00) and waiver of subrogation to the Town of Newtown;

(b) Comprehensive General Liability Insurance with a minimum combined single limit of Two Million Dollars (\$2,000,000.00) including the broad form property damage endorsement;

(c) Automobile Liability Insurance (owned, non-owned or hired units) minimum combined coverage limit of One Million Dollars (\$1,000,000.00);

(d) Umbrella Liability not less than Five Million Dollars (\$5,000,000.00).

Lessee will cause WES to furnish the Lessor with Certificates of Insurance as evidence that policies providing the required coverages and limits are in full force and effect. Such policies shall name Lessee and Lessor as additional insureds and shall provide that no less than thirty (30) days advance notice of cancellation, termination or alteration shall be sent directly to WES, Lessee and the Lessor.

Lessor, at its expense and at all times during the term of this Real Property Lease, shall maintain insurance in respect of the Landfill Site, including, without limitation, the Scalehouse, as the Lessor deems commercially prudent as contemplated above, provided that such coverage shall include coverage and limits not less than as set forth in (a), (c) and (d) above and not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) in the aggregate for Comprehensive General Liability Insurance, including broad form property damage endorsement. Certificate and cancellation provisions with respect to such insurance maintained by the Lessor shall be as set forth above for the Lessee and WES.

14. Waiver of Subrogation. The Lessor hereby waives its right of subrogation and any and every claim for recovery from the Lessee for any and all loss or damage to the Lessor resulting from this Lease and the occupancy of all or any portion of the Premises by the Lessee which loss or damage is covered by insurance maintained by the Lessee or by WES pursuant to Section 13 to the extent that such loss or damage is recoverable under such policies of insurance.

15. Assignment and Underletting. Except as set forth in Section 6 hereof, Lessee shall not sublet or assign all or part of this Lease without the consent of Lessor.

16. Other Provisions.

Notices. All notices, requests, demands, approvals, terminations, notice of default, or other communications required or permitted hereunder ("notices") shall be in writing and shall be sent by telecopier, cabled or delivered by hand or sent by registered or certified mail, return receipt requested, postage prepaid or by Federal Express or similar overnight delivery service that provides confirmation of receipt, to the Lessor or the Lessee at their respective addresses as set forth below:

If to the Lessor:

TOWN OF NEWTOWN
TOWN HALL
45 MAIN STREET
NEWTOWN, CONNECTICUT 06470
Attention: First Selectman

If to the Lessee:

HOUSATONIC RESOURCES RECOVERY AUTHORITY
OLD TOWN HALL, ROUTES 133 & 25
BROOKFIELD, CONNECTICUT 06804

Attention: Executive Director

with a copy to:

WHEELABRATOR ENVIRONMENTAL SYSTEMS INC.
LIBERTY LANE
HAMPTON, NEW HAMPSHIRE 03842

Attention: General Counsel

Any party may, by notice, change its address for all subsequent notices. Notices shall be deemed to have been given when delivered or when delivery is refused. Notices provided by telecopier shall also be sent by registered mail, Federal Express or similar overnight delivery service on the date that the telecopier notice is sent. Attorneys for a party may provide notice on behalf of the party.

16.1. Recording. Upon the request of either party, a Notice of Lease prepared, executed, attested and acknowledged as contemplated in Conn. Gen. Stat. §47-19 shall be recorded in the Land Records of the Town of Newtown, Connecticut. The party that requested recordation shall pay all costs, expenses, charges, and taxes paid to any third party in connection with the recordation of such memorandum of this Lease except attorneys' fees.

16.2. Indemnification.

(a) The Lessor hereby releases the Lessee and WES and their officials, members, officers, agents and employees (collectively, the "Lessee Indemnified Parties") from, agrees that the Lessee Indemnified Parties shall not be liable for, and agrees to defend, indemnify and hold the Lessee Indemnified Parties harmless from and against any and all (i) liability to third parties for loss or damage to property or injury to or death of any and all persons that may be occasioned by, directly or indirectly, the negligence or willful misconduct of the Lessor (except that Environmental Liability as herein defined shall be based upon a

strict liability standard pursuant to paragraph (d)), or (ii) liability arising from the Lessor's performance of its obligations hereunder, and all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing; provided that any such losses, damages, liabilities or expenses of any of the Lessee Indemnified Parties are not incurred by reason of or do not result from the gross negligence or willful misconduct of such Lessee Indemnified Party.

(b) The Lessee hereby releases the Lessor and its officials, officers, agents and employees (collectively, the "Lessor Indemnified Parties") from, agrees that the Lessor Indemnified Parties shall not be liable for, and agrees to defend, indemnify and hold the Lessor Indemnified Parties harmless from and against any and all (i) liability to third parties for loss or damage to property or injury to or death of any and all persons that may be occasioned by, directly or indirectly, the negligence or willful misconduct of the Lessee (except that Environmental Liability as herein defined shall be based upon a strict liability standard pursuant to paragraph (d)), or (ii) liability arising from the Lessee's performance of its obligations hereunder, and all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing; provided that any such losses, damages, liabilities or expenses of any of the Lessor Indemnified Parties are not incurred by reason of or do not result from the gross negligence or willful misconduct of such Lessor Indemnified Party.

(c) The obligations of the Lessee and Lessor pursuant to this section shall remain in full force and effect after the termination of this Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by any of the Lessee Indemnified Parties or Lessor Indemnified Parties relating to the enforcement of the provisions herein specified.

(d) As used in paragraphs (a) and (b), "loss of damage to property" includes liability or potential liability arising as a result of the application of any law, rule, regulation, interpretation or order of any federal, state or local agency related to the protection of the environment (air, water, land) and suits by third parties seeking contribution, protection and/or to enforce any law, rule, regulation, interpretation or order of any federal, state or local agency related to the protection of the environment (air, water, land) ("Environmental Liability"). The limitation of time for commencing legal action set forth in paragraph (c) shall not apply to Environmental Liability.

Indemnification for Environmental Liability will be made on the same terms and conditions as set forth in Section 17.3(a) and (b). except that indemnification for Environmental Liability, (1) will be available on a strict liability basis and regardless of negligence (or lack of same) on the part of the person for whom the indemnity is sought or any third party; (2) will be available to Lessee and WES for any release or threat of release of oil, petroleum products, Hazardous Waste or Biomedical Waste present at the Premises on or before the term of this Lease or for any release or threat of release of oil, petroleum products, Hazardous Waste or Biomedical Waste caused by the Lessor as a result of its joint use of the Transfer Station, and for any Environmental Liability occurring as a result of contamination of the Premises arising as a result of an occurrence of an off-site release or discharge of oil, petroleum products, Hazardous Waste or Biomedical Waste, regardless of when the release occurred; (3) will be available to Lessor for any release or threat of release of oil, petroleum products, Hazardous Waste or Biomedical Waste from the Premises deposited at the Transfer Station after the commencement of the term of this Lease caused by Lessee, the Collectors (defined in the MWDA) (other than collectors operating on behalf of the Lessor or the Lessor, if it is a Collector) or WES or its agents and employees; and (4) shall include consequential damages and lost profits awarded to third parties against the indemnified party, but shall not include consequential damages or lost profits of the indemnified party (other than the consequential damages specifically described in this paragraph).

(e) There shall be no indemnification available for attorneys' fees pursuant to paragraph (a) or (b) for Environmental Liability unless the party seeking indemnification provides the party against whom indemnification is being sought prompt notice of the commencement of any civil, criminal or administrative proceeding relating to such an actual or threatened release and an opportunity to participate in the defense of such proceeding.

(f) Prior to assigning this Lease to WES, or granting WES the right to use and occupy the Premises, Lessee shall obtain a release and indemnification from WES in favor of Lessor and Lessee in the same form and subject to the same terms as the indemnification granted by Lessee to Lessor in this Section 17.3.

16.3. No Waiver. No failure by Lessor or Lessee to insist upon the performance of any covenant, agreement, provision, or condition of this Lease or to exercise any right or remedy upon a default hereunder shall constitute a waiver of any such default or of such covenant, agreement, provision or condition. No waiver of any default shall affect or alter this Lease, but each and every covenant, agreement, provision and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default hereunder.

16.4. Construction of Language of Lease.

(a) This Lease shall be construed and enforced in accordance with the laws of Connecticut. All provisions of this Lease shall be construed to be "conditions" and "covenants" as though language specifically expressing or imposing covenants and conditions were used in each separate provision of this Lease.

(b) The parties hereto covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals contained in this Lease shall be construed as covenants running with the land, and as extending to, inuring to the benefit of, and being binding upon the Lessor and Lessee and their successors and assigns, to the same extent as if the said successors and assigns were named herein as original parties to this Lease all to the end that this Lease shall always bind the owner and holder of any interest whatsoever in or to the Premises.

(c) Words of any gender used in this Lease shall be held to include any other gender. Words in the singular number shall be held to include the plural, and words in the plural shall be held to include the singular. Capitalized terms used herein and not specifically defined shall have the meaning ascribed to them in the Solid Waste Supply and Disposal Agreement.

16.5. Amendment; Entire Agreement. This Lease cannot be terminated, changed, modified, amended or waived except by a written instrument signed by the party against whom enforcement of the termination, change, modification, amendment or waiver is sought. This Lease contains the entire agreement between the parties concerning the lease of the Premises by the Lessor to the Lessee and is intended by the parties to be an integration of all lease agreements between them concerning the Premises and the Transfer Station.

16.6. Partial Invalidity. If any term, covenant, condition or provision of this Lease (other than the warranty of quiet enjoyment) or the application thereof to any person or circumstance is determined, at any time or to any extent, to be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law, provided that the Lessee and Lessor shall thereupon negotiate in good faith and agree as to such amendments, modifications or supplements of or to this Lease as shall, to the maximum extent practicable in light of such termination, implement and give effect to the intentions of the parties as reflected herein and to place the parties in substantially the same position

the parties would be in if such provision were then valid and enforceable.

16.7. Representations of Lessor. The Lessor hereby makes the following representations and warranties to and for the benefit of the Lessee:

(a) The Lessor has full legal rights, power and authority to enter into and perform its obligations under this Lease.

(b) The Lessor has duly authorized the execution and delivery of this Lease and this Lease has been duly executed and delivered by the Lessor and constitutes a legal, valid and binding obligation of the Lessor, enforceable against the Lessor in accordance with its terms.

(c) Neither the execution or delivery by the Lessor of this Lease, nor the performance by the Lessor of its obligations in connection with the transactions contemplated hereby, nor the fulfillment by the Lessor of the terms or conditions of this Lease (i) conflicts with, violates or results in a breach of any applicable law, or (ii) conflicts with, violates or results in a breach of any term or condition of any judgment or decree, or any agreement or instrument, to which the Lessor is a party or by which the Lessor or any of its properties or assets are bound or constitutes a default thereunder or (iii) will result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever.

(d) There is no action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the best of the Lessor's knowledge, threatened against the Lessor, wherein an unfavorable decision, ruling or finding would materially adversely affect the performance by the Lessor of its obligations hereunder or in connection with the transactions contemplated hereby, or which, in any way, would adversely affect the development, construction or operation of the Transfer Station, or the validity or enforceability of this Lease.

(e) Lessor has not filed nor has it been required to file any reports of oil, petroleum products, Hazardous Waste or Biomedical Waste found or disposed in, on or under the Transfer Station with any federal, state or local agency. Lessor knows of no oil, petroleum products, Hazardous Waste or Biomedical Waste on the Premises and has no reason to believe that any oil, petroleum products, Hazardous Waste or Biomedical Waste is located on the Premises. The Premises are not an "establishment" as defined in Conn. Gen. Stat. §22a-134, nor are any underground storage or treatment tanks located on the Premises. True and complete copies of all environmental reports, assessments, studies or analyses concerning the Premises of which Lessor is aware have previously

been delivered to Lessee and are identified on Exhibit C. To its knowledge, the Lessor has not been identified by the Connecticut Department of Environmental Protection or the United States Environmental Protection Agency or any other regulatory agency as a potentially responsible party with respect to any contaminated site.

(f) Under all applicable zoning, subdivision or planning laws, rules, regulations and pronouncements the Premises are zoned R-1. Under such applicable zoning, subdivision or planning laws, the uses of the Premises as a Transfer Station by the Lessee which are described or contemplated (both expressly and impliedly) herein are a valid and authorized use of the Premises and will not require any study, report, contribution, application to or approval, waiver, permit or license from any local, state or federal agency which has not already been obtained and in full force and effect as to any zoning or land use matter including, without limitation, boundaries, lot size, location, project height, parking and access. There is no action pending or threatened which would in any way impair the Lessee's use of the Premises as a Transfer Station as described or contemplated (both expressly and impliedly) herein under existing zoning laws, rules, regulations and pronouncements.

(g) The Lessor is the fee owner of the Premises subject to no liens, mortgages, easements, rights-of-way or other encumbrances except as appear of record.

(h) The Lessor has not received any notices, letters, citations, warnings or complaints from any agency, political subdivision, private citizen or citizens' group relating to matters described or discussed in paragraphs (c) through (f) above.

The Lessor shall indemnify and hold the Lessee Indemnified Parties harmless from and against any and all liability, loss, cost, damage, injury, death, causes of action, attorneys' fees and any other expense incurred as a result of any of the foregoing representations being false or untrue.

16.8. Non-Merger. There shall be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the property by reason of the fact that this Lease, the leasehold estate created by this Lease, or any interest in this Lease or in any such leasehold estate, may be held, directly or indirectly, by or for the account of any person who shall own the fee estate in the property or any interest in such fee estate, and no such merger shall occur unless and until all persons at the time having an interest in the fee estate in the Premises and all persons having an interest in this Lease, or in the leasehold estate created by this Lease, shall join in a written instrument effecting such merger and shall duly record the same.

IN WITNESS WHEREOF, as of the day and year first above written, Lessor and Lessee have duly executed this Transfer Station Lease.

WITNESSES:

Carol Moss
Marie S. Sturdevant

LESSOR:

TOWN OF NEWTOWN

By: [Signature]
1st Selectman

WITNESS:

LESSEE:

HOUSATONIC RESOURCES RECOVERY AUTHORITY

By: [Signature]
William T. Stuart,
Chairman

[Signature]
Robert C. Palmer
[Signature]
Ruth B. Burr

STATE OF CONNECTICUT)
COUNTY OF Fairfield)

ss: Notary

Before me, the undersigned, on this 7th day of June, 1995, personally appeared Robert Cassella known to me to be the 1st Selectman of the Town of Newtown, a municipality and political subdivision of the State of Connecticut, and the signer and sealer of the foregoing instrument, who acknowledged the execution of the same to be his/her free act and deed individually, and the free act and deed of said Town of Newtown.

[Signature]
Notary Public
Commissioner of the Superior Court

[Notary Seal]

NOTARY PUBLIC
MY COMMISSION EXPIRES
JULY 31, 1996

STATE OF CONNECTICUT)
COUNTY OF Fairfield)

ss: Fairfield

Before me, the undersigned, on this 7th day of June, 1995, personally appeared William T. Stuart, known to me to be the Chairman of Housatonic Resources Recovery Authority, a regional resources recovery authority created and existing under the provisions of Chapter 103b of the Connecticut General Statutes, and the signer and sealer of the foregoing instrument, who acknowledged the execution of the same to be his free act and deed individually, and the free act and deed of said Housatonic Resources Recovery Authority.

Ruth B. Burr

Notary Public
Commissioner of the Superior Court

[Notary Seal]

RUTH B. BURR
NOTARY PUBLIC

MY COMMISSION EXPIRES OCT. 31, 1995